

being unavoidable for the sweeping change last referred to, or, indeed, one involving any serious relinquishment of revenue, his Grace would be unwilling to risk the success of the entire scheme on the adhesion of Newfoundland, precarious as this would then become in consequence of the difficulties of the financial question. His Grace would, therefore, wish Lord Elgin to consider whether it might not be made a condition of assenting to stipulations, of which the reception in the Colony will be so uncertain, that the operation of the scheme as regards the other Colonies shall not be made dependent on the decision of Newfoundland, but only so as regards its extension to this Colony. If the United States' Government should claim as part of such an arrangement, the insertion of additional stipulations with a view to prevent Newfoundland, if excluded from obtaining indirect admission for its produce into the States, Lord Elgin would be at liberty to consider any such proposition.

7. The last point on which the Duke of Newcastle has to suggest additional directions to Lord Elgin, relates to the fishery rights of France on the coasts of Newfoundland. Lord Elgin has been instructed to introduce words to save and except those rights, in the statement to be made in the proposed Treaty of fishery rights to belong to the United States. But it is a disputed question what the existing rights of France on the Newfoundland coasts are, and it is under consideration at the present time to attempt a settlement of this dispute by offering France, so far as our engagements to the United States permit, exclusive, instead of her present rights of fishery on the upper part of these coasts. It therefore appears to the Duke of Newcastle very desirable, and his Grace would suggest for Lord Clarendon's consideration, whether it might not be practicable, in laying down anew the fishery rights of the United States in regard to Newfoundland, to except not only the present rights of France, but all the coasts on which we are prepared to make the French rights exclusive.

8. Subject to the present observations, the Duke of Newcastle is satisfied of the expediency and importance of including Newfoundland in the projected arrangement, with the view, both of placing the trade and intercourse of the Colony with its neighbours on a better footing, and of giving a more consistent character to the Imperial engagements with respect to its fisheries.

I am, &c.
(Signed) FREDERICK PEEL.

No. 16.

The Earl of Clarendon to Lord Elgin.

(No. 6.)

My Lord,

Foreign Office, May 19, 1854.

I THOUGHT it advisable, on your Lordship's departure for Washington, to give you, in a few words, a general caution against entering into any arrangement with the United States for including Newfoundland in the Fishing and Trade Convention which you are authorized to negotiate which might clash with the special privileges of fishing in the neighbourhood of that island now enjoyed by France. It is desirable, however, that your Lordship should be more fully informed of the complicated position of affairs as regards Newfoundland, and of the various embarrassments which may attend any attempt to include that island in the proposed Treaty with the United States.

The first of those difficulties, unquestionably, is the right which France possesses to fisheries on the coast of that island, which, whatever may be the literal meaning of the terms in which it is conveyed, is practically an exclusive right as against British enterprise. For although the Treaty of 1783 and the Declaration of that year do not convey any exclusive right to France, yet they do secure French fishermen from being interrupted in any manner by English competition, and it appears that the English fishermen cannot carry on the cod fishery within the limits specified in the Treaty without interrupting the French fishermen. Consequently, the French right, though nominally concurrent, is, as far as the cod fishery is concerned, practically exclusive.

But though such may be considered the bearing of the Treaty as regards British fishing, the Treaty has not been considered as precluding the British Government from granting, without limitation, to the United States a right of fishing on certain parts of the coast of Newfoundland, from which, as I have said above, British fishermen are, as far at least as the cod fishery is concerned, virtually excluded; and the Treaty of 1818, by which that right was granted to the United States, conveyed to those States rights of fishing in other quarters, which though much coveted by, have never yet been