29th February, 1892.

To His Excellency the Governor General in Council.

The undersigned, having had referred to them a despatch from Lord Knutsford to Your Excellency, dated the 11th instant, acknowledging the receipt of Your Excellency's despatches Numbers 303 and 304 of the 30th November, on the subject of the refusal of the Government of Newfoundland to issue Bait Licenses to Canadian-fishermen, beg leave to report as follows:—

Lord Knutsford transmits with the same despatch copies of correspondence with the Governor of Newfoundland and with Mr. Harvey, a member of that Government, who is at present in England, both as to the above mentioned subject and respecting the Convention between Newfoundland and the United States of America.

Your Excellency's Government gratefully appreciate the consideration for the interests of the people of Canada, which is evinced by Lord Knutsford's despatch to

the Governor of Newfoundland, dated the 11th instant.

Referring to the letter dated the 7th of January last from Mr. A. W. Harvey to Lord Knutsford, which accompanies His Lordship's despatch, the undersigned observes that Mr. Harvey has been strangely misinformed as to nearly all the subjects which his letter refers to. He first refers to the negotiations which were attempted in 1868 between a Committee of the United States Congress and the Executive Council of Prince Edward Island, and claims that those negotiations do not constitute a parallel case to the recent instance of Mr. Bond's negotiations with the administration of the United States represented by Mr. Blaine, because (he says) it would appear that the idea was then entertained that Prince Edward Island, without consulting with or having the assent of Her Majesty's Government, intended to enter into a treaty with the United States. The contrary is the fact. The negotiations of 1868 were informal, inasmuch as the persons who represented Congress were not authorized to make a treaty and must have been aware that the Prince Edward Island Government were equally unauthorized. The members of the Executive Council of Prince Edward Island who negotiated with them do not appear to have entertained any idea of negotiating a treaty without the assent of Her Majesty's Government. Mr. Harvey further states that in the case of Newfoundland, negotiations were opened with the approval and assent of Her Majesty's Government by Her Majesty's Ambassador at Washington, and that the Convention was forwarded to Her Majesty's Government by that Ambassador. Mr. Harvey has not been informed, it would appear, that, while the negotiations were opened by Her Majesty's Minister at Washington, the Convention was not the result of those negotiations, but was the result of a private and unauthorized negotiation between a member of the Newfoundland Executive and the Secretary of State for the United States at interviews when Her Majesty's Minister was not present, and that Her Majesty's Minister was not aware that such negotiations were taking place until they were concluded. It is true that the draft Convention was forwarded to Her Majesty's Government by Her Majesty's Minister at Washington as soon as he discovered its existence, but the undersigned venture to think that that circumstance is quite immaterial to any of the points which have been under discussion.

Mr. Harvey seems to think that the despatch of the Duke of Buckingham (which he refers to as a memorandum) with reference to the Prince Edward Island negotiations, should have little weight, as it was "written as far back as 1868." That despatch was referred to in the report, which Your Excellency approved on the 12th day of December, 1890, and which was transmitted to Lord Knutsford, for the purpose of showing that Her Majesty's Government had formally disapproved of separate negotiations being carried on by the Government of one colony with a foreign country on matters affecting other portions of Her Majesty's possessions, without the upproval, at least, of Her Majesty's Government. If the date of the despatch of the Duke of Buckingham in any way lessens its weight, the undersigned will be able to show that the rule then laid down has since been emphatically repeated, and has not been departed from in any case, which can be found

after research among the imperial and colonial documents accessible here.