

has stated that there is no difference in principle between a money payment and "the system of licences calculated at so many dollars a ton, which was adopted by the Colonial Government for several years after the termination of the Reciprocity Treaty." Reference to the correspondence will prove that the licence system was reluctantly adopted by the Canadian Government as a substitute for the still more objectionable policy pressed upon it by Her Majesty's Government, it having been clearly understood that the arrangement was of a temporary character. In his Despatch of the 3rd March, 1866, Mr. Secretary Cardwell observed: "Her Majesty's Government do not feel disinclined to allow the United States for the season of 1866 the freedom of fishing granted to them in 1854, on the distinct understanding that unless some satisfactory arrangements between the two countries be made during the course of the year this privilege will cease, and all concessions made in the Treaty of 1854 will be liable to be withdrawn." The principle of a money payment for the concession of territorial rights has ever been most repugnant to the feelings of the Canadian people, and has only been entertained in deference to the wishes of the Imperial Government. What the Canadians were willing under the circumstances to accept as an equivalent was the concession of certain commercial advantages, and it has therefore been most unsatisfactory to them that Her Majesty's Government should have consented to cede the use of the inshore fisheries to foreigners for considerations which are deemed wholly inadequate. The Committee of the Privy Council need not enlarge further on the objectionable features of the Treaty as it bears on Canadian interests. These are admitted by many, who think that Canada should make sacrifices for the general interests of the Empire. The people of Canada, on the other hand, seem to be unable to comprehend that there is any existing necessity for the cession of the right to use their inshore fisheries without adequate compensation. They have failed to discover that in the settlement of the so-called 'Alabama' claims, which was the most important question in dispute between the two nations, England gained such advantages as to be required to make further concessions at the expense of Canada, nor is there anything in the Earl of Kimberley's Despatch to support such a view of the question. The other parts of the Treaty are equally, if not more, advantageous to the United States than to Canada, and the fishery question must, consequently, be considered on its own merits; and if so considered, no reason has yet been advanced to induce Canada to cede her inshore fisheries for what Her Majesty's Government have admitted to be an inadequate consideration. Having thus stated their views on the two chief objections to the late Treaty of Washington, the Committee of the Privy Council will proceed to the consideration of the correspondence between Sir Edward Thornton and Mr. Fish, transmitted in the Earl of Kimberley's Despatch of the 17th of June, and of his Lordship's remarks thereon. This subject has already been under the consideration of the Committee of the Privy Council, and a Report, dated the 7th June, embodying their views on the subject, was transmitted to the Earl of Kimberley by your Excellency. In his Despatch of 26th June, acknowledging the receipt of that Report, the Earl of Kimberley refers to his Despatch of the 17th of that month, and "trusts that the Canadian Government will, on mature consideration, accede to the proposal of the United States' Government on this subject." The Committee of the Privy Council in expressing their adherence to their Report of the 7th of June, must add, that the inapplicability of the precedent of 1854, under which the action of the Canadian Parliament was anticipated by the Government, to the circumstances now existing appears to them manifest. The Treaty of 1854 was negotiated with the concurrence of the Provincial Governments represented at Washington, and met with the general approbation of the people; whereas the fishery clauses of the late Treaty were adopted against the advice of the Canadian Government, and have been generally disapproved of in all parts of the Dominion.

There can hardly be a doubt that any action on the part of the Canadian Government in anticipation of the decision of Parliament would increase the discontent which now exists. The Committee of the Privy Council request that your Excellency will communicate to the Earl of Kimberley the views which they entertain on the subject of the Treaty of Washington in so far as it affects the interests of the Dominion.

(Signed) WM. H. LEE,  
Clerk, Privy Council, Canada.

No. 9.

No. 9.

### The EARL OF KIMBERLEY to The LORD LISGAR.

(No. 561.)

MY LORD,

Downing Street, November 23, 1871.

HER Majesty's Government have not failed to consider with attention the Report of the Committee of the Privy Council of the Dominion on the Treaty of Washington, which was enclosed in your Lordship's Despatch, No. 149,\* of August 15.

\* Page 9.

I need scarcely say that Her Majesty's Government regret that your Ministers should have found so much to object to in the provisions of the Treaty, but they remain themselves of opinion, for the reasons which were fully stated in my Despatch of June 17 last,† that, looked at as a whole, the Treaty is beneficial to the interests of the Dominion. I shall endeavour as far as possible to avoid entering into further discussion of the clauses of the Treaty which apply especially to Canada, as I cannot think that any advantage would result from a prolonged controversy between the two Governments as to the details of the Treaty and the manner in which the negotiation was conducted. There are, however, two or three statements in the Report which it is necessary that I should not leave unnoticed.

† Page 4.