

their territorial sovereignty would *ipso facto* have been recognized. There were some indications that armed resistance might result from any such action by the French; and to give permission to purchase bait while the bounty-system continued seemed ruinous to the colony at large. Most of those who enquire into the circumstances will agree with Sir W. DesVoeux who wrote, "Now that I fully comprehend the present position of the colony, it is to me no longer a matter of wonder that the Legislature has hitherto failed to ratify the proposed arrangement with France, indeed I can scarcely conceive it possible that this arrangement will ever be accepted so long as the Bait Clause remains in it and no security is taken that the export bounties will not be maintained on their present footing."

(III).—*The Convention of 1904.* The passing of the Bait Act, as has already been said, caused the French in increasing numbers to resort to lobster-catching, in order that by combining this with bait-supplying, a remunerative industry might be established, and their ships provided with bait in time for the fishery. This led to the many disputes which were partially quelled by the *Modus Vivendi* dating from 1890.

But the application of this measure was not wholly satisfactory, especially as many of the Newfoundland