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No. 193.

*Governor-General the Most Hon. the Marquis of Lansdowne, G.C.M.G., to the Right Hon. Sir H. T. Holland, Bart., G.C.M.G., M.P. (Received June 20th, 1887.)*

Confidential.

GOVERNMENT, HOUSE, OTTAWA,  
9th June, 1887.

SIR,

It will be in your recollection that in my despatch Confidential of the 31st May\* I repeated to you the description which Sir Charles Tupper had given me of his recent interview with Mr. Bayard at Washington, and I stated that Sir Charles had gathered from what Mr. Bayard had said to him that it was likely that he, Mr. Bayard, would, after he had seen the President, communicate with him further in regard to the questions which they had discussed.

2. Sir Charles Tupper called upon me yesterday and showed me a letter, dated 31st May, which he had received from Mr. Bayard, and which he asked me to read. A copy of this letter is enclosed herewith. Sir Charles impressed upon me that Mr. Bayard in representing him as having in effect taken upon himself to invite negotiations at Washington [v. page 4 of the letter] had given a somewhat misleading description of what had passed between them. Their meeting had, it will be remembered, taken place in consequence of a suggestion made by Mr. Bayard to a third person.

3. I observed that it was desirable that these informal communications should now give place to a discussion of Mr. Bayard's latest proposal through the usual official channels, and I suggested that in his reply to Mr. Bayard he should state that with this object he had placed the correspondence in my hands for confidential communication to you.

4. I also pointed out to Sir Charles that Mr. Bayard was in error in supposing that there had been any disposition on the part of Her Majesty's Government to postpone Canadian interests to its own, or to retard by needless delays a settlement desired by and advantageous to the people of Canada and the United States. Sir Charles entirely concurred with me upon both these points, which are touched upon in his reply to Mr. Bayard. A copy of this is also enclosed herewith.

5. It appears to my Government that although there are obvious difficulties in the way of effecting such an arrangement as Mr. Bayard desires—an arrangement which would embrace "the entire commercial relations of the two countries"—while Congress is not sitting; yet the tone of his letter, as well as his intimation referred to in my despatch already quoted that the Executive had no intention of adopting a policy of non-intercourse with Canada, render it desirable that his proposal should receive at the hands of Her Majesty's Government every encouragement of which the circumstances admit.

6. While therefore in submitting this correspondence to your consideration my Government is not able to offer any definite recommendation which might form the basis of negotiations such as those which Mr. Bayard invites, it notes with much satisfaction the anxiety which he has expressed for an amicable adjustment of the commercial relations of Canada and the United States, and trusts that Her Majesty's Government will afford every facility for such a settlement, and for the full representation of Canadian interests in any negotiations which may take place upon these subjects. My Government would recommend that Mr. Bayard should be invited to embody in a formal proposal the suggestions which he has made unofficially to Sir Charles Tupper with the view of securing the ultimate assemblage of a Conference or Commission for the purpose of dealing with the questions now at issue.

7. In the meanwhile it will, as I have already had the honour of explaining to you, be the endeavour of my Government to avoid as far as possible all action which might embitter the controversy, or diminish the prospects of an amicable solution. It is satisfactory that up to the present time the complaints which have been made by United States fishermen of the conduct of the Canadian authorities during the present fishing season have been neither numerous nor important.

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

The Right Hon. Sir Henry Holland,  
&c., &c., &c.,  
Downing Street.