

No. 2.

COLONIAL OFFICE to FOREIGN OFFICE.

(Extract.)

Downing Street, May 21, 1881.

I AM directed by the Earl of Kimberley to transmit to you herewith, to be laid before Earl Granville, a copy of a letter* received from Sir William Whiteway, the Premier of Newfoundland, who is now in London, transmitting a memorandum drawn up by Judge Bennett, of the Northern District Court in the Island, relating to the occurrences at Fortune Bay, in January 1878, and to the claims of United States fishermen in connexion therewith.

If an inquiry with a view to the assessment of compensation to American fishermen were to be proceeded with, this memorandum would afford valuable information, and would, no doubt, be of great assistance to Sir E. Thornton in dealing with the question; but if Lord Granville should be of opinion that it is desirable to agree to the proposed payment at once of the sum which Mr. Blaine is willing to accept in satisfaction of all claims, Lord Kimberley would be prepared to assent to this course. Apart from the great advantage of terminating at once an irritating controversy, it appears to his Lordship that even if the United States Government should, after considering the statement now submitted, consent to a further reduction of their original demand, the cost of the inquiry, added to the compensation, would probably amount to at least as much as the sum which the United States Government is now prepared to accept.

No. 3.

THE RIGHT HON. THE EARL OF KIMBERLEY to SIR F. B. T. CARTER, K.C.M.G.,
Administering the Government of Newfoundland.

SIR,

Downing Street, October 11, 1881.

I INFORMED Sir J. Glover by my telegram of the 9th of May last† that the United States were willing to accept the sum of 15,000*l.*, to be paid at once, in full satisfaction of the claims known as the Fortune Bay and Aspee Bay claims, and all other claims up to the 4th of March last, arising out of interruptions from which American fishermen have suffered whilst in the exercise of the rights of fishery allowed to them under the Treaty of Washington; and I added that this arrangement appeared to Her Majesty's Government to be satisfactory.

In my Despatch of the 7th of June,‡ I enclosed copy of a letter which I had caused to be addressed to Sir William Whiteway, explaining the reasons which in the opinion of Her Majesty's Government rendered it advisable that the question should be settled by the payment to the United States Government of the fixed sum mentioned, and I stated that the correspondence upon the subject when laid before Parliament would be communicated to you in due course.

I have now the honour to forward to you the printed correspondence lately presented by command to both Houses of Parliament, from which you will perceive that after prolonged communications with the United States Government, Her Majesty's Government came to the conclusion that the validity of the claim put forward on behalf of the United States fishermen to some compensation must be admitted. With a view to fixing the amount of the indemnity, it was originally proposed that an inquiry should be held by a representative of Her Majesty's Government and a representative of the United States, when it would have been necessary that evidence should be taken, and that the respective sides of the question should be argued by Counsel. Having regard, however, to the length of time already occupied by the negotiations, and to the further delay which such an inquiry would have involved, and also to the considerable expense which would thus have been entailed, Her Majesty's Government came to the conclusion that a more satisfactory, and possibly in the end a less costly settlement would be obtained if the United States Government would consent to accept a fixed sum in satisfaction of all claims. This view met with the concurrence of the United States Government, and after some further discussion Her Majesty's Government, acting upon the information

* No. 1. † See Enclosure in No. 118 of Foreign Office Paper [C.-3059] of 1881. ‡ Not printed.