

he had been unable to come to terms with the Russian Government, and enclosed a counter draft by Russian plenipotentiaries, in which 55 degrees was said to be acceptable if two points of land on Prince of Wales Island were also granted. Russia desired the mainland from the Portland Canal as far as the point of intersection of the 139th degree of longitude with the 60th of latitude. As compensation Russia was willing to open to the subjects of King George the free navigation of all the rivers which empty into the ocean within the said strip of land. But Sir C. Bagot pointed out that this proposal would deprive his Britannic Majesty of the sovereignty over those inlets and small bays which are to be found between 56° and $54^{\circ} 45'$ of latitude, many of which (as there is every reason to believe) communicate directly with the establishments of the Company of Hudson's Bay, and would consequently be of vital importance to its trade. It was to be observed that the reasons which led Russia to desire this *lisière* were purely commercial, and Count Nesselrode, writing to Count Lieven, pointed out in April, 1824, that if Prince of Wales Island remained Russian it would be useful to Russia; otherwise the Russian establishment would be at the mercy of Great Britain. But on May 26, 1824, Mr. Pilly, of the Hudson's Bay Company, pointed out to our Foreign Office that the mountains which Russia suggested as the boundary, and which were described as being "*une très petite distance*," might be far from the coast, and suggested that the distance ought to be limited to ten leagues. A day or two later Mr. Canning, writing to Count Lieven, expressed the hope that the restrictions on the free navigation of the North Pacific in the Ukase would be wholly withdrawn and that terms might be reached for the free use by us of all rivers entering the sea within the Russian frontier.

. . . The counter draft of the Russian plenipotentiaries, dated Aug. 12, 1824, was an enclosure from Sir C. Bagot to Geo. Canning. By Art. I. it was suggested that the line of demarcation should start from the two points which formed the southernmost extremity of Prince of Wales Island, which entirely belonged to Russia and was in $54^{\circ} 30'$ N. latitude and between 131° and 133° W. longitude, the line of frontier ascending northwards along Portland Channel until the pass came to an end in the interior of the mainland at the 56th degree of N. latitude. (*some proposals for mutual trading, as in the existing treaty follow*) Next, that the subjects of either Power should not, except under stress of weather, land at the establishments of the other without permission; further, that liberty of commerce should not include trade in spirituous liquors or arms, which were in no case ever to be sold to the natives; that the subjects of his Britannic Majesty were to have free navigation in Russian waters, and that the port of Sitka or Novo Archangelsk should be open to foreign trade for a renewable term of ten years. On these points Sir Charles Bagot commented, observing that he was distinctly informed that the Russian Government insisted upon them, and that unless he received