

So, with regard to the question of appointing a Consul at St. Pierre, the Government of France have, as you are already aware, declined to consider this question until the arbitration has been disposed of.

The present position then is, that the arbitration agreed upon by the Governments of England and France, and accepted by the Government of Newfoundland, cannot at present proceed, as no permanent provision has been made for the execution of the arbitration award and the enforcement of French Treaty rights, and that, until that arbitration is concluded, Her Majesty's Government cannot make any attempt to meet the wishes of the Colony by negotiating, either for a complete arbitration, or a general settlement, or press further for permission for a British Consular Officer to reside at St. Pierre.

While Her Majesty's Government are anxious to forward the wishes of the Colony in regard to these matters, they must guard themselves against admitting the statement of the Committee that "as the Treaties were made in the interests, not of this Colony, but of the Empire at large, it was for the Empire's honour and advantage that proposals were made by the Delegates, and will be fulfilled by the Legislature, and that the Colony will expect to be rewarded in due time by the entire abrogation of the Treaties at the expense of that Empire on whose behalf they were made and enforced."

The true position of the Colony in regard to the Treaties was clearly stated by the present Lord Chancellor in his speech on the second reading of the Imperial Bill, when he pointed out that "the rights under the Treaties which we are considering, whatever those rights may be, are ancient, and came into existence at a time when there was no inhabitant population on the coasts in question. These Treaty obligations were not imposed on an existing community, but the community which has since grown up has come into being subject to the existence of these Treaty rights. I think that is beyond the possibility of question. The liability of the inhabitants of Newfoundland to the burden of these Treaty obligations does not depend upon any connexion of the Colony with the British Crown. If that link were severed, the inhabitants of Newfoundland would be not one whit less under the Treaty obligations; those obligations would be in no degree less binding upon them. I think it is essential this should be borne in mind: that they would then find themselves still subject to the Treaties, face to face with the French nation insisting upon their performance, and they would be subject to the entire pressure of the force existing in the French people. I am quite sure, under those circumstances, the inhabitants of Newfoundland will feel that these ancient Treaty obligations, resting as they do upon us, bring a serious burden, attendant with manifold risks and responsibilities, and that the Government of this country is deserving of consideration at their hands in the difficult position in which they must often find themselves placed when called upon to enforce these Treaties."

It would be impossible for me to express more lucidly the nature and origin of the Treaty obligations and their bearing on the relations of Newfoundland to the Empire at large.

But Her Majesty's Government, while they think it necessary to place on record their dissent from the views expressed by the Committee on this point, fully recognise that in the interests of the Empire as a whole no less than of Newfoundland in particular, and indeed, of peace, as removing a constant risk of friction with a friendly Power, a final settlement of the fishery question is much to be desired. They would gladly avail themselves of any favourable opening to conclude such an arrangement. But whether such a settlement be at any future time practicable or not, it certainly would not be entertained by any French Government until the present Agreement has been carried into effect.

The necessary preliminary to any such happy conclusion is that the Colonial Legislature of Newfoundland should show that it is prepared to fulfil the Treaty conditions which were in existence before it was itself created, and by which it is necessarily bound,—Treaty conditions which through its Delegates in 1891, and now again, by the report under consideration, it has declared itself willing to carry out by furnishing Her Majesty with the powers which are absolutely necessary for the due execution of Her International obligations.

As the session of the Legislature is so near its close and a general election is impending in the Colony, your Ministers may prefer not to resume the discussion of the permanent Bill at present; and, as I informed you in my telegram of the 19th ultimo,* Her Majesty's Government, relying on the promise of the Legislature to extend the temporary Act for a further period of two years, will be prepared to postpone further action till the new Legislature has assembled, and in the meantime to refrain from