

In a former part of this Report, I have stated my opinion as to the best means to be adopted to prevent the smuggling of bait from Lanvalin and its vicinity to the island of St. Pierre's ; and I simply add, that if the small cruiser I propose to be provided by the Colonial Government were stationed principally in the harbour of St. Pierre's during the time the French bankers arrived for their supplies of bait, she might the more effectually check the illegal trade of being there, at the point of concentration, to board all English vessels and boats outside the harbour upon their approach and departure, instead of fruitlessly endeavouring to watch an extensive line of coast abounding in ports.

I most emphatically assert that the traffic in caplin to the French Islands, and the introduction of French merchandize into our colony by the return boats, so injurious to British commerce and colonial revenue, can never be checked without the constant presence of one or more revenue vessels, possessing several swift row-boats to act in conjunction with vigilant and independent local authorities appointed for the sole purpose of performing this coast-guard duty.

The French, although comparatively unmolested by our fishermen, and possessing fisheries about equal in extent to our own, conceive it necessary to employ six cruisers for their protection, comprising a corvette (or brig), a steamer, three schooners and an armed store ship. Each of these have a range of coast to guard, namely, one schooner in charge at St. Pierre's, under the immediate order of the Commandant of the island ; a second from Cod Roy, along the coast to Point Ferroll ; a third from thence to Croc, where the senior officer generally is himself, to receive all reports and adjust disturbances. The steamer is usually employed between Croc and Cape St. John's.

It is obvious that the single English man-of-war employed to protect the Newfoundland fisheries is not sufficient to counteract the advantages of so preponderating an influence.

The coast of Labrador is, in my opinion, the one that requires the most vigilant watching for the protection of the rights of the colonial and home subjects who flock there during the season, and to do so effectually, the constant presence of a cruiser would be required.

The knowledge that a man-of-war will visit the coast during the season may exercise sufficient influence to prevent any very outrageous behaviour on the part of foreigners towards detached British settlers, yet it can exercise no effective control to prevent their fishing encroachments ; and now, after repeatedly and vainly demanding permanent protection against these inroads, the settlers find it more to their advantage to enter upon a reciprocity of barter (as injurious to British commerce and colonial revenue, and the fishing interests at large, as it is profitable to a few of the leading planters upon the coast who supply the poorer settlers with commodities) than to run the risk attending a forcible ejection of the intruders.

In conversations I have held with his Excellency the Governor, it appears that the Colonial Legislature has hitherto been disinclined to re-establish the Surrogate Courts that formerly exercised annual authority upon the coast, alleging that the expense was greater than the benefit the colony derived from their existence. Under these circumstances, I deem it my duty to represent to your Lordship, that if the Captains of Her Majesty's ships should still be ordered to interfere in the control of the frequently very turbulent fishing society distributed over that distant coast, it would be more consistent with their position, and their duty more effectually performed, if they did so under the Acts of Parliament regulating their power over Her Majesty's subjects committing offences on the high seas, or that conferred upon Consuls residing in foreign ports, until such time as the Colonial Government may deem it expedient to re-establish a legal control over a dependency producing so considerable a portion of the actual revenue of Newfoundland.

In the 18th Article of your Lordship's Instructions, you direct my attention to the prevention of all illicit trade ; and although I have endeavoured, to the best of my ability, to carry out these instructions, I found the evil too general, and encouraged by those parties in many instances who complained of the evil, to be able to report any success. The injurious extent to which trade in caplin and contraband articles is carried on, cannot be better shown than by stating that upwards of £. 20,000 were realized last year by the sale of that bait to the French. So it is very apparent that unless either the Home or Colonial Governments take

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