

no interference or hindrance whatever of Canadian fishermen contemplated. Act necessary framed so as to confer upon Governor discretionary powers in granting licences to sell or export bait, our only object being to prevent supply to foreign subsidized rivals. Fulllest rights and privileges of all British fishermen to take or purchase for their own use as hitherto enjoyed will be maintained. Please communicate this information to your representative or agents in London, to remove objection to our Act, and promote Royal Assent.

(Signed) "ATTORNEY-GENERAL."

In June 1889, the Legislature of Newfoundland passed "An Act to Amend and Consolidate the Laws relating to the Exportation and Sale of Bait Fishes." This Act (June 1889) was proclaimed by his Excellency Sir Terence O'Brien, Governor of Newfoundland, the 3rd April, 1890:

By the provisions of this Act, as stated by the Colonial Secretary of Newfoundland to Cecil Fane, Esq., under date 15th April, 1890, "all foreign and British vessels not belonging to this Colony which required bait from our coasts for the prosecution of the cod fishery, can only obtain it by taking out a licence at an ordinary port of entry in the form herewith, and giving bond in the sum of 1,000 dollars that the bait shall be used *bona fide* for the purposes for which it is obtained.

"This licence is issued on payment of a fee of 1 dollar per ton, and entitles the holder to purchase the bait for three weeks, but only to the extent of one barrel per ton register.

"Should fresh supplies of bait be required after the expiration of three weeks, the vessel must re-enter at a Customs port and again take out a licence on similar terms to the first, and so on through the fishing season. Light dues will of course be exacted as heretofore."

Loud complaints have reached the Undersigned from Canadians interested in Bank fishing against this Legation, which threatens most serious injury to a large and important portion of Canadian industry. It is represented by those engaged in the cod fishery from Nova Scotia that the effect of this heavy tax will be to destroy the Bank fishing of that province.

The returns for the last year show that of Canadian vessels engaged in the Bank fishery there were not less than 203 with a tonnage of 18,124. The total catch amounted to 35,821,871 lbs. of fish.

Accordingly, on the 24th April your Excellency was pleased to approve of a Minute in Council, recommending that a telegram be sent to the Right Honourable the Secretary of State for the Colonies expressing the desire of your Excellency's Government that a remonstrance should be made to Her Majesty's Government on the restrictions placed on British ships, owned or sailed by Her Majesty's subjects in Canada under the Newfoundland legislation, referred to.

From the telegram of the 8th May from the Right Honourable the Secretary of State for the Colonies to your Excellency, it appears that Lord Knutsford does not consider the Bait Act *ultra vires*, and his Lordship supposes representations have been made direct to Newfoundland.

The Undersigned has not discussed the authority of the Legislature of Newfoundland to enact the legislation complained of, but he desires to call attention to the solemn assurance given by the Government of Newfoundland of the definite and positive character already referred to to the effect that it was not intended to enforce this Act against Canadian and British vessels, and that it would not be so enforced.

It is therefore with surprise that the Undersigned now learns that the provisions of the Act are being enforced against Canadian and British vessels, as well as against those of foreign countries, and he trusts that when the attention of the present Administration of the Government of Newfoundland is called to the Agreement of its predecessors in office, that in accordance with that understanding the provisions of the Act will no longer be enforced against British or Canadian vessels.

It may not be out of place to refer to the friendly co-operation which has hitherto existed between the Governments of Canada and Newfoundland in connection with their respective fishery and commercial interests.

Fishing-vessels of Newfoundland are now and have always been permitted to enjoy the inshore fisheries and port privileges of Canada in common with those of Canada, and while light dues, harbour dues, and pilotage dues are exacted by the Government of Newfoundland from Canadian fishing craft, there are no corresponding taxes paid by the vessels of Newfoundland to the Dominion of Canada.

Canada at present maintains, free of all charges upon shipping, five lights and four