



SUPPLEMENT
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FRIDAY, MAY 17, 1872.

Foreign Office, May 16, 1872.

CORRESPONDENCE respecting Claims for Indirect Losses put forward in the Case presented by the Government of the United States to the Tribunal of Arbitration at Geneva.

No. 1.

Earl Granville to General Schenck.

SIR, *Foreign Office, February 3, 1872.*

HER Majesty's Government have had under their consideration the Case presented on behalf of the Government of the United States to the Tribunal of Arbitration at Geneva, of which a copy had been presented to Her Majesty's Agent.

I will not allude in this letter to portions of the American Case which are comparatively of smaller importance, but Her Majesty's Government are of opinion that it will be in accordance with their desire that no obstacle should be interposed to the prosecution of the Arbitration, and that it will be more frank and friendly towards the Government of the United States, to state at once their views respecting certain claims of an enormous and indefinite amount which appear to have been put forward as matters to be referred to Arbitration.

Her Majesty's Government hold that it is not within the province of the Tribunal of Arbitration at Geneva to decide upon the claims for indirect losses and injuries put forward in the Case of the United States, including the loss in the transfer of the American commercial marine to the British flag, the enhanced payments of insurance, and the prolongation of the war, and the addition of a large sum to the cost of the war and suppression of the rebellion.

I have stated above the importance which Her Majesty's Government attach to the prosecution of this Arbitration.

The primary object of the Governments on both sides was the firm establishment of amicable relations between two countries which have so many and such peculiar reasons to be on friendly terms, and the satisfaction with which the announcement

of the Treaty was received by both nations showed the strength of this feeling.

But there is another object to which Her Majesty's Government believe the Government of the United States attach the same value as they do themselves, viz., to give an example to the world how two great nations can settle matters in dispute by referring them to an impartial tribunal.

Her Majesty's Government on their part feel confident that the Government of the United States are also equally anxious with themselves that the amicable settlement which was stated in the Treaty of Washington to have been the object of that instrument, may be attained, and an example so full of good promise for the future should not be lost to the civilized world.

I have, &c.,
(Signed) GRANVILLE.

No. 2.

General Schenck to Earl Granville. — (Received February 6.)

*Legation of the United States, London,
February 5, 1872.*

MY LORD,
I HAVE the honour to acknowledge the receipt, on the evening of the 3rd instant, of your note of that date, in which, after stating that Her Majesty's Government have had under their consideration the Case presented on behalf of the United States to the Tribunal of Arbitration at Geneva, you proceed to say that you will not allude to several portions of that Case which are of comparatively smaller importance, but that Her Majesty's Government are of opinion that it will be in accordance with their desire that no obstacle should be interposed to the prosecution of the arbitration, and that it will be more frank and friendly towards the Government of the United States to state at once their views respecting certain claims, which you describe as of an enormous and indefinite amount, which appear to