Should this suggestion meet with your Lordship's approval, perhaps you may be able to propose an outline for such an arrangement. I am not prepared nor authorised to present one at this time, but may hereafter be instructed to do so if the effort is thought advisable.

I have, &c., (Signed) E. J. PHELPS.

Statement of James Macdonald.

United States of America, Commonwealth of Massachusetts.

I, James Macdonald, of Gloucester, on my oath do say:-

"I am master and part owner of the schooner 'Thomas F. Bayard,' a licensed vessel of the United States; that she sailed with a permit to trade from Gloucester the 22nd June on a trip for halibut. We fished on the north-west coast of Newfoundland, near Bonne Bay, where mysupply of bait being exhausted I ran into the port the 12th July, and reported at the Custom House, stating to the Collector that my purpose was to buy bait. The Collector immediately served me with the notice hereto appended, and made part of this affidavit. I had with me a copy of the Canadian warning of the 5th March, 1886, which contained the clause 2 of the Treaty of 1818. This I showed to the Collector, and argued that I had the rights under the Treaty there set out. In substance, his reply was that he had an official duty to perform, and would not permit me. Fearing that my vessel would be seized, should I remain or should I buy bait or take it, I determined to return to Gloucester, as my trip was broken up by these threats in the notice, and the action of the Collector in refusing to recognise the rights secured my vessel by the Treaty.

"I arrived in Cloucester the 26th July: I say great losses and damages have ensued to said vessel, her owners, and crew, by reason of being warned off said coast and

said Bonne Bay as will be duly made to appear.

(Signed)

"JAMES MACDONALD."

Commonwealth of Massachusetts, Suffolk, s.s.

Then personally appeared the above-named James Macdonald, and made oath that this foregoing statement by him subscribed is true.

Before me,

(Signed)

CHARLES G. CHICK.

Justice of the Peace.

Boston, July 28th, 1886.

Mr. Taylor to Captain Macdonald.

Bonne Bay, July 12th, 1886.

Sir.

I am instructed to give you notice that the presence of your vessel in this port is in violation of the Articles of the International Convention of 1818 between Great Britain and the United States in relation to fishery rights on the coast of Newfoundland, and of the laws in force in this country for the enforcement of the Articles of the Convention, and that the purchase of bait or ice, or other transaction in connection with fishery operations, within three miles of the coasts of this Colony, will be in further violation of the terms of said Convention and laws.

I am, &c.,

(Signed)

N. N. TAYLOR,

Officer of Customs at

Statement of Alex. McEachern.

State of Massachusetts, County of Essex.

Be it known that, on this 27th day of July, in the year of our Lord 1886, before me, Aaron Parsons, a Notary Public, duly commissioned and sworn, and dwelling at