

"In case of every claim, the official correspondence which has already taken place between the two Governments respecting the question at issue shall be laid before the Commissioners, and in the event of their not coming to a decision thereupon, then before the Arbitrator: either Government may also submit further evidence and further argument thereupon, written or verbal."

Mr. Seward further proposes that in Article IX, eighteen months may be substituted for twelve months, because circumstances may arise which may delay the assignment of the necessary sums for the payment of the claims by the House of Representatives, as happened lately with regard to the payment to Russia for the Alaska territory.

Finally, Mr. Seward asks for a change of the second paragraph of Article XI which is merely consequent upon the change of the place of meeting of the Commission from London to Washington.

Should your Lordship be able to agree to these modifications, Mr. Seward has repeatedly assured me that the Senate are committed to the acceptance of the Convention so modified, and that he is convinced they will sanction it.

No. 22.

*Mr. Seward to Mr. Reverdy Johnson.—(Communicated to the Earl of Clarendon by Mr. Reverdy Johnson, December 22.)*

Sir, *Department of State, Washington, November 27, 1868.*

I HAVE received your despatch of the 10th of November, which is accompanied by a Convention which you signed with Lord Stanley, at London, on the 10th instant, for the settlement of all outstanding claims. Your despatch gives your reasons for assenting to the Convention, and especially to some of its provisions.

Having submitted these papers to the President, I am now to give you his directions concerning the matters thereby presented. In order to do this with greater perspicuity, I shall take notice of the several Articles contained in the Convention in their proper order.

Article I provides for the appointment of four Commissioners for the adjustment of mutual claims; two to be named by Her Britannic Majesty, and two by the President of the United States. In the event of any Commissioner omitting or ceasing to act, Her Britannic Majesty, or the President of the United States, as the case may be, shall name another person to act as Commissioner instead of the Commissioner originally named. Article I further provides that the Commissioners shall meet at London, and make and subscribe a solemn declaration therein prescribed. This declaration shall be entered of record. The Article further provides that the Commissioners shall then, and before proceeding to any other business, name some person to act as Arbitrator or Umpire, to whose final decision, save as otherwise provided in Article IV, shall be referred any claim upon which they may not be able to come to a decision.

If they should not be able to agree upon an Arbitrator or Umpire, the Commissioners on either side shall name a person as Arbitrator or Umpire, and in each and every case in which the Commissioners may not be able to come to a decision, the Commissioners shall determine by lot which of the two persons so named shall be Arbitrator or Umpire in that particular case. The person or persons so to be chosen as Arbitrator or Umpire shall make and subscribe the same solemn declaration which is prescribed to the Commissioners, and it is to be entered of record. In the event of the death, absence, incapacity, or failure of such Arbitrator or Umpire, another shall be named to act as Arbitrator or Umpire in the same manner as the person originally named.

In regard to this Article—

1st. I remark that we must require that it may be amended so as to provide that the Commissioners to be named on the part of the United States shall be named by the President, by and with the advice and consent of the Senate of the United States. It is not doubted that this ought to be, as it probably would be taken to be, the meaning of the Convention as it now stands. Nevertheless, with the view to avoid possible misapprehension, it is desirable that the Article should be amended so as to make the provision literally conform in this respect to the constitution of the United States. Of course Her Majesty's Government can have no objection to this amendment.