

25th ultimo,* submitting on behalf of the Government of Newfoundland a proposal that in order to enable the Colony to meet the present acute crisis in its affairs, Her Majesty's Government should guarantee the payment of interest to the extent of 20,000*l.* a year for 25 years on a loan which they desire to issue. * No. 21.

A similar application was received through the Governor of Newfoundland on the 11th ultimo, and it was pointed out to him in reply, on the 19th of that month,† that it is a necessary consequence of the self-government enjoyed by Colonies having Responsible Government that they should not look to the Imperial Government to aid them in their financial affairs. Such aid would require constant supervision and control, altogether inconsistent with self-government; and, moreover, to give a guarantee to a Newfoundland loan under the circumstances would create a precedent of wide application which would involve Her Majesty's Government in responsibilities which they could not undertake with justice to the taxpayers of the United Kingdom. † No. 18.

These reasons appear to Her Majesty's Government conclusive against the course proposed in your letter, and they have, therefore, no alternative but to decline the proposal.

Her Majesty's Government, however, deeply sympathise with the Colony in the disaster which has overtaken it, and recognise that in consequence of the failure of the banks and nearly all the commercial houses, a large proportion of the population have been reduced to a state of extreme destitution with which it is impossible for the Colonial Government to cope.

They are prepared, therefore, with the view of meeting the more pressing needs of the people, to send out without delay a Commissioner to consider, in concert with the Governor and his Ministers, and report immediately to Her Majesty's Government, as to the extent to which such assistance is absolutely necessary to supplement local and private charity, and as to the channels through which it should be distributed; and on receipt of these reports the Treasury will, from time to time, cause such sums as they may think proper to be placed at his disposal.

I am to add that the aid to be given will be confined to the relief of actual distress, and will not extend to loans or other assistance to commercial or banking houses.

I am, &c.
R. P. Ebdon.

— No. 23. —

The Marquess of Ripon to Sir Terence O'Brien.

(Sent 5 March 1895.)

TELEGRAPHIC.

HER Majesty's Government have carefully considered application made by Special Commissioner, on behalf of Colony, for guarantee of 20,000*l.* interest for 25 years, but for reasons given in my telegram of 19th February‡ have not been able to accede to it. ‡ No. 18.

They recognise, however, existence of, and probable increase of, distress, which Colonial Government cannot relieve under existing circumstances, and propose as soon as possible to send out Commissioner, who will, in concert with you and your Ministers, as far as possible, consider and report as to extent to which assistance is absolutely necessary, in addition to private charity, and channels through which it could be best distributed.

Such sums as Her Majesty's Government may think proper will from time to time be placed at disposal of Commissioner for relief of actual distress, but no loan or assistance is to be given to commercial houses.

I hope to communicate name of Commissioner and date of departure shortly.
