

agreed last autumn with a number of the inhabitants to catch lobsters for them, and were to begin operations on the 25th June.

2. On the 10th of June Messrs. Murphy & Andrews arrived with the necessary plant and supplies for the season. On the 14th June a large number of Frenchmen arrived there. Messrs. Murphy & Andrews proceeded to erect the necessary boiling house for carrying on their business, and had their arrangements all but completed when the French warship "Drac" arrived at Hauling Point. The Commander, on Sunday, June 24th, informed Messrs. Murphy & Andrews that he would not allow them to take Lobsters in that locality, and further, that the French Government had conceded to the French Company there represented, an exclusive right to fish for Lobsters in that locality for five years.

3. In consequence of the interdict of the Commander of the "Drac," the men who had agreed with Messrs. Murphy & Andrews to supply them with Lobsters, refused to do so, and they have been obliged to abandon the venture, at considerable loss, for which they claim compensation, amounting to two thousand one hundred and eighty dollars and sixty-three cents. The particulars of the claims are attached to the statement.

4. Having ejected the British subjects from the place, the French Company have proceeded to erect an establishment of a permanent character, over three hundred feet in length, in which, from the report of Mr. Berteau, Sub-collector of Customs, which I enclose for your Lordship's information, it appears that they intend to carry on a Lobster Factory and general trading establishment, with accommodation for a large number of men. This savours more of regular annexation of that portion of our coast, than the temporary occupation of a portion of the shore for fishery purposes. As the cost of the erection of the boiling house, by Messrs. Murphy & Andrews, was one hundred and fifty dollars, including the labor, it is evident that it was not a fixed establishment, but a temporary erection to be removed at the end of the season.

5. My ministers protest very strongly against this assertion of French claims. They submit that the terms of the Treaty of Utrecht and the declaration of 1783, do not include the concession to the French of an industry then unknown. The Treaty of Utrecht gave to France the right to "catch fish and dry them on land." Lobsters are not fish, and the process of canning is not that of drying them. The taking of Lobsters does not, therefore, appear to come within the terms of the Treaty, and the assertion of French claims, as detailed in the enclosed statement, involves the practical exclusion of British subjects from an industry within British Territory, unknown when the French Treaty