

Inclosure 2 in No. 5.

Governor-General the Earl of Minto to Sir J. Pauncefote.

(Telegraphic.) P.

April 18, 1899.

THERE is a rumour here that the prohibition of the import of Canadian lumber as retaliation for the Ontario legislation of last year is contemplated by the United States' Government.

Would you ascertain what truth there is in this statement, and, if any action of the kind is contemplated, protest against it?

The subject was referred to the Anglo-American Commission, which is to resume its sittings on the 2nd August next. Under these circumstances, such action on the part of the United States would be of most unfriendly character, and detrimental not only to Canadian interests, but to the success of the Commission.

Inclosure 3 in No. 5.

Sir J. Pauncefote to Governor-General the Earl of Minto.

(Confidential.)

(Telegraphic.) P.

April 22, 1899.

YOUR Lordship's telegram of the 18th.

The persons affected by the Ontario legislation, and their lawyers who appeared for them at Quebec, have pressed the Secretary of the Treasury to have recourse to retaliation.

From my conversation with the Secretary of State, I am satisfied no such action will be taken, at all events, until sensible negotiations have failed, and even then such action seems to be highly improbable in face of the demand for Canadian lumber.

I have exposed the mischief of such a proceeding to the Secretary of State.

No. 6.

Colonial Office to Foreign Office.—(Received May 10.)

(Confidential.)

Sir,

Downing Street, May 10, 1899.

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 4th instant, inclosing copy of a despatch which has been addressed to Her Majesty's Representative at Washington respecting the proposal of the United States' Ambassador at this Court that negotiations should proceed on all the questions referred to the Joint High Commission, except that of the Alaska boundary, which would be left for subsequent discussion, with a view to an agreement being reached before the date to which the Commission stands adjourned.

2. I am to transmit to you, for the information of the Marquess of Salisbury, copy in paraphrase of a telegraphic correspondence with the Governor-General of Canada on the subject, from which it will be observed that the Dominion Government see no reason why the Alaska boundary question, which they regard as of pressing urgency, should not be referred to arbitration at once upon the lines agreed to in the Venezuelan dispute, but express their readiness to proceed with the other questions at issue as soon as arbitration has been decided upon.

3. Mr. Chamberlain would suggest that the United States' Ambassador should be informed of the purport of Lord Minto's telegram, and in making this suggestion he would add that he is strongly of opinion that the Alaska boundary question can best be settled in connection with a comprehensive adjustment of outstanding questions. He hopes, therefore, that the United States' Government will reconsider their attitude, and will agree either to an equitable adjustment of the matter or to its reference to arbitration on the lines proposed by the British Commissioners, and