

to give them an undue advantage in competition, not only over the hampered operations of Canadians, but over Newfoundland's own colonists as well.

Newfoundland has endeavoured to defend her action and attitude towards Canada on most singular grounds.

It was alleged that the assurances given by Sir Ambrose Shea and Sir Robert Thorburn, in 1887, of a uniform application of the Bait Act to all British subjects should never have been asked by Canada, and were not such as should be held by Her Majesty's Government as binding; that they could not be binding upon the present Government, etc.

Also that it had become necessary for Newfoundland, in self defence to exclude Canadians, because of their action in supplying bait to the French. They were accused of violating the Bait Act and otherwise supplying bait to the French fishermen.

All these arguments were fully met by the undersigned in various reports to Your Excellency during the past two years.

It was shown that Canadians had not been proven to have violated the Bait Act; that on the contrary the principal defeat of the Bait Act, if any, as regards the French, was brought about by the Newfoundland fishermen, who supplied the Islands of St. Pierre and Miquelon with bait from the Magdalen Islands.

Also, that Canada had offered to pass an Act to prevent any possible violation of the Bait Act by Canadians, when her rights and privileges were restored.

Newfoundland, it is true, has proposed that Canada shall pass a Bait Act on similar lines to their own, to exclude the French fishermen from the bait supply, and to assist in enforcing their Act against the French and help to recompense certain losses made by stopping the supply of bait to the French.

This proposal has already been dealt with by the undersigned in his report embodied in the Minute of Council of 21st November, 1891. (748 II. I.)

The undersigned, however, would briefly refer to the stress which the Newfoundland authorities appear to lay upon the non-existence of an anti-French Bait Act in Canada, contingent upon the existence of which they aver shall be the bait supply to Canadians.

If this objection be well founded—and assuming for the moment that it is—and the exclusion of British subjects from participation in the bait supply, thus justifiable, it may be asked how does Newfoundland reconcile her policy in granting licenses free of charge to the citizens of another foreign nation, who are on precisely the same footing as are Canadians, so far as the existence of an anti-French Bait Act is concerned, with that pursued towards Canada.

The United States Government is not asked by Newfoundland to legislate against the French before their fishermen can secure their bait supply, yet, their conditions in this respect in no way differ from those of the Canadians.

Canadian fishing vessels do not seek bait for the purpose of selling it to the French. On the contrary, being necessary for their operations, they require it for their own use, just as the United States vessels do, and are no more likely to dispose of it to the French than are the United States fishermen. Still, the United States vessels have no difficulty in obtaining all the bait they require.

It would appear to the undersigned that to be consistent, or to give any force to the objection raised, it would be imperatively necessary for the Newfoundland authorities to extend the same treatment to the United States vessels regarding the bait as is shown to those of Canada.

Therefore, the refusal of bait to the Canadians, while allowed to the United States citizens, is unjustifiable for the very reasons given to support it.

The Newfoundland authorities assert that the action taken by Canada to induce Her Majesty's Government to fully enquire into the probable effect of their proposed convention with the United States upon British interests generally, was responsible for the course pursued by Newfoundland against Canada.

Canada's action in this connection was, it is submitted, not directed against Newfoundland, but was solely in the interests of British rights in America.