

*Sir L. West to the Marquis of Salisbury.—(Received March 15.)*

My Lord,

*Washington, March 1, 1887.*

IN consequence of the action of the House of Representatives in passing the Retaliatory Bill, as reported in my despatch of the 24th ultimo, a conference was appointed upon the disagreeing votes, and the Report of the Managers on the part of the Senate of the Conference was read to that body on the 28th ultimo.

The irreconcilable point of difference, says the Report, on the part of the two Houses is the insistence on the part of the House Managers upon adding to the scope of the Senate Bill and so going beyond it the further provision that in case of injurious treatment to American vessels in British North American waters, it shall be within the competence of the President to absolutely stop intercourse, not only by water, but by land, between the people of the United States and the people of the British territories adjacent, thus cutting off the continuous movement of railway trains from the British provinces to any part of the United States, and, in effect, reciprocally from the United States to the British dominions at all places where there now exist interior railroad lines crossing the boundaries of the two countries, in some cases operated and practically owned by British subjects, and in other cases by American citizens. The Senate Managers have felt it to be a duty to decline to go to this extent. It seems clear to them, and has not been controverted by the House Managers, that the things the President is authorized to do by the Senate Bill in the cases named are none of them in derogation, either directly or indirectly, of any Treaty right or of the peaceful business intercourse of nations, but that the Government in these respects is absolutely free to act in the manner proposed without being subject to the imputation that it is either in any way infringing the most liberal interpretation of any Treaty, or doing any act that nations at peace have not hitherto found themselves from time to time justified in doing, not in a spirit of belligerency, but merely as a matter of countervailing business regulations.

The result of the conference, therefore, has been that the House of Representatives declines to accept the Senate Bill unless provisions are made which the Senate believes to be unwise.

The Report concludes by laying down the principle upon which the two Houses have hitherto acted, namely, that when either House proposes legislation that is satisfactory to the other as far as it goes, and the other House desires to go further and make affirmative and additional law, if it cannot convince its co-ordinate body that it is desirable to go further, the House proposing the affirmative additional legislation must recede.

The pretension, therefore, of the House in the present case is quite untenable.

I have the honour to inclose to your Lordship herewith a précis of Senator Morgan's speech on the Report of the Senate Managers of the Conference.

I have, &c.

(Signed) L. S. SACKVILLE WEST.

Inclosure in No. 63.

*Précis of Senator Morgan's Speech on the Senate Managers' Report on the Retaliatory Bills.*

SENATOR MORGAN said that the only difficulty in coming to a final arrangement was the apprehension of the Senate Conferees that the proposition submitted by the House would lead to a belligerent conflict with an existing Treaty between Great Britain and the United States. There was no agreement between the two countries in respect to commercial rights except under statute and legislation, and in one particular under Article XXIX of the Treaty of Washington, and it was clearly the duty of the Senate to consider the question whether the proposition of the House was a violation of that Treaty, or whether it might be considered as a threat of the violation of it.

The Committee cannot sanction the proposition.

It is said that the Administration is in favour of it, but he could scarcely think that, in view of the power conferred on the President by the Senate Bill, the Administration sought also the power to prohibit intercourse between the United States and the people of Canada. He could not, he said, conceive any act of legislation or any act of