NORTH-WEST AMERICAN WATER BOUNDARY.

Second and Definitive Statement on behalf of the Government of Her Britannic Majesty.

1. THE Government of Her Britannic Majesty, in pursuance of Article XXXVI of the Treaty of Washington of 1871, have drawn up and now lay before His Majesty the Emperor of Germany, as Arbitrator, this their second and definitive Statement, in reply to the Memorial or Case presented in the name of the United States' Government by Mr. Bancroft.

2. The matter of Mr. Bancroft's Memorial (as far as it is of an argumentative character) may, for the purposes of the examination to which Her Majesty's Government propose here to subject it, be ranged in the following divisions :---

I. Mr. Bancroft assumes that at the date of the Treaty of 1846 the United States had a clear title to the whole Oregon district, up to the 49th parallel of latitude at least; represents the arrangement embodied in the Treaty as a pure concession on the part of the United States; and contends that the concession should consequently be confined within the narrowest limits.

II. He maintains that the object of the arrangement embodied in the Treaty was to secure to Her Majesty the whole of Vancouver's Island, and no more.

III. He adduces what he considers evidence to show that the construction now contended for by the United States was the admitted construction at the time of the making of the Treaty.

IV. He represents the Treaty as specially the work of Her Majesty's Government, and seems to suggest that they are consequently precluded from maintaining any construction of the Treaty not admitted by the other side.

V. He maintains that the language of the Treaty admits no interpretation but the American, and that it points to the Canal de Haro, and to that channel alone.

3. An examination of the arguments on these points, to be intelligible, must be accompanied by an historical explanation of the circumstances attendant on the Treaty. For that purpose many documents must be set out at length. It is, therefore, more convenient to present the explanation in the form of a separate paper. It is accordingly subjoined to this Statement as an Historical Note; and Her Majesty's Government beg that the Note, with the other papers appended to this Statement, may be taken as part thereof.

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Statement.