

to meet the circumstances of the case than the draft Article referred to in your letters of the 17th of last May and the 3rd instant, and I am to request that you will move Lord Carnarvon to take it into consideration and to favour Lord Derby with his opinion thereupon.

I am to add that it seems probable that the negotiations to be undertaken this year will be delayed until the new Treaty between Austria and the Zollverein, which it is expected will be concluded this year, and which it is also expected will regulate the foreign commercial relations of Austria, has been settled, and it is possible that these negotiations may in the end be hurried. I am therefore to suggest that, in the meanwhile, it would be expedient to ascertain which colonies would wish to come within the stipulations of a treaty with Austria-Hungary on the basis of the most-favoured-nation treatment, without any specific engagements relative to tariff or other matters. It seems probable that the Austro-Hungarian Government may be ready to conclude a treaty with this country on that basis, while they may not agree to renew any specific stipulations in regard to tariffs. But that Government may seek to exclude British goods from some privileges granted to the Zollverein.

As before stated, the subject is, however, not yet in a position when any precise information as to the terms of the proposed new Treaty between this country and Austria can be given.

I am, &c.,

The Under Secretary of State, Colonial Office.

JULIAN PAUNCEFOTE.

Sub-Enclosure to Enclosure 1 in No. 4.

DRAFT ARTICLE applying COMMERCIAL TREATIES to BRITISH and FOREIGN COLONIES.

Article.

THE stipulations of the present Treaty shall be applicable to the colonial and foreign possessions of the two High Contracting Parties named in this Article.

[Here insert names of those colonies, &c., which have, previous to the signature of the Treaty, signified their willingness to be included in the Treaty.]

The stipulations of the present Treaty shall be also applicable to any colony or foreign possession of the two High Contracting Parties not included in this Article, upon a notification from either Party to the other that it is desired that any such colony or foreign possession shall be admitted to the operation of the present Treaty.

In the latter case, the stipulations of the present Treaty shall, from and after a date to be agreed upon, not later than six months from the date of such notification, become as fully applicable to such colony or foreign possession as if it had been mentioned by name in the present Article.

Enclosure 2 in No. 4.

TREATY of COMMERCE between HER MAJESTY and the EMPEROR of AUSTRIA, signed at Buda-Pesth, 5th December, 1876.

[*Ratifications exchanged at Vienna, 29th December, 1876.*]

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland, on the one part, and His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary, on the other part, being equally desirous to regulate and extend the commercial relations between their respective States and Possessions, have resolved, after notice had been given for the termination of the Treaty of Commerce of the 16th of December, 1865, and of the Convention supplementary thereto of the 30th December, 1869, to conclude a new Treaty for the above purpose, and have appointed as their Plenipotentiaries, that is to say,—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Right Honorable Sir Andrew Buchanan, a member of Her Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Honorable Order of the Bath, Her Majesty's Ambassador Extraordinary and Plenipotentiary to His Imperial and Royal Apostolic Majesty;

And His Majesty the Emperor of Austria, King of Bohemia, &c., and Apostolic King of Hungary, Julius, Count Andrassy de Csik-Szent-Király et Kraszna-Horka, Grand Cross of the Order of St. Stephen, General in His Imperial Majesty's Army, Privy Councillor, Minister of the Imperial House and of Foreign Affairs;

Who, after having communicated to each other their respective full powers, found to be in due and proper form, have agreed upon and concluded the following articles:—

ARTICLE I.

The subjects of His Imperial and Royal Apostolic Majesty who reside temporarily or permanently in the territories and possessions, including the colonies and foreign possessions, of Her Britannic Majesty, and the subjects of Her Britannic Majesty who reside temporarily or permanently in the Austro-Hungarian Monarchy, shall enjoy therein during the continuance of this Treaty, whether as to residence and the exercise of commerce and trade, the same rights as, and shall not be subjected to any higher or other imposts than, the subjects of any third country the most favoured in these respects.

ARTICLE II.

The produce and manufactures of, as well as all goods coming from, Austria-Hungary, which are imported into the territories and possessions, including the colonies and foreign possessions, of Her Britannic Majesty, and the produce and manufactures of, as well as all goods coming from, British possessions, which are imported into the Austro-Hungarian Monarchy, whether intended for consumption, warehousing, re-exportation, or transit, shall therein, during the continuance of this Treaty, be treated in the same manner as, and in particular shall be subjected to no higher or other duties than, the produce and goods of any third country, the most favoured in this respect.

No other or higher duties shall be levied in the Austro-Hungarian Monarchy on the exportation