

Imperial legislation. His Lordship is very sensible that the whole question is full of complication, and its further consideration appears to lead to the conclusion that while every legitimate effort should be made to ensure fuller protection for the crews, any minute interference with the details of shipping arrangements (on the necessity of which interference Lord Carnarvon is not now entering) must tend to give rise to difficulties of a serious character, in dealing with which the Colonies, as well as Foreign Powers, will have to be specially considered.

2. Lord Carnarvon thinks there is considerable force in the arguments of the Board of Trade on the question of treating foreign vessels in British ports in the same manner as British vessels, but the Board of Trade will perceive from the debate in the Dominion House of Commons, of which a copy is enclosed in the separate letter from this department of the 24th instant, that the converse proposal, that in the ports of the United Kingdom Canadian vessels should be treated in the same way as foreign vessels now are, is supported by a strong body of opinion in Canada.

3. Lord Carnarvon shares the hope that it may be possible to come to some satisfactory understanding upon these questions after conferring with the Canadian officer expected in this country, and in the meantime his Lordship will only observe that there cannot but be reason to apprehend that if it is found necessary to impose severe restrictions on British shipping, the Colonial Governments may consider that they have strong ground for urging either that their vessels shall be exempted from those restrictions in common with foreign vessels, or that foreign vessels shall be subjected to similar restrictions.

4. If foreign vessels continue exempted, there may be danger of colonial ships being transferred to foreign flags, in order to obtain similar exemption; while, if they are not exempted, colonial ships, as being British, may be exposed in retaliation to vexatious restrictions in foreign ports, and this again would be another inducement to place them under a foreign flag.

5. The question must resolve itself into a very careful examination of the extent to which interference with the responsibility of the shipowners should be carried, and Lord Carnarvon cannot conceal from himself the serious difficulties which, in a colonial point of view, are raised, and which, if any satisfactory settlement is to be had, must be fairly and fully considered.

I am, &c.

The Assistant Secretary. (signed) *Robert G. W. Herbert.*  
Marine Department, Board of Trade.

— No. 28. —

(M. 4878.)

Board of Trade to Colonial Office.

Board of Trade, Whitehall Gardens,

4 April 1876.

Sir,

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 24th ultimo, on the subject of the restrictions placed on Canadian shipping by Imperial legislation.

In reply, I am to state that this Board quite appreciate the difficulties which his Lordship is of opinion will arise by a too minute interference with shipping; and they entirely concur in Lord Carnarvon's views as expressed in the concluding paragraph of your letter.

I am further to state, that the Board of Trade will be glad to confer with the representative, who is expected from Canada, as soon as he arrives, upon the subject of the Bill now before Parliament.

I have, &c.

The Under Secretary of State, (signed) *T. H. Farrer.*  
Colonial Office.