

Enclosure 1 in No. 193.

*Personal and Unofficial.*WASHINGTON,
May 31st, 1887.

MY DEAR SIR CHARLES,

The delay in writing has been unavoidable.

In the very short interview afforded by your visit I referred to the embarrassment arising out of the gradual practical emancipation of Canada from the control of the Mother Country and the consequent assumption by that community of attributes of an autonomous and separate sovereignty, not, however, distinct from the Empire of Great Britain.

The awkwardness of this imperfectly developed sovereignty is felt most strongly by the United States, which cannot have formal treaty relations with Canada, except indirectly and as a Colonial dependency of the British Crown, and nothing could better illustrate the embarrassment arising from this amorphous condition of things, than the volumes of correspondence published severally this year, relating to the Fisheries, by the United States, Great Britain, and the Government of the Dominion.

The time lost in this circumlocution, although often most regrettable, was the least part of the difficulty, and the *indirectness* of appeal and reply, was the most serious feature, ending, as it did, very unsatisfactorily.

It is evident that the commercial intercourse between the inhabitants of Canada and those of the United States has grown into too vast proportions to be exposed much longer to this wordy triangular duel, and more direct and responsible methods should be resorted to.

Your own able, earnest, and patriotic services in the Government and Parliament of the Dominion, are well known and afford ample proof of your comprehension of the resources, rapidly increasing interests, and *needs* of British North America.

On the other hand, I believe I am animated by an equal desire to serve my own country and trust to do it worthily.

The immediate difficulty to be settled, is found in the Treaty of 1818, between the United States and Great Britain, which has been *questio vexata* ever since it was concluded, and to-day is suffered to interfere with and seriously embarrass the good understanding of both countries in the important commercial relations and interests, which have come into being since its ratification, and for the adjustment of which it is wholly inadequate, as has been unhappily proved by the events of the past two years.

I am confident we both seek to attain a just and permanent settlement, and there is but one way to procure it, and that is by a straightforward treatment on a liberal and statesmanlike plan of the entire commercial relations of the two countries.

I say *commercial* because I do not propose to include, however indirectly, or by any intendment, however partial or oblique, the political relations of Canada and the United States, nor to affect the legislative independence of either country.

When you were here I was prepared to send my reply to the "observations" upon my proposal for a settlement (of November 15th last) which were communicated to Mr. Phelps by Lord Salisbury on March 24th, and also to express my views of his Lordship's alternative proposition.

Your visit and invitation to negotiate here was entirely welcome, and of this I endeavoured to impress you.

Conversation with the President has confirmed these views, and now it remains to give them practical effect.

Great Britain being the only treaty-making party to deal with the United States, the envoys of that Government alone are authorised to speak in her behalf and create her obligations.

I presume you will be personally constituted a Plenipotentiary of Great Britain to arrange here, with whomsoever may be selected to represent the United States, terms of arrangement for a *modus vivendi* to meet present emergencies and also a permanent plan to avoid all future disputes.

It appears to me that as matters now stand the Colony of Newfoundland might be represented and included, for a single arrangement should suffice to regulate all the joint and several interests involved.

I should therefore be informed speedily through the proper channel as to the authorization and appointment by the Imperial Government of such representatives.