

caught in lakes or the fishery waters direct), fish oil, and fire wood, and the admission free of duty of timber and lumber of all kind after the 1st July, 1874; the arrangement to be for ten years certain, and thereupon subject to a two years' notice. The Commissioners add that, with the exception of Sir John McDonald, they think that the arrangement is, on the whole, a fair one, and that they are sure that it is the best that can be obtained. The objections to the proposed arrangement are stated by Sir John McDonald in a Memorandum which he drew up, were that the duties on coal and salt would certainly be shortly abolished; and that it therefore amounted to a cession of the British inland fisheries in return for the admission, duty free, of fish and fish oil, and of lumber from the 1st of July, 1864, which he thought was not an adequate consideration.

On the 17th of April following, the Fisheries Question again came under discussion; when Her Majesty's Commissioners stated that they had, in accordance with their promise, referred to Her Majesty's Government the proposal of the United States' Commissioners that the United States should to take the duties off Canadian fish, salt, and coal at once, and lumber on the 1st of July, 1864, in return for the privilege of admission to the in-shore fisheries, but that they had been instructed that Her Majesty's Government could not accept their tariff advantages as sufficient equivalents for the privilege derived, and were of opinion that they should be supplemented by the payment of a sum of money to be agreed upon by the High Commissioners; and that should the United States' Commissioners be prepared to agree to that arrangement, they were ready to proceed to discuss the amount. The United States' Commissioners then replied, that they were prepared at once to say that they could not add a money payment to the proposed tariff arrangements, and that consequently their proposals on the point must be considered as entirely withdrawn. that this being so, and as it would greatly embarrass the United States' Government to equivalent to a money payment, they would proceed to consider the possibility of an arrangement on the basis of an equivalent in money. They stated that