

is now close at hand at which the French fishermen prepare to sail for the fisheries, and large expenditure has been incurred for the season ; and the French Government, having received no formal intimation that the practice hitherto uniformly maintained will be departed from, has been entitled to assume that there will be no alteration in the arrangements for the current year. Her Majesty's Government would consequently not be justified in disregarding the strong protest of the French Government against the introduction at this late period of restrictions calculated to inflict grave loss upon the French fishermen ; and as for this reason they are unable to advise the Queen to allow the Bill to come into operation in respect of the approaching fishing season, it will not at present be submitted for Her Majesty's confirmation.

I do not desire now to raise the question how far the objection to the sale of bait to the French should, if well founded, have been pressed at an earlier date. The papers before me make it clear that it has but very recently been discovered that the operation of the French bounties has so lowered the price of fish in the markets of Europe as to make the fishing no longer profitable to the colonists, who are not aided by bounties. In the 19th paragraph of your Despatch you state that on the continent of Europe French caught fish is sold for 12s. 6d. per quintal, while that caught by British fishermen, being better prepared, fetches 14s. per quintal. As the French fishermen receive, in addition, a bounty which you state amounts to some 8s. 6d. per quintal, it is sufficiently obvious that the British fishermen lie under a grave disadvantage ; but I do not perceive that it has yet been shown in detail that although there is a great difference between the present price of 14s. per quintal and the former price of 15s. to 20s. which, as stated in a memorandum furnished to Her Majesty's Government, was obtained for Newfoundland fish until about two years ago, the Colonial fishery has actually ceased to be remunerative, and to what extent. It is desirable that the case for the allowance of the Bill should be supported by full evidence on this point ; and during the current year it will be possible to ascertain accurately the full effect of the French bounties and the exact position of the British fishing trade. Until these facts have been established it is not possible for Her Majesty's Government to decide with confidence whether the proposed legislation will prove to be the best mode of applying a remedy for the depressed state of the Colonial fishery, or whether, after further communication with the French Government upon a more precise statement of the facts, such remedy may be found in some other direction.

Sir G. W. Des Vœux.

I have, &c.  
(Signed) H. T. HOLLAND.

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