

immediately voted it being, however, clearly understood that in case the suggested sum be not voted, the claim of this country to repayment of the whole sum is not prejudiced.

I have, &c.

The Under Secretary of State,
Colonial Office.

(Signed) LEONARD COURTNEY.

No. 23.

The RIGHT HON. THE EARL OF DERBY to GOVERNOR SIR H. F. B. MAXSE,
K.C.M.G., (NEWFOUNDLAND).

SIR,

Downing Street, June 16, 1883.

I HAVE the honour to acknowledge the receipt of Sir F. Carter's Despatch of the 2nd of April,* enclosing an extract from the minutes of the Executive Council in reference to the repayment by Newfoundland of the sum advanced by Her Majesty's Government in satisfaction of the Fortune Bay fishery claim.

2. Your Ministers contend that the amount of 14,850%. paid to the United States Government on this account was largely in excess of the merits of the case, which at the utmost would not have warranted a payment beyond that stated in Judge Bennett's memorandum of the 4th of May 1881† to be the maximum to which the American fishermen could lay claim, and they urge that the equity of the case would be satisfied by a repayment from the funds of the Colony of the amount so assessed by Judge Bennett, viz., \$17,300.

3. In the opinion of Her Majesty's Government the Colony of Newfoundland and not the taxpayers of this country are liable for the damages arising from the action of the Newfoundland fisherman on the occasion of the Fortune Bay disturbances, and they cannot admit that the Colony has any claim on equitable grounds to be relieved of a charge caused by such action.

4. In consideration, however, of all the circumstances connected with this case, and looking to the fact that the mode of settlement desired by the Colonial Government was not proceeded with, and considering also the little hope which your Ministers hold out that the whole amount paid by Her Majesty's Government will be voted by the Legislature, Her Majesty's Government will be prepared to consider favourably any application which may be made by the Government of Newfoundland to be relieved from the repayment of the whole sum of 14,850%. if your Government will undertake to pay at once into the Imperial Exchequer the amount of Judge Bennett's assessment, it being clearly understood that in case the suggested sum is not paid the claim of this country to repayment of the whole sum is not prejudiced.

5. I trust that this proposal will be appreciated by the Government and Parliament of Newfoundland as being considerate and liberal.

I have, &c.

(Signed) DERBY.

Sir H. F. B. Maxse.

No. 24.

COLONIAL OFFICE to TREASURY.

SIR,

Downing Street, June 25, 1883.

WITH reference to your letter of the 31st ultimo,‡ and to previous correspondence respecting the repayment by the Government of Newfoundland of the sum advanced by Her Majesty's Government in settlement of the Fortune Bay claims, I am directed by the Earl of Derby to transmit to you, for the information of the Lords Commissioners of the Treasury, a copy of a Despatch§ which has been addressed to the Governor of Newfoundland on the subject.

I am, &c.

The Secretary to the Treasury.

(Signed) EDWARD WINGFIELD.

* No. 20.

† Enclosure in No. 1.

‡ No. 22.

§ No. 23.