CANADA.

The cod fishery here has not been remarkable. This port seems to be a great harbour of refuge for the American schooners; about fifty of them were frequently at anchor at a time, and previous to the Treaty large supplies were obtained from the storekeepers on shore; but owing to the constant presence of a man-of-war the traders now derive but little, if any, profit.

The general feeling here is that the abrogation of the license system and stringent manner in which the laws have been enforced, have had the effect of greatly improving

the catch of the inshore and coast fishermen.

SEA WOLF ISLAND.

3. The best fishing ground in this neighbourhood is off the east end of the island and off Broad Cove, where a portion of the American fleet fished for a few days during the

month of September; but this locality is but little frequented.

I may here add, that a company (Grange, Connor, and Co.), have an establishment on the island for curing mackerel; on the same principle the salmon are cured during their season in the Margaree River. The company obtain their fish from inshore fishermen.

CHETICAN.

4. The principal fishing ground for mackerel in this neighbourhood appears to be off Friar Head; but very few American vessels have been seen here this season, and the catch has been very limited. There is a large establishment on this island for curing cod-fish (owned by a Jersey company, Philip Robin and Co.), which are very plentiful on the banks off the island. The mackerel begin here in August, and go north at the end of October.

In spring there are a few herrings here, but no "fall herrings;" the cod is the staple of export.

GUT OF CANSO.

5. This high road to the fishing grounds seems to have been very much overlooked. There is scarcely ever a man-of-war there except when passing through, and the collectors of customs find it impossible to enforce their authority, having no force to assist them. The sympathies of the inhabitants are entirely with the Americans, as the schooners are principally manned by men who are natives of the Strait of Canso. The storekeepers and traders derive a large profit from their intercourse with the crews.

GENERAL REMARKS.

6. Remarking generally on the means adopted for the more effectual protection of the fisheries, I would beg to submit that in my opinion an increased number of Dominion schooners, rigged and equipped in all respects similar to the fishing vessels, and attached as tenders to a stationary man-of-war in one of the principal ports in the bay, would be least expensive, and would carry out in a more effectual manner the ideas of the Government for the suppression of the encroachments of the American fishermen.

I consider also that it is most important that all vessels employed in the fishing trade should be compelled not only to show, but to hoist their colours when in the presence of a man-of-war, as great difficulty is experienced among a large fleet in distinguishing

American from the Colonial vessels.

&c.

The bait with which the Americans are supplied is far superior to any which can be procured in this country, to which may be attributed in a great measure the success of the Americans previously to the recent restrictions; although even now the local fishermen complain that they have no chance while an American schooner is fishing near

In conclusion, I would point out that the collector of customs at my head-quarters at Port Hood has complained to me, that as he has no boat or men at his disposal, he is utterly unable to enforce his authority. This would appear to be a matter of great importance to the local interests of the port.

I have, &c., CHARLES G. F. KNOWLES. (Signed) Vice-Admiral Fanshawe, Commander &c. &c.