In respect to the case of the "Marion Grimes," I have already received, through Her Majesty's Secretary of State for the Colonies, a copy of a despatch from the Dominion Government,* in which they express their regret at the action taken by Captain Quigley in hauling down the United States' flag. I have transmitted a copy of this despatch to Her Majesty's Minister at Washington, with instructions to communicate it to Mr. Bayard, and I beg leave now to inclose a copy of it for your informa-

Her Majesty's Government cannot doubt that, as respects the incident of the flag, the apology thus spontaneously tendered by the Canadian Government will be accepted by the United States' Government in the friendly and conciliatory disposition in which it is offered; whilst as regards the other statements concerning Captain Quigley's conduct, Her Majesty's Government do not at present feel themselves in a position to express any opinion.

The Dominion Government have been requested to furnish a full Report on the various circumstances alleged, and when this is received I shall have the honour to

address a further communication to you upon the subject.

As concerns the cases of the "Julia Ellen" and "Shiloh," it will probably suffice to communicate to you the inclosed copies of Reports from the Canadian Government relative to these two vessels.‡ These Reports have already been sent to Her Majesty's Minister at Washington for communication to Mr. Bayard.§

The protest made by the United States' Government in the case of the "Everett Stoele" was not received in this country until the 1st ultimo, and, although the Canadian Government have been requested, by telegraph, to furnish a Report upon the circumstances alleged, sufficient time has not yet elapsed to enable Her Majesty's Government to be in possession of the facts as reported by the Dominion authorities.

Her Majesty's Government greatly regret that incidents of the description alluded to should occur; and they can only renew the assurance conveyed to you in my note of the 30th ultimo, that whilst firmly resolved to uphold the undoubted Treaty rights of Her Majesty's North American subjects in regard to the fisheries, they will also maintain the equally undoubted right of United States' fishermen to obtain shelter in Canadian ports under such restrictions as may be necessary to prevent their abusing the privileges reserved to them by Treaty.

I notice that in Mr. Bayard's note to you of the 6th ultimo, concerning the case of the "Marion Grimes," and also in his note to Sir L. West of the 19th October last, relative to the case of the "Everett Steele," an old discussion is revived which Her Majesty's Government had hoped was finally disposed of by the correspondence which

took place on the subject in 1815 and 1816.

I allude to the argument that a right to the common enjoyment of the fisheries by Great Britain and the United States, after the separation of the latter from the mother country, was recognized by the Treaty of 1783, although the exercise of that right was made subject to certain restrictions.

I refer to this point merely to observe that the views of Her Majesty's Government in relation to it have not been modified in any way since the date of Lord Bathurst's note of the 30th October, 1815, to Mr. John Quincey Adams.

I have, &c. IDDESLEIGH. (Signed)

No. 15.

Sir J. Pauncefote to Sir R. Herbert.

Foreign Office, December 16, 1886.

I AM directed by the Earl of Iddesleigh to transmit to you a copy of a note from the United States' Minister at this Court, calling attention to the circumstances attending the detention of the "Marion Grimes" at Shelburne, Nova Scotia, and requesting the withdrawal of Captain Quigley, of the Canadian cruizer "Terror."

I am to request that you will move Mr. Secretary Stanhope to call for a full Report from the Canadian Government upon the circumstances alleged; and I am in the

meanwhile to inclose a copy of the reply which Lord Iddesleigh has addressed to Mr. Phelps.¶

I am, &c. JULIAN PAUNCEFOTE. (Signed)

See "United States No. 1 (1887)," p. 150.
 p. 146,
 § Ibid., p. 156, ‡ Ibid., p. 146,