Despatch from the Secretary of State for the Colonies to the Governor of Newfoundland on the subject of the Reserved Bill of the Newfoundland Legislature, entitled "An Act to regulate "the exportation and sale of herring, caplin, squid, and other " bait fishes."

The RIGHT HON. SIR H. T. HOLLAND, BART., G.C.M.G., M.P., to GOVERNOR SIR G. W. DES VŒUX, K.C.M.G.

Downing Street, February 3, 1887. SIR,

I HAVE the honour to acknowledge the receipt of your Despatch of the 14th of January last upon the subject of the Bill passed by the Legislative Council and Assembly of Newfoundland during the last session, and reserved by you for the signification of Her Majesty's pleasure, entitled, "An Act to regulate the exportation and sale of herring, caplin, squid, and other bait fishes," a transcript of which accompanied your Despatch of the 26th of May last.

Her Majesty's Government have carefully considered your Despatch now under acknowledgment, together with your previous Despatches on the subject, as well as the Attorney-General's report and the petition which accompanied your Despatch of the 19th of June last, addressed to the Secretary of State by both Houses of the

Legislature, praying that the Bill may not be disallowed.

The representations made by the Attorney-General and by Sir Ambrose Shea, with whom Her Majesty's Government had the advantage of repeatedly conferring during

their visits to this country, have also received full attention.

Owing to the changes of the Government here, there has unfortunately been some unavoidable delay in dealing with this question, but I have made it the first subject of my consideration, and have not lost any time in bringing it under the notice of Her Majesty's Government, who recognise the great importance of maintaining and developing by all legitimate means that industry on which the greater part of the population of Newfoundland is directly or indirectly dependent. The representations of the French Government on the other hand have also necessarily received careful

Her Majesty's Government are aware that when the Convention of 1857 was under consideration a clause relating to bait formed one of the grounds for the rejection of that Convention by the Government of Newfoundland; but it is to be remembered that the clause in question conferred on the French not only the right to purchase bait, but to take it for themselves on the south coast in a certain contingency, and was for this reason much more unfavourable to Colonial interests than that inserted in the " Arrangement" of 1885.

In the negotiations which have taken place since 1857 a provision for the sale of bait to French fishermen has invariably been contemplated, and has been agreed to by representatives of the Colony on more than one occasion. Moreover in resolutions adopted in 1867, and again in 1874, the Legislative Council and House of Assembly of Newfoundland agreed to a clause allowing the French to purchase bait at such times

as British subjects might lawfully take the same.

More recently, again, when the "Arrangement" of 1884, in its first stage, was communicated to the Colonial Government, the article providing for the sale of bait to French fishermen was not objected to by them, although other modifications of the details of the Arrangement were pressed by the Colony. It was only at so recent a date as the spring of last year, when the Arrangement as revised in 1885, in accordance with the wishes of the Colonial Government, was presented for the final approval of the Legislature of Newfoundland, that exception was taken to the provision for the sale of bait to the French fishermen; and this objection was followed up by the passing of an Act to give effect to it.

I recapitulate these facts in order to explain how it is that Her Majesty's Government, while fully recognising the serious character of the representations now placed before them as to the actual condition and prospects of the Colonial fishing trade, feel constrained to admit that there are special difficulties in the way of an entire departure. at the present moment, from the policy which has been so long adhered to. The time