

## Enclosure.

AGREEMENT BETWEEN THE UNITED KINGDOM AND THE UNITED STATES OF AMERICA FOR THE SETTLEMENT OF VARIOUS PECUNIARY CLAIMS OUTSTANDING BETWEEN THE TWO GOVERNMENTS, TOGETHER WITH THE FIRST SCHEDULE OF CLAIMS AND TERMS OF SUBMISSION THEREOF.

WHEREAS Great Britain and the United States are signatories of the convention of the 18th October, 1907, for the pacific settlement of international disputes, and are desirous that certain pecuniary claims outstanding between them should be referred to arbitration, as recommended by article 38 of that convention :

Now, therefore, it is agreed that such claims as are contained in the schedules drawn up as hereinafter provided shall be referred to arbitration under Chapter IV of the said convention, and subject to the following provisions :—

Article 1. Either party may, at any time within four months from the date of the confirmation of this agreement present to the other party any claims which it desires to submit to arbitration. The claims so presented shall, if agreed upon by both parties, unless reserved as hereinafter provided, be submitted to arbitration in accordance with the provisions of this agreement. They shall be grouped in one or more schedules, which, on the part of the United States, shall be agreed on by and with the advice and consent of the Senate, His Majesty's Government reserving the right, before agreeing to the inclusion of any claim affecting the interests of a self-governing dominion of the British Empire, to obtain the concurrence thereto of the Government of that dominion. Either party shall have the right to reserve for further examination any claims so presented for inclusion in the schedules ; and any claims so reserved shall not be prejudiced or barred by reason of anything contained in this agreement.

Art. 2. All claims outstanding between the two Governments at the date of the signature of this agreement and originating in circumstances or transactions anterior to that date, whether submitted to arbitration or not, shall thereafter be considered as finally barred unless reserved by either party for further examination as provided in article 1.

Art. 3. The arbitral tribunal shall be constituted in accordance with article 87 (Chapter IV) and with article 59 (Chapter III) of the said convention, which are as follows :—

“ Article 87. Each of the parties in dispute appoints an arbitrator. The two arbitrators thus selected choose an umpire. If they do not agree on this point, each of them proposes two candidates taken from the general list of the members of the permanent Court, exclusive of the members appointed by either of the parties, and not being nationals of either of them ; which of the candidates thus proposed shall be the umpire is determined by lot.

“ The umpire presides over the tribunal, which gives its decision by a majority of votes.

“ Article 59. Should one of the arbitrators either die, retire, or be unable for any reason whatever to discharge his functions, the same procedure is followed for filling the vacancy as was followed for appointing him.”

Art. 4. The proceedings shall be regulated by so much of Chapter IV of the convention and of Chapter III, excepting articles 53 and 54, as the tribunal may consider to be applicable and to be consistent with the provisions of this agreement.

Art. 5. The tribunal is entitled, as provided in article 74 (Chapter III) of the convention, to issue rules of procedure for the conduct of business, to decide the forms, order, and time in which each party must conclude its arguments, and to arrange all formalities required for dealing with the evidence. The agents and counsel of the parties are authorized, as provided in article 70 (Chapter III), to present orally and in writing to the tribunal all the arguments they may consider expedient in support or in defence of each claim. The tribunal shall keep record of the claims submitted and the proceedings thereon, with the dates of such proceedings. Each Government may appoint a secretary. These secretaries shall act together as joint secretaries of the tribunal and shall be subject to its direction. The tribunal may appoint and employ any other necessary officer or officers to assist it in the performance of its duties. The tribunal shall decide all claims submitted upon such evidence or information as may be furnished by either Government. The tribunal is authorized to administer oaths to witnesses and to take evidence on oath. The proceedings shall be in English.

Art. 6. The tribunal shall meet at Washington at a date to be hereafter fixed by the two Governments, and may fix the time and place of subsequent meetings as may be convenient, subject always to special direction of the two Governments.

Art. 7. Each member of the tribunal, upon assuming the function of his office, shall make and subscribe a solemn declaration in writing that he will carefully examine and impartially decide, in accordance with treaty rights and with the principles of international law and of equity, all claims presented for decision, and such declaration shall be entered upon the record of the proceedings of the tribunal.

Art. 8. All sums of money which may be awarded by the tribunal on account of any claim shall be paid by the one Government to the other, as the case may be, within eighteen months after the date of the final award, without interest and without deduction, save as specified in the next article.

Art. 9. Each Government shall bear its own expenses. The expenses of the tribunal shall be defrayed by a rateable deduction on the amount of the sums awarded by it, at a rate of 5 per cent. on such sums, or at such lower rate as may be agreed upon between the two Governments ; the deficiency, if any, shall be defrayed in equal moieties by the two Governments.

Art. 10. The present agreement, and also any schedules agreed to thereunder, shall be binding only when confirmed by the two Governments by an exchange of notes.