

Inclosure in No. 129.

Mr. Blaine to Sir E. Thornton.

Sir,

Washington, May 13, 1881.

IT is quite desirable, for some reasons not necessary to explain, that this Department bring to a prompt and definite settlement the Fortune Bay affair.

I consider that in our last conversation we had, under authority of the reference made to us by both Governments, reached a conclusion satisfactory to both parties, and my note of the 6th instant was the record on the part of the United States' Government of its acceptance of that conclusion.

As the subject was committed to our decision, no further reference can now be necessary, and it would be agreeable to me if you would join me, at your earliest convenience, in closing the transaction.

It is a source of great satisfaction to me that the discussion has been conducted in so amicable a spirit, and reached so satisfactory a result.

I have, &c.
(Signed) JAMES G. BLAINE.

No. 130.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, May 30, 1881.

I AM directed by Earl Granville to transmit to you, to be laid before Her Majesty's Secretary of State for the Colonies, a copy of a despatch which has been received this morning from Sir E. Thornton,* forwarding a communication from Mr. Blaine, dated the 13th May, in which he expresses the hope for a speedy settlement of the Fortune Bay question.

I am, &c.
(Signed) TENTERDEN.

No. 131.

Lord Tenterden to the Lords Commissioners of the Treasury.

My Lords,

Foreign Office, May 30, 1881.

IN a letter dated the 26th February last I requested that your Lordships would be good enough to give the necessary directions that the sum of 15,000*l.* should be held in readiness, in order that it might be placed at the disposal of the Government of the United States, as had been sanctioned by the Cabinet, on the terms indicated in that letter, on account of certain hindrances caused to American fishermen in their fishing operations in the waters of Newfoundland and its dependencies.

Since that date an active correspondence has been carried on between London and Washington, in order to arrive at a clear understanding that this sum would be accepted by the Government of the United States as a complete settlement of all the claims on the part of the American fishermen, which should include not only claims on account of occurrences in the Newfoundland waters, but also those at a place called Aspee Bay, in Cape Breton Island, up to a given date, which has been fixed as the 4th March last.

In consequence of the satisfactory assurances on this point which have been received by Her Majesty's Minister at Washington from Mr. Blaine, the United States' Secretary of State for Foreign Affairs, instructions were sent to Sir E. Thornton on Friday last, desiring him to inform Mr. Blaine that Her Majesty's Government were now prepared to close this question by the payment to the United States of the sum of 15,000*l.*, in full satisfaction of all claims for disturbance caused to American fishermen on the coast of Newfoundland and its dependencies up to the 4th March last, including those at Aspee Bay, on the understanding that this payment is made without prejudice to any question of the rights of either Government under the Treaty of Washington.