

to determine, if the case arises, the amount of compensation payable to the claimant.

After the before-mentioned paragraph, is inserted the penultimate paragraph of the signed Convention as well as Articles VII and VIII of the same.

Drawn in this shape Article II will, except as regard the passages inserted in *italics* and the fourth paragraph, nearly textually reproduce the corresponding Article of the Convention of 1853.

The remaining slight alterations in Articles IX and XI of the signed Convention are adopted.

It remains for me to say that Her Majesty's Government prefer the form of Convention to that of Protocol, as calculated to lead to an earlier settlement of the preliminary discussions between the two Governments. If a Protocol were adopted in the first instance its provisions would not be operative until it were embodied in a Convention; and the arrangement would require, as Her Majesty's Government understand the matter, to be twice submitted to the Senate for assent, whereby much time would be lost, with all the inconvenience of keeping open a question which necessarily attracts much attention, and of deferring the adjudication on claims in the early settlement of which so many subjects and citizens of the two countries are deeply interested.

I have only to add that, if the inclosed draft is accepted by Mr. Seward, Mr. Johnson might be authorized by telegraph to sign it, in which case it might be returned to Washington so as to admit of its being laid before the Senate by the middle of January, and pronounced upon by that body before the rising of the Congress on the 4th of March.

Her Majesty's Government will greatly rejoice if their first interchange of communications with the Government of the United States should be attended with a settlement of the complicated matters which forms the subject of my present despatch.

I am, &c.  
(Signed) CLARENDON.

Inclosure in No. 24.

*Draft of Convention between Great Britain and the United States of America, for the Settlement of all Outstanding Claims.*

WHEREAS claims have at various times since the exchange of the Ratifications of the Convention between Great Britain and the United States of America, signed at London on the 8th of February, 1853, been made upon the Government of Her Britannic Majesty on the part of the citizens of the United States, and upon the Government of the United States on the part of subjects of Her Britannic Majesty; and whereas some of such claims are still pending, and remain unsettled; Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, and the President of the United States of America, being of opinion that a speedy and equitable settlement of all such claims will contribute much to the maintenance of the friendly feelings which subsist between the two countries, have resolved to make arrangements for that purpose by means of a Convention, and have named as their Plenipotentiaries to confer and agree thereupon, that is to say:—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honourable George William Frederick, Earl of Clarendon, Baron Hyde of Hindon, a Peer of the United Kingdom, a Member of Her Britannic Majesty's Most Honourable Privy Council, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Her Britannic Majesty's Principal Secretary of State for Foreign Affairs;

And the President of the United States of America, Reverdy Johnson, Esquire, Envoy Extraordinary and Minister Plenipotentiary from the United States to Her Britannic Majesty;

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed as follows:—

#### ARTICLE I.

The High Contracting Parties agree that all claims on the part of subjects of Her Britannic Majesty upon the Government of the United States, and all claims on the part of citizens of the United States upon the Government of Her Britannic