

opposed it; but if the Convention wanted free trade, he was perfectly willing to go for that.

The Preamble and Resolutions were then read by the Secretary, Colonel E. G. Attwood, and were submitted to the vote of the meeting by the President. They were unanimously adopted.

Mr. Mayo then read the Report of the Committee on Transportation on the Ottawa and Atlantic Railroad. They reported that, at their last meeting, they were waited upon by Mr. Hibberd, of Montreal, and conferred with him upon the subject of the Ottawa and Atlantic Railroad. The line starts at Ottawa City, running in a south-easterly direction eighty miles to the St. Lawrence River, which it is proposed to cross at a favourable point, and thence sixty miles in a south-easterly direction to the north end of Lake Champlain, where a connection is to be formed with the Central Vermont. This line, if completed, brings Boston forty-two miles nearer to Ottawa and the north than Portland is. The Report was accepted and placed on file, and the meeting then dissolved.

No. 439.

*Mr. Watson to the Earl of Derby.—(Received August 2.)*

(No. 38.)

My Lord,

*Washington, July 20, 1874.*

WITH reference to my despatch to your Lordship's address, No. 31 of the 17th instant, I have now the honour to inclose to your Lordship Mr. Fish's reply to the note, copy of which was inclosed in the despatch above referred to.

Mr. Fish's reply is dated July the 18th, but was only sent from the State Department to this Legation this afternoon.

I do not propose to allude, in my communications with Mr. Fish, to the subject of this correspondence, unless I should be instructed to do so by your Lordship.

I have, &c.

(Signed) R. G. WATSON.

Inclosure 1 in No. 439.

*Mr. Fish to Mr. Watson.*

Sir,

*Department of State, Washington, July 18, 1874.*

I HAVE to acknowledge the reception of your note of the 17th instant, wherein, in obedience to an instruction from Her Majesty's Principal Secretary of State for Foreign Affairs, you state that, on the understanding that the Draft Reciprocity Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, as agreed to by you (me), will be considered by the Senate in December next, Her Majesty's Government will await the final result of the consideration which the Treaty may then receive in the Senate before taking any fresh steps with regard to the Fisheries Commission, and that you are further directed by the Earl of Derby to add that Her Majesty's Government wish it to be clearly understood that their right to revert to the provisions of the Treaty of Washington for the appointment of the Fisheries Commission is in no way prejudiced by the delay that has occurred or that may occur in consequence of the proceedings with reference to the Reciprocity Treaty.

I have the honour to call your attention in connection with the reference to the Treaty "as agreed to by you" (me) to the fact that the proposed draft of the Treaty was not signed by me, and it was presented by the President to the Senate, as a draft of a Treaty submitted to the Secretary of State by the Plenipotentiaries of Her Britannic Majesty at Washington, for the consideration of the President. The injunction of secrecy having been removed, I have the honour to inclose a copy of the message of the President transmitting the draft of the Treaty to the Senate, and a report from myself to the President showing the extent to which the proposed Treaty may be said to have been agreed to.

I should further observe that, while the Senate has postponed the subject "to the next session of Congress, commencing in December next," that body has not given any assurance that the consideration of the Treaty will be had during the month of December next.

I make these statements to avoid the possibility of misapprehension, of silence, under the declaration contained in your note; the slight errors implied in your communication,