

On Friday night last I gave in my projet. On Saturday we had our first conference when I immediately suspected the turn which things would take. On Sunday Mr. Poletica called upon me with the Russian Contreprojet when I told him frankly the extent of my discretion, or rather non-discretion, upon the three points most immediately at issue. We have [?had] a very long and earnest conversation which ended by his telling me, honestly enough, that he thought the case really hopeless. The conference of the next day proved it so. As to Nov:—Archangelsk they told me that they had no doubt that at the expiration of ten years, the advantages which the establishment would have derived from its having been frequented by foreign Ships would make the Russian Companies desire a further extension of time, but that they were frightened at the words *for ever*. The Points however upon which scarcely any discretion which you could have given me would have brought us to an understanding were, the perpetual freedom of trading and navigating upon the lisière, if by trading was meant trading with the natives—and the opening *at all* the coast from the 60th degree to Behrings Strait. On the first of these points they contend (Have they not some reason on their side?) that the cession of a coast in nominal Sovereignty saddled for everlasting with such privileges to foreigners was no cession at all. And as to the second, that they were, by undisputed occupancy and possession as unquestionably Masters of the whole of that coast as of the coasts of Livonia or Courland, and that nobody should come there—sic volunt. I asked whether, by their convention with the United States; the Americans were excluded from visiting these coasts. They answered that such was their *idea* of the convention whatever might be that of the Americans, and Mr. Poletica told me privately that the Russian Minister at Washington had orders to give if it were necessary, this interpretation to the agreement, and that he thought it probably [?probable] that, upon this very point, the Americans would refuse to ratify—a circumstance which he should *not* regret.

As soon as I saw the determination which this Government had taken I affected the utmost indifference on our part as to whether was signed a treaty or not—but it was mere affectation, for I see too well that infinite inconvenience may arise, and that shortly, from our not having been able, at this particular time, to come to an understanding. I regret it greatly on public grounds and on personal grounds also, as I should like much to have been the person to sign a Treaty of such magnitude and importance and I should have ended my days here handsomely by doing so. But Dies aliter visum est, and I cannot at all see what is now to be done.

I am, &c

CHARLES BAGOT