

formally conceded to, France. I mean the fisheries to and through the Straits of Belle Isle and on the coast of Labrador.

Your Lordship is doubtless aware that, in consequence of the uncertainty of the precise meaning and effect of a portion of the British Treaty with France, and the inconveniences resulting from it, as regards Great Britain, and of the impediments offered to the successful prosecution of the general Newfoundland fishery by the difficulty of procuring bait, as regards France, negotiations have been for a long time in progress between the two countries with a view to the improvement of the existing state of things, and to the removal of causes of difference and dispute between the respective Governments. I need not trouble your Lordship with details upon this point, but it is obvious that much embarrassment might arise, and the conclusion of an amicable arrangement with France be materially impeded, if the result of your negotiation with the United States should involve a still further concession of rights of fishing on the coast of Newfoundland, from which British fishermen are now practically excluded, and thereby give occasion to remonstrances on the part of France against the admission of the United States to share in a fishery which is now enjoyed, without British competition, by France. For this reason, it is thought necessary that the rights of France should in terms, at least, be reserved in any Treaty which your Lordship may conclude with the United States.

But there is an additional difficulty opposed to the unrestricted admission of the United States to the fisheries on the coasts of Newfoundland; for that privilege would give the American fishermen additional facilities for supplying those of France with fish caught in the adjoining waters, and the equivalent which the British Government would have to offer to the French Government for any concessions which a consideration of British interests might prompt it to demand in return for facilities to be afforded to French fishermen in procuring means for the successful prosecution of their occupation, would thereby lose much of its value.

If there were any good grounds for anticipating that the United States might be induced to consent not only to the rights of France under existing Treaties being reserved, but also to the rights which might be conferred upon France by any future Treaty being dealt with in the same manner, Her Majesty's Government would not be disinclined to make a proposal to that effect; but as they cannot suppose that the United States would easily be brought to listen to such a proposal, I am not prepared to instruct your Lordship to bring it forward.

Thus far as regards the difficulties presented by our present and prospective arrangements with France, in the way of any Treaty with the United States, which should apply to the Island of Newfoundland equally as to the rest of the British Colonies.

As regards the position and interests of Newfoundland the question is not less beset with difficulties.

Your Lordship is aware that it is only recently that the Legislation of that island have evinced a disposition to be included in any general arrangement with the United States; but their willingness to be so is clogged with reserves which rest on considerations of vital importance as regards the interests of the island, but which seem to preclude the expectation that Newfoundland can be included in the Convention under consideration.

The object of that Convention is two-fold—to provide for a joint prosecution of fisheries on the coasts of the British Provinces and of the United States respectively, and for the sale of the produce of those fisheries in the respective countries; and also for a free and mutual exchange of certain of the products of the British and American soil: and these two objects are indissoluble. For it is only in consideration of the advantage that would be derived by the British Provinces from the unrestricted interchange of certain articles of produce with the United States, that Her Majesty's Government could consent to the admission of the United States to participate in the British fisheries, for which the United States have no equivalent concession as regards fishery to offer in return.

But it appears that it would be ruinous for Newfoundland to be included in a Convention founded on this basis, which would at once deprive the island of one-third of its limited revenue; and it is therefore suggested that, although as regards the other British Provinces and the United States, absolute freedom of trade might be stipulated in the Convention, an exception should be admitted as regards the trade between Newfoundland and the United States, so that, on certain specified articles, duty to a moderate amount might be levied for the benefit of the Colonial Treasury. But such a departure from the basis of the Convention, if sanctioned, might probably be urged