

induced Her Majesty's Government to consider it expedient to suspend for a time the negotiation on those matters which he had been authorized to carry on with the Government of the United States; but it is possible that the communications which you may have with the President and Mr. Marcy during your stay at Washington may give you an opportunity of ascertaining whether there is any likelihood at the present time of the negotiation, if resumed, being brought to a successful conclusion. And, in order that you may be able to take advantage of any favourable opening for that purpose, Her Majesty has granted you a full power under the Great Seal, authorizing you to negotiate and conclude on Her Majesty's behalf, any Treaty with the United States.

It is very desirable that before you reach Washington, you should ascertain how far the legislatures of the several British Provinces would be willing, by moderating their extreme demands, to smooth away the difficulties which have hitherto proved a bar to the conclusion of any Treaty. It is clear that if the Provinces, on the one hand, and the United States, on the other, refuse to abate any portion of their pretensions, it is useless for Her Majesty's Government to negotiate any further; but in such an extreme case, and more particularly if it originated in the pertinacious adherence of the Provinces to their demands, Her Majesty's Government might, however reluctantly, be compelled to look rather to Imperial than to Colonial interests alone, and, as in the case of Newfoundland, referred to in the letter to the Colonial Office, of which I inclose a copy, be driven to consider whether it were right to sacrifice the former for the latter.

Your Lordship will find in the correspondence which I have inclosed full particulars as to the extent of compromise to which Great Britain has declared herself prepared to go, and the points which the Government of the United States has hitherto been indisposed to concede. In fact, that Government has, in the course of the negotiations, rather raised than abated its pretensions; and this consideration has not been without its weight in deciding Her Majesty's Government to suspend the formal prosecution of their negotiation, lest by appearing over anxious for a settlement of the points in discussion they should encourage the Government of the United States still more to enhance their demands.

The United States are anxious to participate in the fisheries in the bays and on the shores of the British Provinces; and Great Britain on behalf of the Provinces is not indisposed to concede that privilege. The points on which the two Powers disagree is the sacrifice which the United States shall make to obtain this privilege.

Great Britain, in return for the admission of the United States to participate in the in-shore fisheries of the British Provinces, with the exception of the salmon fisheries, has required:—

1. The remission of the duty levied in the United States on British-caught fish when imported into those States.

2. The abolition of the bounty now payable in the United States on American-caught fish.

3. The admission of the British fishermen from the Provinces to fish within three miles of the Atlantic and Pacific Coasts of the United States.

4. The admission of British-built vessels, including those built in the British Colonies, to register in the United States when manned by citizens of the United States; in the same manner as that privilege has been granted by Great Britain to vessels built in the United States.

5. That certain articles produced in the British Colonies, and specifically coal and iron, shall be admitted duty free into the United States, in conformity with the principle on which the question of duties in general was to be arranged, namely, that such articles as were produced equally in the British provinces and the United States might pass reciprocally without question or interference from one side of the border to the other.

The Government of the United States, on their side, declined to abolish the bounty on American-caught fish; to admit the British fishermen to fish generally on the American coast; to admit British-built vessels to registry; and to allow coal and iron to be retained in the list of articles which shall be admitted duty free into the United States. On four, therefore, out of the five points put forward by the British Government in behalf of its provinces, the United States have hitherto refused to make the required concession; and not only this, but they have put forward a claim to be admitted to participate in the British fisheries on the north-west coast of America, on the plea that the British concession should be applicable to all the shores of the British dominions, inasmuch as access to the United States' fisheries on the Pacific is required