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North American.

No. 143.

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CONFIDENTIAL.

CORRESPONDENCE

RELATING TO

RECIPROCITY NEGOTIATIONS

BETWEEN

THE UNITED STATES AND CANADA AND
NEWFOUNDLAND.



Colonial Office,

February 1891.

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116	Foreign Office ..	Confidential	Jan. 7	Encloses paraphrase of a Telegram from Sir J. Pauncefote reporting the substance of the counter-draft of a convention with Newfoundland which had been communicated by Mr. Blaine.	79
117	Ditto	Confidential	Jan. 9	Suggests an alternative reply to Sir T. O'Brien's Telegram of 3rd January.	79
118	To Sir Terence O'Brien	Tele-graphic	Jan. 13	Conveys the substance of the counter-draft of a convention which Mr. Blaine has intimated his willingness to accept.	80
119	To Lord Stanley of Preston	Tele-graphic	Jan. 13	Enquires when a reply to the Secretary of State's Telegram of 2nd January may be expected.	80
120	To Foreign Office	Jan. 13	Requests that Sir J. Pauncefote may be instructed to send direct to Newfoundland a copy of the counter-draft handed to him by Mr. Blaine.	80
121	Foreign Office	Jan. 14	States that Sir J. Pauncefote has been instructed to send copies of Mr. Blaine's counter-draft to Newfoundland and Canada.	80
122	Sir Terence O'Brien ..	Tele-graphic	(Rec. Jan. 17.)	Expresses the deep regret of his Government that the United States Government have struck crude minerals out of the list of articles to be admitted under the convention, and renews their protest against the grievous injustice which is being done to the Colony.	81

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
123	Sir Terence O'Brien ..	Confidential	Jan. 3 (Rec. Jan. 17.)	Reports proceedings in Executive Council on Lord Knutsford's Telegram of 1st January, and on the willingness of Ministers to treat Canadian vessels in the same way as American.	81
124	Foreign Office ..	Confidential	Jan. 17	Transmits copy of a Despatch from Sir J. Pouncefote covering a counter-draft of a convention which had been handed to him by Mr. Blaine.	82
125	Lord Stanley of Preston	Telegraphic	Jan. 22 (Rec. Jan. 22)	States that the observations of the Dominion Government with reference to the Secretary of State's Telegram of 13th January will be sent by mail this day.	85
126	Ditto	Secret Telegraphic	Jan. 21 (Rec. Jan. 22)	Reports that the Prime Minister wishes to dissolve Parliament, and asks for authority to state publicly that in any treaty with the United States imports from the United Kingdom would not be placed at a disadvantage, and that Canada would retain control over her own tariff.	85
127	To Foreign Office ..	Confidential	Jan. 22	Transmits copy of Sir T. O'Brien's Despatch of 3rd January.	85
128	Ditto .. ..	..	Jan. 22	Encloses copy of a Telegram from Sir T. O'Brien relative to the striking out of crude minerals by the United States Government.	86
129	Lord Stanley of Preston	Telegraphic	(Rec. Jan. 22)	Asks for a reply to his Telegram of 21st January.	86
130	Sir Terence O'Brien ..	Telegraphic	(Rec. Jan. 23)	Reports that his Ministers urge most emphatically that Her Majesty's Government immediately cause the convention to be signed and ratified, as it is probable that if the convention is postponed the United States Government will withdraw.	86
131	To Lord Stanley of Preston	Telegraphic	Jan. 23	Expresses the hope that the Dominion Government will withdraw their opposition to the ratification of the Newfoundland convention on the understanding that that Government will afterwards negotiate a similar treaty with Canada.	86
132	To Sir Terence O'Brien	Telegraphic	Jan. 23	Observes that Her Majesty's Government feel compelled to maintain the position they have taken up as to deferring the draft convention with the United States, but they are prepared to accept the principle of an Imperial guarantee for a loan for railway construction, and desire information as to the probable amount required, &c.	87
133	To Foreign Office ..	..	Jan. 23	Encloses paraphrase of a Telegram from the Governor-General requesting permission to make a public announcement on the subject of the negotiations with the United States, with the draft of a Telegram in reply.	87

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
134	To Sir Terence O'Brien .	Tele-graphic	Jan. 23	States that the tone of his Telegram of 17th January is not justified, and that the question cannot be disposed of as speedily as was anticipated and desired, and suggests that his Government should give assurances to the Dominion Government with a view to removing the objections of the latter.	88
135	Foreign Office ..	Confidential	Jan. 23	Concurs in the proposed reply to Lord Stanley of Preston's Telegram asking for authority to make a public announcement, and encloses copy of a Telegram to Sir J. Pauncefote.	88
136	To Lord Stanley of Preston	Tele-graphic	Jan. 23	Consents, in reply to his Telegram of 21st January, to the publication of the recorder of his Telegram of 13th December, with certain omissions, but observes that Her Majesty's Government cannot commit the Government of the United States to any expression of opinion.	89
137	Lord Stanley of Preston.	Tele-graphic	Jan. 24 (Rec. Jan. 24)	Enquires whether Mr. Blaine would object to it being made known that the United States Government are willing to discuss the question of reciprocity fully, though informally, and states that his Ministers agree to send Delegates unofficially as soon after 4th March as possible.	89
138	To the High Commissioner for Canada	Secret	Jan. 24	Encloses copy of telegraphic correspondence with the Governor-General.	89
139	To Foreign Office ..	..	Jan. 24	Encloses paraphrases of a Telegram to Sir T. O'Brien, dated 23rd January, and of one to Lord Stanley of Preston, urging the withdrawal of Canadian opposition.	89
140	Ditto .. ..	..	Jan. 24	Encloses paraphrase of a further Telegram from Sir T. O'Brien urging the ratification of the convention, and states that it is proposed to refer him to Lord Knutsford's Telegram of 23rd January.	90
141	Sir Terence O'Brien ..	Tele-graphic	Jan. 26 (Rec. Jan. 26)	Reports that his Ministers assure Her Majesty's Government that if the convention with the United States is ratified they will at once negotiate for a similar arrangement with Canada.	90
142	Foreign Office ..	Confidential	Jan. 26	Encloses paraphrase of a Telegram from Sir J. Pauncefote as to the proposed communication to the United States Government of the Canadian proposals.	90
143	To Foreign Office ..	Confidential	Jan. 26	Suggests that the substance of Lord Stanley of Preston's Telegram of 24th January should be sent to Sir J. Pauncefote, with instructions to ascertain whether Mr. Blaine has any objection to the course proposed.	91
144	Foreign Office ..	Confidential	Jan. 26	Concurs in the proposal to refer the Governor of Newfoundland, in reply to his Telegram of 23rd January, to the Secretary of State's Telegram of the same date.	91

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
145	To Lord Stanley of Preston	Telegraphic	Jan. 27	States that the Newfoundland Government have given an assurance that if the convention is signed they will negotiate a similar treaty with Canada, and expresses the hope that the Dominion Government will at once withdraw their objections.	92
146	Lord Stanley of Preston	Telegraphic	Jan. 28 (Rec. Jan. 28)	Warns Her Majesty's Government of the danger to the unity of the Dominion if Newfoundland is admitted to reciprocity of commerce with the United States, while Canada is excluded, and observes that the Dominion Government are in no way responsible for the delay in the negotiations.	92
147	To Foreign Office .. ..	.. ..	Jan. 28	Encloses copy of a Telegram from Sir F. O'Brien giving an assurance that his Government will negotiate a treaty with Canada, and of a Telegram to Lord Stanley of Preston, asking for a reply to the Telegram of 23rd January.	92
147A	Sir Terence O'Brien	Confidential	Jan. 17 (Rec. Jan. 29)	Reports the discussion at the sitting of the Executive Council, at which it was decided to send the Telegram of 15th January conveying the protest of the Colonial Government.	92
148	Ditto	Telegraphic	(Rec. Jan. 29)	Reports that Sir William Whiteway urges the immediate signature of the convention, as there is a bitter feeling of hostility against Her Majesty's Government, and that unless the convention is signed all chance of concession to Canada fails.	94
149	Lord Stanley of Preston	Telegraphic	Jan. 30 (Rec. Jan. 31)	Requests that the hands of the Government may be strengthened by an answer to his Telegram of 24th January, as it is believed that intrigues are being carried on by the United States Government with the Annexationist party in the Dominion.	94
150	Ditto	Telegraphic	Jan. 30 (Rec. Jan. 31)	Reports the receipt of a Minute of the Privy Council, insisting on the importance of the Canadian negotiations being carried on <i>pari passu</i> with those of Newfoundland, and urging the necessity that any trade arrangement with the United States should apply equally to all the British North American provinces.	95
150A	To Foreign Office .. ..	.. ..	Jan. 31	Encloses copy of a Telegram from the Governor-General of Canada dated 28th January, and of one from Sir T. O'Brien dated 29th January.	95
150B	Ditto .. ..	.. ..	Jan. 31	Encloses paraphrases of two Telegrams from the Governor-General of 30th January.	95
151	To Lord Stanley of Preston	Telegraphic	Feb. 2	Instructs him to tell Sir J. Pauncefote exactly the points which his Ministers wish to be made public.	95

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
152	Sir Terence O'Brien ..	Tele-graphic	(Rec. Feb. 2)	Reports that his Ministers give an assurance, on the condition that the convention is at once ratified, that immediately upon such ratification the same privileges shall be accorded to Canadian fishermen as are conceded to those of the United States.	95
153	Foreign Office ..	..	Feb. 2	Encloses copy of telegraphic correspondence with Sir J. Pauncefote relative to the wish of the Canadian Government to make public the proposals for a reciprocity agreement with the United States, and suggests that the Governor-General should be instructed to inform Sir J. Pauncefote the exact points which the Dominion Government wish to be allowed to make public.	95
154	Lord Stanley of Preston ton	Tele-graphic	Feb. 2 (Rec. Feb. 3)	Reports his intention to publish, if necessary, the recorder of his Telegram of 13th December.	98
155	Sir Terence O'Brien ..	Tele-graphic	(Rec. Feb. 3)	Reports that unless temporary relief is at once afforded serious financial difficulties are inevitable, and requests that Her Majesty's Government will guarantee a loan of 150,000 <i>l.</i> by the London and Westminster Bank.	98
156	To Foreign Office ..	Confidential	Feb. 3	Encloses copy of a Telegram to the Governor-General respecting the desire of the Dominion Government to make a public statement with regard to the negotiations, with a copy of Lord Stanley of Preston's reply thereto.	98
157	Ditto ..	Confidential	Feb. 3	Encloses paraphrase of a further Telegram of 2nd February from Sir T. O'Brien, with draft of a reply thereto.	99
157A	Lord Stanley of Preston	Tele-graphic	Jan. 22 (Rec. Feb. 4)	Reports that the Prime Minister desires to dissolve Parliament, and that he has assented thereto.	99
158	Ditto ..	Secret	Jan. 22 (Rec. Feb. 4)	Points out the importance, in view of the approaching dissolution, of making publicly known the attitude of Her Majesty's Government and the Dominion Government respectively with regard to the negotiations with the United States.	99
159	Foreign Office ..	..	Feb. 4	Concurs in draft Telegram to Governor enclosed in Colonial Office letter of 3rd February.	100
160	To Sir Terence O'Brien	Tele-graphic	Feb. 5	Enquires whether the arrangements for the indemnification of Her Majesty's Government include the supervision of the Colonial revenue and expenditure by an Imperial officer.	100
161	Sir Terence O'Brien ..	Tele-graphic	Feb. 6 (Rec. Feb. 6)	Reports that as the Colonial Government is not straitened or directly affected by the financial crisis, Ministers are not willing that the finances of the island should be put in charge of outside officials, but that in the event of Her Majesty being called upon to pay on the guarantee they will make such arrangements as Her Majesty's Government may approve.	100

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
162	Sir Terence O'Brien ..	Tele-graphic	Feb. 6 (Rec. Feb. 6)	Reports that Ministers desire an immediate reply to his Telegram of 2nd February as to the negotiation of an arrangement with Canada.	101
163	To Sir Terence O'Brien .	Tele-graphic	Feb. 7	Promises replies to his Telegrams of 2nd and 6th February on the 9th February.	101
164	Ditto	Tele-graphic	Feb. 9	States that the House of Commons would not accept the assurances given as sufficient grounds for the guarantee of a loan of 150,000 <i>L.</i> , but that Her Majesty's Government are willing to propose a loan to develop the resources of the Colony, as stated in the Telegram of 23rd January, after a Commission has reported on the condition and resources of the Colony.	101
165	Ditto	Tele-graphic	Feb. 9.	Suggests that the financial crisis may be averted by the knowledge that Her Majesty's Government are prepared to guarantee a loan for railway construction, &c.	101
166	Ditto	Tele-graphic	Feb. 9	Informs him that Her Majesty's Government regret that they are not at present in a position to proceed with the convention.	102
167	Lord Stanley of Preston	Confidential	Jan. 28 (Rec. Feb. 9)	Submits observations in support of the contention that any commercial treaty with the United States should apply to the whole of British North America.	102
168	To Lord Stanley of Preston	Secret	Feb. 10	Presumes that his Government acquiesce in the non-publication at present of any correspondence beyond the recorder of his Telegram of 13th December.	106
169	To Foreign Office .. ..	.. ..	Feb. 10	Encloses copy of a Despatch from the Governor-General respecting the publication of correspondence, with copy of a Despatch in reply thereto.	106
170	Sir Terence O'Brien ..	Tele-graphic	Feb. 10 (Rec. Feb. 10)	Reports that his Government cannot understand the withdrawal of Her Majesty's Government from a distinct and positive undertaking, and they observe that in making the interests of Newfoundland subservient to those of Canada Her Majesty's Government are ruining the future prospects of the Colony.	106
171	To Sir Terence O'Brien	Tele-graphic	Feb. 11	Informs him that Her Majesty's Government have definitively decided not to proceed with the convention at present, and that they have observed the language of his Ministers with much regret.	107
171A	Ditto	Confidential	Feb. 12	Sets forth the reasons for which Her Majesty's Government have decided that until it has been more definitely ascertained whether negotiations between Canada and the United States can proceed, the Newfoundland convention must remain in abeyance.	107

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
172	To Sir Terence O'Brien	Confidential	Feb. 12	Refers him, in reply, to his Despatch of 17th January, to Lord Knutsford's Confidential Despatch of even date, and approves the firm tone maintained by him throughout the discussion with his Ministers.	108
173	To Foreign Office .. ..	.. ..	Feb. 13	Incloses copy of further telegraphic correspondence with the Governor of Newfoundland, and of a Despatch to him of 12th February.	109
173A	Ditto .. ..	.. ..	Feb. 13	Transmits copy of a Despatch from Sir T. O'Brien, reporting the discussion at a meeting of the Executive Council held to consider Lord Knutsford's Telegram of 13th January, with copy of a Despatch in reply thereto.	109
174	Lord Stanley of Preston	Confidential	Jan. 31 (Rec. Feb. 13)	Incloses copy of a Minute of the Privy Council conveying the views of the Dominion Government upon the Newfoundland convention with the United States.	109
175	Sir Terence O'Brien	Telegraphic	Feb. 13 (Rec. Feb. 13)	Reports that the House of Assembly has passed resolutions, couched in very strong language, condemning the action of Her Majesty's Government in respect of the convention, and has asked to be furnished with all the correspondence on the subject.	111
176	To Foreign Office .. ..	.. ..	Feb. 13	Encloses copy of telegraphic correspondence with the Governor of Newfoundland relative to the proposal to guarantee a loan of 150,000 <i>l</i> .	111
176A	Foreign Office	Confidential	Feb. 13	Transmits copy of a Despatch from Sir J. Pancefote, covering copy of correspondence with Lord Stanley of Preston relative to the Minute of the Privy Council dated 9th December, 1890.	111
177	To Foreign Office	Confidential	Feb. 13	Encloses copy of a Despatch from Lord Stanley of Preston, stating the grounds upon which the Dominion Government object to the immediate signature of the Newfoundland convention.	112
178	To Sir Terence O'Brien	Telegraphic	Feb. 14	Instructs him to present the Secretary of State's Despatch of 12th February to both Houses, and enquires whether the proposals of Her Majesty's Government as to the railway loan were before the House of Assembly when the resolutions forwarded in his Despatch of 13th February were passed.	113
179	Foreign Office .. ..	.. ..	Feb. 14	Transmits copy of a Despatch from Sir J. Pancefote reporting the proceedings of Mr. Bond at Washington during his visit in November and December last, and enclosing copy of revised draft agreement arranged between Mr. Bond and Mr. Blaine.	113

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
			1891.		
180	Sir Terence O'Brien ..	Tele-graphic	(Rec. Feb. 14)	Transmits resolutions of both Houses protesting against the interests of Newfoundland being made subservient to those of Canada, and urging Her Majesty's Government to immediately ratify the convention.	116
181	Ditto ..	Tele-graphic	(Rec. Feb. 15)	Reports that the proposals of Her Majesty's Government as to the railway loan have not been laid before the House of Assembly, as the Telegrams were considered confidential.	117
182	Ditto ..	Tele-graphic	(Rec. Feb. 15)	Observes that all communications relative to the financial difficulties of the Colony should be kept secret for the reasons stated.	117
182A	To Foreign Office ..	..	Feb. 16	Transmits paraphrase of a Telegram from Sir T. O'Brien, reporting that the Legislature has passed resolutions condemning the refusal of Her Majesty's Government to ratify the convention, with copy of the reply thereto.	117
183	To Sir Terence O'Brien	Tele-graphic	Feb. 17	Points out, with reference to a statement in the resolutions of the Legislature, that Mr. Bond was invited to return to Washington to furnish information, and not to conclude the negotiation.	117
184	To Foreign Office ..	..	Feb. 17	Encloses copy of a Telegram from Sir T. O'Brien respecting the commercial crisis in Newfoundland.	118
185	Ditto ..	..	Feb. 17	Encloses paraphrase of a Telegram from Sir T. O'Brien, reporting that when the decision of Her Majesty's Government not to ratify the convention was made known, their proposals as to the railway loan were not before the Legislature, and states that it is proposed to instruct the Governor to lay before the Legislature at once the Secretary of State's Telegrams of 23rd January and 9th February.	118
186	Foreign Office ..	Confidential	Feb. 18	Concurs in the opinion that Sir T. O'Brien's Telegram of 15th February, relative to the railway loan, requires no reply at present.	118
187	Ditto ..	Confidential	Feb. 18	Conveys the concurrence of Lord Salisbury and the Chancellor of the Exchequer in the proposal to instruct the Governor to present to the Legislature paraphrases of Lord Knutsford's Telegrams of 23rd January and 9th February.	119
188	To Sir Terence O'Brien	Tele-graphic	Feb. 19	Instructs him to lay before the Legislature paraphrases of Lord Knutsford's Telegrams of 23rd January and 9th February.	119
189	To Foreign Office ..	..	Feb. 19	Transmits copy of a Telegram from Sir T. O'Brien, forwarding resolutions of the Newfoundland Legislature protesting against the delay in signing the convention, with copy of proposed Telegram in reply.	119

Serial No.	From or to whom.	Despatch No.	Date.	Subject.	Page
190	Sir Terence O'Brien ..	Telegraphic	1891. (Rec. Feb. 19)	Enquires whether he is to present the whole of the Secretary of State's Telegrams of 23rd January and 9th February, or only that portion relating to the proposed loan.	120
191	To Sir Terence O'Brien	Telegraphic	Feb. 20	Instructs him to present to the Legislature the Telegrams of 23rd January and 9th February as to the proposed loan, with certain omissions in the latter Telegram.	120
192	Foreign Office ..	..	Feb. 20	Concurs in proposed reply to Governor's Telegram regarding the resolutions passed by the Newfoundland Legislature.	120
193	To Sir Terence O'Brien	Telegraphic	Feb. 21	Observes that it was a very unusual course for a member of the Colonial Government to propose to the Legislature resolutions condemning the proceedings of Her Majesty's Government without placing before it full reasons which had led to the action objected to.	120

CONFIDENTIAL.

Correspondence relating to Reciprocity Negotiations between the
United States and Canada and Newfoundland.

5269.

No. 1.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received March 20, 1890.)

(No. 18.)

Government House, St. John's, Newfoundland,
February 28, 1890.

MY LORD,

I HAVE the honour to enclose a copy of a Minute of Council of 27th instant, when a telegraphic message from his Excellency the Governor-General of Canada and my reply thereto were considered.

2. Your Lordship will observe that my Ministers are strongly of opinion that, as our interests are not identical, and we have no burning questions with the United States such as those existing between that country and the Dominion, we would be more likely to obtain better reciprocal advantages for our fisheries by negotiating direct with the former than while we are included with the latter in such arrangements.

3. From a report made by the then Colonial Secretary, the Hon. E. D. Shea, dated 9th December, 1884, it would appear that this matter has been already laid before the Imperial Government, when great hopes were held out that it would be favourably received. It was, however, postponed until after the Presidential election, when, the mission of the Right Hon. J. Chamberlain supervening, Newfoundland found itself included with Canada in the *modus vivendi* necessitated by the failure of these negotiations.

4. As I have reason to believe that the States would not object to treat with us direct, and would give us far better terms than we have at present, I fully concur in the proposals of my Government, and would strongly urge your Lordship giving them your favourable consideration.

I have, &c.

(Signed)

T. O'BRIEN, Lieut.-Colonel,
Governor.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

Enclosure in No. 1.

EXTRACT FROM MINUTES OF COUNCIL of February 27, 1890.

HIS EXCELLENCY THE GOVERNOR having brought under the notice of Council the following Telegram received by him from the Governor-General of Canada on the 22nd instant, viz., "My Ministers would like to have the views of your Government on the question of extending the operation of the *modus vivendi* for another year or longer," it was resolved that a reply be forwarded that "Bait question is under the consideration of my Government. Until a decision is arrived at no answer can be given," and that as the interests of this Colony are not identical with those of the Dominion of Canada, that a strong representation to that effect be made to the Imperial Government, with a view to negotiations with the United States Government being entered upon for a distinct arrangement with reference to this Colony as regards the fishery questions and trade relations.

5269.

No. 2.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, April 2, 1890.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a Despatch* from the Governor of Newfoundland, enclosing a Minute of Council expressing the wish of the Government of that Colony that negotiations should be entered upon for a distinct arrangement with reference to that Colony as regards the fishing questions and trade relations with the United States.

Lord Knutsford proposes at present, with Lord Salisbury's concurrence, merely to acknowledge the receipt of this Despatch, and to promise that the matter shall receive the consideration of Her Majesty's Government, and to defer any further reply until the excitement at present existing in the Colony in regard to the French lobster fishery question has to some extent abated, or until Her Majesty's Government are enabled to discuss the matter personally with the Premier of the Colonial Government on his arrival in this country.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

6690.

No. 3.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, April 10, 1890.

I HAVE laid before the Marquis of Salisbury your letter of the 2nd instant,† enclosing a copy of Sir T. O'Brien's Despatch of the 28th of February as to the views of the Government of Newfoundland in regard to the operation of the *modus vivendi*, temporarily established by the Protocols signed at Washington on the 15th February, 1888, for regulating the fisheries on the Atlantic Coast of North America.

In reply, I am directed by his Lordship to request that you will state to Secretary Lord Knutsford that he concurs in the course which it is proposed to take in this matter at the present time.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

6690.

No. 4.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

(No. 20.)

SIR,

Downing Street, April 12, 1890.

I HAVE the honour to acknowledge the receipt of your Despatch No. 18 of the 28th of February last,* enclosing a copy of a Minute of Council expressing the wish of your Government that negotiations should be entered upon for a distinct arrangement with reference to Newfoundland as regards the fishing questions and trade relations with the United States.

At the present moment, I can only assure you that this question will receive the consideration of Her Majesty's Government, but I should be glad of the opportunity of discussing the matter with the Premier of your Government on his arrival in this country.

Sir Terence O'Brien.

I have, &c.
(Signed) KNUTSFORD.

11437.

No. 5.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received June 16, 1890.)

(No. 103.)

MY LORD,

Citadel, Quebec, May 27, 1890.

I HAVE the honour to transmit to your Lordship a copy of an approved Minute of the Privy Council of Canada, embodying a Report of the Minister of Marine and Fisheries, dealing with the evil effects caused by the use of purse-seines for the capture of mackerel, on account of their destructive nature.

My Government beg that your Lordship will be good enough to submit this Privy Council Order to Her Majesty's Government, with the request that it be brought to the notice of the United States Government with the view to obtaining some international action or legislation looking either to the prohibition or restriction of the use of purse-seines, as may be deemed advisable for the preservation of the mackerel fishery.

I have, &c.

(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford,
&c. &c. &c.

Enclosure in No. 5.

Certified copy of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by his Excellency the GOVERNOR-GENERAL IN COUNCIL, on the 22nd May, 1890.

ON a Report, dated the 24th April, 1890, from the Minister of Marine and Fisheries, stating that the records of the Department of Fisheries are replete with reiterated complaints against the use of purse-seines for the capture of mackerel, on account of their destructive nature :

The Minister observes that the principal arguments against this particular form of fishing-engine are that vast and alarming numbers of young and unmerchantable fish are destroyed, and while they, at the period of destruction are of no commercial value, yet, if allowed to remain in the water, they would in course of time mature and keep up the supply of this fish. The effect of the purse-seine upon the fish when schooling is to break up the schools, rendering the fish wild and shy, keeping them constantly on the move, and frequently causing them to disappear for a long time.

The Minister further observes that the purse-seine is very fully described in Professor Brown Goode and Associate's Report as follows :—

“The large seine, used only in connection with the largest kind of seine-boat, is 190 to 225 fathoms in length, and 20 to 25 fathoms in depth when it is hung, being deeper in the centre of the bunt than at the extreme wings, one of which, the ‘boat end,’ is from 1 to 10 fathoms deep, and the other, the ‘dory end,’ varies from about 7 to 15 fathoms in depth. It is made of three kinds of twine. The bailing-piece, which is a section of the net occupying about 10 or 12 fathoms along the centre of the cork-line, and having about the same depth as length, is made of the stoutest twine. Beneath this, and composing the remainder of the bunt and extending to the bottom of the seine, is a section, knit of twine a size smaller. There is also a band of large twine, 15 meshes in depth, extending along the cork-line of the seine on either side of the ‘bailing-piece’ to the extremity of each wing. The remainder of the net is made of smaller twine.

“A seine 200 fathoms in length is usually about 1,000 meshes deep, both in the bunt and in the wings. The strongest twine is placed at those points where the seine is subjected to the greatest strain. On the cork-line are two or three sizes of corks, the largest being placed over the ‘bailing-piece,’ the smallest generally at the ends of the wings. The cork in the middle of the seine is much larger than the rest, and is painted or covered with canvas, in order that it may be easy to find the centre of the net either night or day. To one end of the cork-line, at the upper corner of the wing which is first thrown out when the seine is set, is a buoy. The seine is hung to lines which are called the hanging-lines. The lead-line is placed as in an ordinary seine, and is weighted with sinkers about 2 ounces in weight, which are attached to it at intervals varying from a few inches to several feet. The arrangement of the pursing-rings and

bridle is described elsewhere. In a mackerel-seine of 175 fathoms, the bridles are about 15 to 18 feet in length, and the rings, which weigh $1\frac{1}{2}$ lbs., and are 3 inches in diameter, are fastened to the middle of each bridle. The middle ring is on the bottom of the seine, opposite the middle cork already referred to, and is usually made of different metal from the other rings, or is larger, so that the centre of the bottom of the seine can be easily found. Small galvanized iron blocks or pulleys are now used to a considerable extent instead of rings, and are found much better adapted for the purpose, since the purse-line runs far easier through them. The purse-line extends through the rings, its centre is marked by a line tied around or tucked through its strands, but more frequently now by a brass swivel, into which the purse-line is spliced, and which serves the double purpose of marking the centre of the line and preventing it from kinking."

Its early history is described thus: Captain E. J. Deblois, of Portsmouth, Rhode Island, says:—

"The first purse-seine that was made, so far as I know, was made by John Tallman, the first, and Jonathan Brownell and Christopher Barker in the year 1826. It was 284 meshes deep and 65 fathoms long. The purse-weight was 56 lbs. weight, and the blocks were the common single block, and they had to reeve the end of the purse-line through the blocks before they put the purse-weight overboard."

The Minister further observes that the first seine operated north of Cape Cod was used by Captain Nathaniel Adams, of Gloucester, in the schooner "Splendid," in the year 1850, but it was not until about 1860 that it became generally used in a form similar to the present purse-seine, since which time it has undergone great improvements, and its destructiveness has been much enhanced, particularly within the past two years, by the introduction of the steam seine-boat. By the adoption of these steam propellers the boats are enabled to surround the schools of fish much more readily and with wonderful rapidity, besides which, advantage is taken of the steam power to purse the nets, which can be done in this manner in an incredibly short space of time.

Appendix.

The Minister further observes that it thus appears that this fishing engine may be said to have reached the height of its destructiveness, and in the face of the appended extracts from Reports of Fishery officers total depletion of the sea-coast fisheries seems to be what must inevitably follow the continuance of its use.

Revised Statutes of
Maine, 1883,
sec. 17, c. 40,
p. 373.

The Legislature of the State of Maine seemed to be fully alive to the baneful effects of this destructive method of fishing, for in the year 1883 that body passed an Act for the protection of migratory fish, prohibiting the use of the purse and drag-seines for taking mackerel within any bay or inlet not more than 2 miles wide under a maximum penalty of 200 dollars; and later on, in 1885, this Act was amended to include bays 3 miles wide, and the extreme penalty increased to 500 dollars, making the Statute read as follows:—

Acts and resolves
of the State of
Maine, 1885,
c. 261, p. 215.

"Section 17. The taking of mackerel, herring, shad, porgies, or menhaden, and the fishing therefor by the use of purse- and drag-seines is prohibited in all small bays, inlets, harbours, or rivers where any entrance to the same, or any part thereof, from land to land, is not more than 3 nautical miles in width, under a penalty upon the master or person in charge of such seines, or upon the owners of any vessel or seines employed in such unlawful fishing, of not less than 300 dollars, nor more than 500 dollars, to be recovered by indictment, or action of debt, one-fourth of the penalty to the complainant or prosecutor, and three-fourths to the county in which the proceedings are commenced, and there shall be a lien upon the vessels, steamers, boats, and apparatus used in such unlawful pursuit until said penalty, with costs of prosecution, is paid; but a net for meshing mackerel or porgies, if not more than 100 meshes in depth, and a net for meshing herring of not more than 170 meshes in depth, and a net for meshing shad of not more than 75 meshes in depth shall not be deemed a seine."

And the Federal Legislature of the United States recognized the necessity for some restrictive measure, if even of only a partial nature, as is shown by the following Law providing against the landing or importation of mackerel so caught between the 1st day of March and the 1st day of June into the United States:—

"An Act relating to the Importing and Landing of Mackerel caught during the Spawning Season."

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled: That for the period of five years from and after the

1st day of March, 1888, no mackerel, other than what is known as Spanish mackerel, caught between the 1st day of March and the 1st day of June, inclusive, of each year, shall be imported into the United States or landed upon its shores. Provided, however, that nothing in this Act shall be held to apply to mackerel caught with hook and line from boats, and landed in said boats, or in traps and weirs connected with the shore.

“Section 2. That Section 4321 of the Revised Statutes is amended, for the period of five years aforesaid, so as to read before the last sentence as follows: ‘This licence does not grant the right to fish for mackerel, other than for what is known as Spanish mackerel, between the 1st day of March and the 1st day of June, inclusive, of this year.’ Or in lieu of the foregoing there shall be inserted so much of said period of time as may remain unexpired under this Act.

“Section 3. That the penalty for violation or attempted violation of this Act shall be forfeiture of licence on the part of the vessel engaged in said violation, if a vessel of this country, and the forfeiture to the United States, according to law, of the mackerel imported or landed, or sought to be imported or landed.

“Section 4. That all laws in conflict with this Law are hereby repealed.

“Approved the 28th February, 1887.”

Professor Brown-Goode (Section 5, Volume I) says:—

“*Opposition to the Purse-seine from 1870 to 1882.*—Since the adoption of the purse-seine no year has passed without a considerable amount of friction between the fishermen using this engine of wholesale destruction in the capture of mackerel, and those engaged in fishing with other forms of apparatus. Petitions to Congress and State Legislatures have been made from both sides, and in some instances laws have been passed by State Legislatures prohibiting the use of menhaden-seines within certain specified tracts of water, such as the Chesapeake Bay. These laws, while especially antagonistic to the menhaden fishery, were aimed chiefly at the purse-seine as a means of capture, and doubtless would have been equally prohibitory of mackerel fishing with purse-seines had this been attempted within the limits. . . . In 1878 a delegation of fishermen from Portland, Maine, and Gloucester, Massachusetts, visited Washington for the purpose of securing the passage of a law prohibiting the use of purse-seines in the mackerel fishery.”

In 1877 the late Commissioner of Fisheries, Mr. Whitcher, in his Annual Report for that year, said: “The modes of fishing most objectionable amongst the fishermen, and not provided against by our fishery laws, are purse-seines and trawls. Their use has been petitioned against from several sea-coast districts.”

On the 27th March, 1879, the late Dr. Fortin, M.P., at one time Commander of the Fisheries Protection vessel “Le Canadienne,” in forwarding to the Department a resolution of the County Council of Gaspé strongly urging the abolition of purse-seining along the shores of the Gulf of St. Lawrence, said: “No doubt it has been proved beyond question that these engines are too destructive to be tolerated much longer on our shores.”

In a haul of the purse-seine, it frequently happens that there are inclosed, say, 100 barrels of fish, only a small portion of which are marketable, the remainder being thrown overboard dead, and, sinking to the bottom, foul the ground and drive off the other fish.

In evidence procured by the Department of Fisheries from 20 masters of United States and 10 masters of Canadian vessels, 14 of the former and 9 of the latter utterly condemned the purse-seine as injurious to the fishery and the interests of the fishermen alike, not only from the total loss of the unmerchantable fish (which form a large proportion of the take), but from the defilement of the waters and bottom, and the consequent diversion of the schools of fish from their accustomed haunts.

It must be remembered that while the mackerel cannot be caught by hook and line during the spawning season, since they will not bite at that time, the purse-seines take them at all times. Captain John Nason, of the schooner “Pendragon,” Gloucester, forty years a mackerel-fisher, says: “All mackerel killed before the 1st July in the Gulf are killed before spawning.”

Captain John Staples, schooner “Vesta,” Gloucester, thirty years a mackerel fisherman, says: “In the North Bay, before the 1st July, about two-thirds of the catch are female spawn mackerel, which, of course, are destroyed before spawning. Upon the least, I should say that more than 100 barrels are destroyed for every barrel caught before the 25th July in the North Bay.”

The preponderance of the evidence by many others proved that at least half of the catch was killed before spawning.

The effect upon the incoming schools of fishes can perhaps be appreciated if it be remembered that the fishing fleet consists of, say, 250 sail, each attended by two seine-boats, in all 750 craft, large and small, manœuvring within a distance of 5 miles from the shore, day and night, on an extent of 20 or 25 miles of coast, afterwards dispersing into squadrons of from 50 to 60 vessels.

Apart from the damage to the fishing-grounds by purse-seines breaking up the schools of fish, the proportion of useless fish thrown overboard dead, as previously explained, with attendant deleterious results, is almost incalculable.

The Minister desires to invite attention to the statistics of the mackerel importations in the State of Massachusetts for three decades, the first from 1850 to 1859, during which period the purse-seine was not in use; the second from 1863 to 1872, ten years following the general introduction of the purse-seine; the third from 1880 to 1889, after the purse-seine had been continuously used for many years.

BARRELS of Mackerel inspected.

Year.						No. 1 Grade.	Total Catch.
1850	..	..	..	..	..	88,401	242,572
1851	..	..	..	..	..	90,765	329,244
1852	..	..	..	..	..	84,030	198,120
1853	..	..	..	..	..	49,015	133,340
1854	..	..	..	..	..	30,595	135,349
1855	..	..	..	..	..	29,302	211,956
1856	..	..	..	..	..	89,333	214,312
1857	..	..	..	..	..	84,519	168,705
1858	75,347	131,602
1859	61,330	99,715
Total						682,637	1,864,915
Yearly average						68,263	186,491
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1863	67,985	306,943
1864	103,333	274,357
1865	153,723	256,796
1866	150,332	231,696
1867	..	..	..	..	..	122,808	210,314
1868	..	..	..	..	..	93,091	180,056
1869	..	..	..	..	..	72,924	234,210
1870	..	..	..	..	..	66,046	318,521
1871	105,187	257,416
1872	71,866	181,956
Total						1,007,345	2,454,265
Yearly average						100,734	245,426
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1880	20,453	243,058
1881	15,598	256,173
1882	39,045	258,382
1883	20,852	154,140
1884	22,377	283,794
1885	..	..	..	..	..	15,742	215,576
1886	..	..	..	..	..	19,574	66,042
1887	..	..	..	..	..	22,893	77,488
1888	..	..	..	..	..	14,545	50,907
1889	..	..	..	..	..	7,143	12,143
Total						198,222	1,618,603
Yearly average						19,822	161,860

These figures reveal a most alarming decrease in the total catch of mackerel, and especially so in that of No. 1 grade, for during the first decade, without the assistance of this improved and destructive method of catching fish, the take was very large, being 1,864,915 barrels, or an average of 186,491, while of this quantity there was of No. 1 quality 682,637 barrels, an average of 68,263 barrels per annum.

The next decade covers a period almost immediately following the general introduction of purse-seines, and, as is to be expected, shows an increased catch, the total

take being 2,454,265, an average of 245,426 barrels per annum, while of No. 1 quality the catch was 1,007,345, a yearly average of 100,734 barrels. This productive state, however, could not long obtain, as the fish could not withstand the enormous drain upon its marketable and immature product by the destructive purse-seine.

The last decade, which comes down to the year 1889, after about twenty or thirty years' use of purse-seines, shows that notwithstanding the improvements of late years to enhance their effectiveness, a deplorable decline in the catch has taken place, for we find a total catch of only 1,618,603 barrels, and an annual average of 161,860 barrels, and of No. 1 grade a total of 198,222, a yearly average of but 19,822 barrels.

SUMMARY.

Years.	Total Catch.	Yearly Average.	No. 1 Quality.	Yearly Average.
	Barrels.	Barrels.	Barrels.	Barrels.
1850-59	1,864,915	186,491	682,637	68,263.
1863-72	2,454,265	245,426	1,007,345	100,734
1880-89	1,618,603	161,860	198,222	19,822

Comparing the catch of the later decade, with the aid of its perfected and destructive fishing engines, with that of the first decade, with its primitive modes of capture, an annual average decline in the total catch of mackerel of 23,631 barrels, and in the catch of No. 1 grade of 48,441 barrels, appears.

While the Minister of Marine and Fisheries is not prepared to state that this decline is due solely to the use of improved fishing engines, or that some other natural or minor causes may not affect the movements of the vast mackerel schools in approaching the shores, yet he is of opinion that enough evidence has been adduced to attribute the steady decrease in the size and superior quality marketed mainly to the destruction of small and immature fishes, and the breaking up of the schools by purse-seines.

The question now being dealt with is one of paramount importance to all interested in the deep-sea fisheries of the Atlantic coasts of America, and it is submitted that some concerted action is necessary towards ameliorating the evil effects of this highly improvident method of fishing.

The Committee, concurring in the above Report, recommend that your Excellency be moved to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies for submission to Her Majesty's Government, with the request that it be brought to the notice of the Government of the United States of America, with the view to obtaining some international action or legislation looking either to the prohibition or restriction of the use of purse-seines as may be deemed advisable for the preservation of the mackerel fishery.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. McGEE, Clerk,

Privy Council.

Appendix.

Commander Lavoie, of Government Fisheries Protection steamer "Lady Head," in his Report for 1878, said:—

"It can easily be imagined what terrible havoc these 250 purse-seines must make when engaged during two or three consecutive months in sweeping the same grounds. Nothing can escape them, and it is admitted by American fishermen themselves that a schooner making her catch with these fishing engines destroys an equal number of young herring and mackerel. These seines ought, in my opinion, to be forever banished from our waters, and their use especially prevented in the small bays where fish are wont to go for the purpose of depositing their eggs, and where they breed and grow"

Dr. Wakcham, Commander of the Government Fisheries Protection steamer in the lower river and gulf during the season of 1879, says:—

Supplement No. 4
to the 11th Annual
Report of the
Minister of Marine
and Fisheries,
1878, p. 64.

Supplement No. 2
to the 12th Annual
Report of the
Minister of Marine
and Fisheries,
1879, p. 56,
Appendix No. 3.
Ibid., p. 265,
Appendix No. 15.

"These seines, besides destroying wastefully an immense quantity of fish that is never saved, breaks up the schools and frightens the fish off the coast; such at all events is the opinion of those best fitted to judge among our fishermen."

Fishery Inspector Duvar, for the Province of Prince Edward Island for the year 1879, says:—

"As regards the much-vexed question of seining, it is historical that craft fitted out for fishing on the coasts of Massachusetts and Maine, as recently as 1863, used seines only for the purpose of taking 'porgies' for mackerel bait up to 1868—or say 1870—when the practice was entered into on a large scale in American waters for the taking of mackerel. Up to that season, it is stated, vessels could each take 400 to 1,000 barrels per season with hook and line, but after seining had prevailed only up to 1873, 300 barrels per season would be all the hook and lines men could take, while the seiners, even in face of the diminishing supply, would capture full cargoes of large mackerel, besides each vessel netting a surplus of 1,000 barrels of small fish which they made no use of. The supply of large fish becoming scanty, the American fleet tried their fortune with seines in the Canadian waters of 'the bay.' Here it was their object to take only such first quality fish as would fetch a high price in the United States markets, the smaller fish not leaving any margin for profit. Now the established fact that in ordinary fishing weather each long seine may, and usually does, draw to the vessel's side 20 to 100 barrels of small herring and mackerel over and above large ones, affords a basis on which to make calculation of the value of the fishery in which foreigners share, and of the destruction done to such fishery. Thus 200 sail set their seines twice a-day during, say, 40 fishing days, or 16,000 times, and with even the proverbial fisherman's luck, take at each cast of the seine from the waters to perish, make no use of, and throw overboard, only 15 barrels of fish of smaller size than they require—this is putting it at the lowest conceivable figure—the result shows at least 240,000 barrels of fish, at, say, 2 dollars per barrel, or 480,000 dollars of injury done to the Gulf fishery in six weeks of actual time. I am aware there are persons capable of judging who may even consider the estimate far too low.

"Advices, supposed to be reliable, state that the average number of 250 schooners, or more, fitted out, most of them with seine-boats and seines, from Gloucester and other American ports for Canadian waters this spring. When they arrived they found the fish, although schooling freely, were of small size, which fact, it may be imagined, did not lessen the number of those under 11 inches in length that would be thrown overboard before a cargo of prime fish fit to bring a high price could be secured."

Supplement No. 2
to the 13th Annual
Report of the
Minister of Marine
and Fisheries,
'Fisheries State-
ments,' 1880,
Appendix No. 3.
O. Wakeham's
Report for 1880.
Third Annual
Report of the
Department of
Fisheries, 1886,
Appendix No. 4.

"There is no doubt that some few years ago the mackerel was so much disturbed by the hosts of American schooners, with their destructive purse-seines, that this fish was driven off the coast. During the past three years we have seen fewer American vessels, and now the mackerel are frequenting their old haunts in greater numbers. This season they were seen schooling in great quantities all the way from Cape Chatte to Maguasha Head."

Mr. W. H. Venning, late Inspector of Fisheries for New Brunswick, in his Report for 1886, says:—

"There seem good grounds for the fears expressed by many of the old fishermen that the general use of purse-seines in Bay of Chaleurs will be very destructive to the mackerel and herring fisheries. There is no doubt that the destruction of young mackerel along the American coast from the use of these seines is enormous, and the same destruction will probably follow their general use by our fishermen."

Mr. B. P. Chadwick, of Bradford, Massachusetts, who has been investigating this matter with great care for many years, thus writes Professor Baird, Head of the United States Fish Commission:—

"The present method of our fishermen in seining mackerel is such that while taking over 500,000 barrels of good sizable fish, it causes a total destruction of over 1,000,000 barrels of young fish that have grown to one-third the usual size of fully matured fish. Could this number of fish be protected and caught when full grown the amount would be 3,000,000 barrels, and at the present price of No. 1 mackerel (15 dollars per barrel) the amount of 45,000,000 dollars worth of fish food is no small item to our people. The hay crop of Maine, New Hampshire, Vermont, and Massachusetts is 3,150,000 tons. The crop has a market value of 37,000,000 dollars. Now, if the farmers should destroy the hay crop annually the effect upon agriculture in these States would be disastrous, and yet the present method of seining mackerel destroys 45,000,000 dollars worth of food fish, and scarcely a voice is raised against it. Mackerel vessels carry from two to four seines each. I have known a single seine destroy 150 barrels of young mackerel in a day in the taking of 30 barrels of

marketable fish. If one seine does injury to this amount in a single day, what must be the effect of using the seines of a mackerel fleet of 400 vessels for 90 days? The ocean is large and mackerel are prolific. The spawn of a single mackerel is nearly 500,000. Were it not for these two facts the end of mackerel fishing would soon be reached. As it is, the catch of No. 1 fish is small, there being scarcely any in the market, and these few selling at an exorbitant price. This condition is caused by the destruction of the young fish."

Inspector Bertram, Cape Breton, in his Report for 1888, says:—

"Herring has proved the staple branch of the Cape Breton fisheries for the year 1888. With two or three minor exceptions, the herring fishery turned out remunerative to a degree that went far to compensate for the loss in other branches. Considering the value of herring as an article of profitable foreign commerce, and as a staple of food for home consumption, the wanton destruction of thousands of barrels of fish on the coasts of this island annually, thrown back in the sea by mackerel seiners, is a most serious matter in the economy of one of the most valuable natural resources of this country."

Fifth Annual
Report of the
Department of
Fisheries, 1888,
p. 49.

This point will be found more fully referred to in this Report under the heading of "Destructive Methods of Fishing":—

"*Destructive Methods of Fishing and Waste of Fish Food.*—This is a subject which requires serious consideration and prompt action in the application of prohibitive measures, if our present coast fisheries are to be saved from extinction. The two principal agencies in this work of destruction and waste are—

"Purse-seining and trawling.

"Against these two agencies of mischief our boat fishermen send up a united and universal protest. With fishermen of the United States and those of the provinces, hand-line fishing is now superseded by the use of seines and trawls. Both are destructive to fish, and the numbers now engaged in these methods of fishing are greatly in excess of all reasonable demands on the utmost possible fish-producing powers of this or any other coast of equal extent.

"Purse-seining is liable to the following objections:

"1. When a seine is thrown amongst a school of mackerel or other fish the school is broken up and scared, so that what escapes from outside the seine enclosure is scared and makes off to deep water for a refuge. This effectually destroys all chances of boat fishermen, who depend on hand-lines and ordinary nets for a share of the broken schools.

"2. When, for instance, a seine is thrown for mackerel, it encloses the fish of every kind within its great area, and the aggregate quantity of these varieties is frequently much greater than that of the fish sought to be entrapped, including the small valueless fish as well as the large.

"3. When the seine is closed and the work of taking out commences, all kinds of fish, large and small, good and bad, which are not of the grade sought, are thrown dead into the sea, thus polluting the bottom to an extent which repels living fish from its proximity. By this method thousands of barrels of herring and hundreds of quintals of cod, including bait and other fish, are destroyed, and boat fishermen, who are depending on them for a supply, are deprived of all participation in the catch.

"4. The large quantity thus destroyed in the seining process is far beyond the powers of Nature to sustain by reproduction, consequently the fishing grounds are being rapidly depleted of their tenants."

Mr. J. H. Duvar, late Inspector of Fisheries for Prince Edward Island, in his Report for 1888, says:—

"As to the outcry against seining, which has this year been particularly loud, there may be something in it. The effect of 250 fast sailing-vessels chasing the fish all day long can well be imagined. Without going into the doctrine of heredity, that continual prosecution develops a new instinct in animals, even in fish, it would almost seem as if the mackerel of the Gulf are growing more wary and shy. Little else can be expected where the fish schools, wherever found, are instantly broken up, and the alarmed fish that escape the meshes make off in wild alarm for miles before they become quiet again. Among these fugitives the hook-and-line fishermen have a poor chance. But the evil is not remediable."

Ibid., Appendix
No. 4.

Mr. W. H. Venning, late Inspector of Fisheries for New Brunswick, in his Report for 1888, says:—

"The failure recorded last year in the mackerel fishery has again occurred, and this year is more complete. In 1880 the catch was 19,650 barrels and 66,427 cans. In 1886 the catch was 17,868 barrels and 70,128 cans. In 1887 only 3,607 barrels and 44,278 cans were caught. After making all allowance for the alleged erratic and

Ibid., Appendix
No. 7.

uncertain movements of mackerel, their pelagic wanderings and changing habitat, so great a decrease in a few years would indicate some general and hitherto unknown cause. In my opinion, based on many years' observation, extensive reading, and converse with old and experienced mackerel fishers, these causes are: first, the great destruction by purse-seines of gravid parents and half-grown young fish; second, the failing supply of food in Bay Chaleur and the Straits, consequent on the great destruction of smelts, frost fish, and flounders in all the counties bordering these waters where alone this fish is pursued by our fishermen. The myriads of young fry which formerly crowded all our estuaries, and afforded the kinds of food that the mackerel seeks in-shore, are no longer there. The waters are depleted of this food; consequently the schools are no longer attracted to the in-shores. We see the same result in American waters, where purse-seines have destroyed the gravid parents and immature young fish, and the pogies on which they feed. The scarcity of mackerel in American waters, combined with the continued demand for them, has led to the importation of large quantities from England, whence the future supply will probably come. While purse-seines and bag-nets are allowed without restriction, I can see no reasonable hope of any improvement in the mackerel fishery. My present conviction is that there should be a close time to cover the spawning season, and that purse-seines should be prohibited in Canadian waters. I have seen our salmon, shad, bass, alewives, oysters, and lobsters all dwindling away for want of protective laws, and now the most valuable fish of all is being exterminated by the unrestricted use of destructive implements and the wanton waste of spawning fish."

Lieutenant A. R. Gordon, R.N., in his Report for 1888, says:—

"(e.) The purse-seine is a large fine-mesh net made out of tarred cotton twine. These nets were at first both clumsy and costly, but of late years, not only has the net been made simply perfect, but the price has been put at such a figure that they have been adopted by Canadians more extensively, and entirely by United States fishermen. The basis of this fishery is a schooner carrying two seines and two seine-boats; the seines are called the deep and shallow seines, the one being about 15 and the other about 10 fathoms deep.

"The relation between the reduced productiveness of our mackerel fishery and the adoption of the purse-seine is one of the problems now most urgently presented for solution.

"In protecting a fishery, the required conditions are: first, proper means must be used for the capture of the fish; second, these means must only be used at proper times; and the question then arises: is the purse-seine a proper means of prosecuting the fishery, when used as it now is?

"In order to prevent the harassing of the schools of unspawned fish on the United States coast, a law was passed by Congress prohibiting the landing in the United States of mackerel caught with a purse-seine before the 1st June in any year; thus in practice admitting that the use of the purse-seine prior to that date was liable to injure the fishery. The condition of the fish which prevails on the United States coast up to 1st June is precisely that of the Gulf of St. Lawrence up to, say, 20th July, and therefore this date of prohibition, which may afford adequate protection to the fish on the United States coast, affords none to those on ours. But the point is none the less established that a Government, whose ruling principle of fishery legislation has been to interfere as little as possible with the liberty of the fishermen, has definitely concluded that the purse-seine, used prior to the spawning season, is injurious to the fishery."

Again, having further reference to this subject, Lieutenant Gordon, R.N., says:—

"It frequently happens that large numbers of undersized and unmerchantable fish are thus enclosed with a small percentage of good fish, so that in order to save the few, the large numbers which might have grown into real value are uselessly and ruthlessly destroyed. In this way also quantities of herring have frequently been destroyed, as they are of no use to the fishermen.

"The most serious damage which the purse-seine does to the fish is, however, not the capture of young and immature fish, but the killing of the parent fish by fishing at improper times, before spawning. If all the parent fish which come into the Gulf annually were allowed to spawn peacefully, the damage done to our fishery . . . would be greatly minimized."

"I am myself of opinion that nearly half of the catch made by seines in the Gulf is that of unspawned fish, and this destruction of parent fish at improper times, together with the wholesale and useless destruction of immature fish, is what has brought about the present depleted state of the mackerel fishery.

"That the use of the purse-seine at improper times lies at the root of the evil is the

belief of nine out of ten of those whom I have interviewed, and who have the means of judging; and this fishing, instead of being a steady working fishery such as it used to be in the old hook-and-line days, has now become a sort of steeplechase and lottery business in which there are few prizes and many blanks, and the feeling among these men was well expressed to me by the captain of one of our Nova Scotian vessels, who said: 'All I want, Sir, is one day at the fish with these prices, I ask no more.' The majority of those interested are in favour of the total abolition of the purse-seine, but as long as some continue to use it, others must in self-defence do the same. No remedy can be effectual which is limited in its operation to the 3-mile limit, for mackerel spawn, like that of the cod-fish, floats on the surface, and the fish prior to spawning feed at all distances from the shore.

"*The chief Agents which cause Shortage of Catch.*—The first and principal of these causes the fishermen are everywhere unanimous in agreeing upon, that is, the shore fisheries are being ruined by purse-seine fishing, as well as by trawl or set-line fishing. . . .

"The consequence is that the schools are broken, and such as escape the seines are scared away and lost to further capture by the boat fishermen. The mischief does not end here, for on being inclosed in seines, at least 50 per cent. on an average of the fish are of kinds not wanted. This residue is taken out dead, thrown back into the water, and to this mass of dead rotting matter are added the offals or cleanings from the fish retained, by which a large area of bottom is strewn, by aid of wind and tide, with tons upon tons of putrid matter which repels all approaching schools for the remainder of the season. This process, repeated upon the same grounds and within the same bays, year after year, destroys the fish beyond the powers of reproduction; and the condition of the waters, together with repeated scaring away, leads the fish by degrees to abandon these places for other grounds. There is now no more firmly or accepted fact than that the fish shun filthy and polluted waters just as graminivorous animals on land avoid filthy pastures whenever they can by seeking out cleaner grounds. That fish will flee from tainted bait in place of being attracted by it is known to every one, and is a great illustration of the aversion of fish to contact with putrid or even tainted matter. Out of a haul of 500 barrels by a purse-seine, from 200 to 250 barrels will be rejected, and is thus lost to food and commerce, besides being thrown out dead to pollute the waters and the bottom. This putrid mass will be largely increased by offals from the retained fish being thrown in after it. . . ."

Overseer Duncan Cameron, of St. Peter's, reports a decrease in every branch of deep-sea fishery excepting alewives. This falling-off is not attributable to local causes or to a less vigorous prosecution of the industry, but to the fact that on the approach of fish in-shore in the spring they are frightened away by American and Canadian seiners. This cause of the decrease in the fishery is also entertained by the most experienced fishermen of this district. A Regulation prohibiting the use of purse-seines and trawls in-shore is much wanted. . . .

Overseer Duncan McDonald, of Aspy Bay, says:—

"A great many mackerel were taken this year by hook and line, and it is a pity that this ancient and successful mode of fishing was not generally practised. It certainly would be more profitable for the local fishermen, and far better for the fishery. Nothing is so calculated to destroy this fishery as the wholesale destruction caused by seines. Had it not been for seining the mackerel fishery would have been 50 per cent. better. The schools were broken up and the fish frightened away. . . ."

Annual Report of
the Department
of Fisheries, 1889,
Appendix No. 3,
Report of Inspector
A. C. Bertram,
p. 50.

Ibid., p. 57.

Ibid., p. 58.

THE MACKEREL FISHERY OF 1889.

The United States mackerel fleet which visited the Canadian waters during the season of 1889 consisted of sixty-two vessels, their catch being recorded in the Table subjoined. In the cases when a vessel made two trips, a double row of figures indicates the catch in each voyage:—

Name.	Port.	Catch.	Name.	Port.	Catch.
Ambrose H. Knight ..	Gloucester ..	..	John W. Campbell ..	Gloucester ..	35
A. R. Crittenden ..	" ..	250	John M. Plummer ..	Portland ..	..
Augusta E. Herrick ..	Boston ..	..	Lizzie M. Center ..	Gloucester ..	90
Alice C. Jordan ..	Gloucester ..	231	Ditto ..	" ..	110
Agnes ..	" ..	50	Lizzie W. Hannum ..	" ..	40
Bluejacket ..	" ..	9	Leona ..	" ..	5
Ditto ..	" ..	168	Mayflower ..	" ..	425
Belle Nausse ..	" ..	280	Marion Grimes ..	" ..	40
Belle Franklin ..	" ..	47	M. L. Wetherell ..	" ..	290
Chas. Levi Woodbury ..	" ..	7	Moro Castle ..	" ..	..
Ditto ..	" ..	190	Margie Smith ..	" ..	..
David F. Law ..	" ..	14	Northern Eagle ..	" ..	..
David Crockett ..	" ..	80	Orient ..	" ..	200
D. A. Wilson ..	" ..	51	Procyon ..	" ..	0
Edith Rowe ..	" ..	213	Ditto ..	" ..	180
Ernest F. Norwood ..	" ..	34	Rushlight ..	" ..	50
Elsie M. Smith ..	Portland ..	5	Rapid Transit ..	" ..	0
Epes Tarr ..	Gloucester ..	50	Ditto ..	" ..	180
Enola C. ..	" ..	150	Rattler ..	" ..	50
Emma W. Brown ..	" ..	330	Robin Hood ..	" ..	50
Eastern Queen ..	" ..	105	S. F. Maker ..	" ..	270
Electra A. Eaton ..	" ..	272	Senator Saulsbury ..	" ..	110
Ellen Lincoln ..	" ..	..	Senator Morgan ..	" ..	30
Flash ..	" ..	114	Ditto ..	" ..	140
Flora Dilloway ..	" ..	80	Sterling ..	" ..	30
Ditto ..	" ..	120	Star of the East ..	" ..	160
Geo. F. Edmonds ..	Portland ..	32	W. H. Foye ..	" ..	23
Governor Butler ..	Gloucester ..	140	W. H. Wellington ..	" ..	..
G. P. Whitman ..	" ..	60	Ditto ..	" ..	95
Herald of the Morning ..	" ..	..	W. W. Rice ..	" ..	93
Henry Wilson ..	" ..	28	Ditto ..	" ..	153
Ditto ..	" ..	48	Willie Irving ..	" ..	30
Harry G. French ..	" ..	150	W. D. Daisley ..	" ..	113
Isaac A. Chapman ..	" ..	190	W. H. Oakes ..	" ..	93
J. S. McQuinn ..	" ..	95	Wm. M. Gaffney ..	" ..	..
J. J. Clark ..	" ..	72			

Sixty-two schooners. Total take, 6,775 barrels.

The following is the take of mackerel for the years 1888 and 1889, made by United States fishing-vessels off the Nova Scotian coast and in the Gulf of St. Lawrence:—

Year.	Vessels.	Take.	Average per Vessel.
1888	93	Barrels. 10,418	Barrels. 126
1889	62	6,755	109

So far as the New England fleet are concerned, both in the Gulf and on the Nova Scotian and New England coasts, the mackerel season has been an unprecedentedly poor one, and the following Table exhibits in a marked manner the continued decadence of the United States mackerel fishery. The Returns not being yet available, the Canadian catch for 1889 is estimated, but that for the New England fleet is taken from the published Returns of the Boston Fish Bureau, as stated in their Circular of the 13th December:—

				1885.	1886.	1887.	1888.	1889.
				Barrels.	Barrels.	Barrels.	Barrels.	Barrels.
Caught by United States' vessels	..	..	..	330,000	80,000	78,000	40,000	17,794
„ Canadians	..	..	..	148,450	152,292	131,653	65,777	65,000
Total product	..	..	..	478,450	232,292	209,653	105,777	82,794

If from the above figures for United States vessels for 1888-89 we take the quantities quoted as being taken off the coasts of Canada, the remainder will represent the quantities obtained on the fishing-grounds off the New England coasts. These remainders are : for 1888, 29,572 barrels, and for 1889 the minimum quantity of 11,219 barrels. Figures like these need no comment.

In Canada the fishing has remained about the same as last year, and the prospects are encouraging to this extent, that large quantities of small fish have been seen during the latter part of the season, which, if not destroyed in purse-seines before reaching merchantable age, will go a long way towards restoring our fishery to its normal condition of late years, if not to its former degree of plenteousness.

Our Canadian fishery shows to great advantage when compared with the mackerel fishery of the United States, and it is safe to say that, without any great increase in the means of capture, our Canadian catch has been fully up to, if not in excess of, that of last year.

The habits of the fish seem to have changed completely; they no longer herd in large schools and play about on the surface as they feed, but small quantities of fish are found almost everywhere. At one time this year fish could be raised at any point between Miscou Island and the Magdalens, making, in the whole, unquestionably a vast mass of fish, but far short of the multitudes which formerly frequented the waters of the Gulf.

I cannot help thinking that the apparent change in the habits of the fish is largely due to their diminished numbers, which would naturally make them more timid. The change, however, is not without its advantage, as it tells largely in favour of Canadian methods of fishing, the success of the hook-and-line fishing and the boat fishing in-shore being quite marked during the past season.

In my Report on the operations of the year 1888 I went very fully into the condition and prospects of the Canadian mackerel fishery, and subsequent experience has only tended to confirm and strengthen the views expressed therein, viz., that the depletion of the mackerel fishery was largely due, not only to the use of improper means of capture, but to the use of those means at improper seasons.

The United States Government, recognizing the importance of this fishery, has legislated very effectively to prohibit the use of the purse-seine in their southern waters during the season when the mackerel are about to spawn, the law being that no mackerel caught in a purse-seine between the 1st day of January and the 1st day of June in each year shall be permitted to be landed in the United States, thus using the machinery of the Customs Department to enforce a law for the protection of deep-sea fish on the high seas.

The United States fishermen, recognizing the fact that this law is a necessity if there is to be any future for their mackerel fishery, loyally adhere to its provisions.

Owing, however, to the geographical position of our Canadian fishing grounds, a season which will protect spawning fish on the New England coasts will not protect them on those of Nova Scotia, and the season within the St. Lawrence is later still.

I would strongly urge upon your notice the advisability of endeavouring to make an arrangement with the Government of the United States for the preservation of the mackerel fishery. The best method of protecting the fishery would be the absolute prohibition of the use of the purse-seine, and this prohibition could be made quite effectual by the passage of a law in Canada similar to that in force in the United States, but to extend over the whole year, and the extension of the United States term of prohibition to the whole twelve months. If this were done experimentally, say for a period of five years, the beneficial effects of the legislation would, I am sure, justify its enactment. But if it is thought that this measure is too drastic, then let the following fishing areas and close times be agreed upon, and laws similar to that now in force in the United States be enacted for the protection of the areas.

First, the present close season, or prohibition of the purse-seine, to extend to all the waters of the North-west Atlantic. Second, that no purse-seine shall be used north of the parallel of Cape Sable until after the 1st day of July in each calendar

year. Third, that no purse-seine shall be used within the waters of the Gulf of St. Lawrence until after the 1st day of August in each calendar year—the boundaries of the Gulf of St. Lawrence, for the purposes of this law, to be the line adjoining Bear Island and Eddy Point, Straits of Canso, and the lines joining Money Point lighthouse, Cape Breton, with the lighthouse south end of St. Paul's Island, and thence to Cape Ray lighthouse, Newfoundland. If similar laws are passed by the United States and Canada for the protection of these areas, no costly or complicated police system will be necessary; the machinery of the Customs Department in each country can easily and effectually enforce the law.

The above-named limits may be described as (1) the New England mackerel grounds; (2) the Nova Scotia mackerel grounds; (3) the North Bay ground, the latter name being applied by the mackerel fishermen to the whole Gulf of St. Lawrence. These separate limits are easily defined, and no difficulty could arise in administering the law on the ground of difficulty of defining a limit, and the divisions proposed are those which agree most nearly with the gradations of marine climate which govern the movements of these fish.

The destruction of these migratory fish before the spawning season must result in the depletion of the fishery, and if it is desired to prevent this destruction by wholesale, the abolition of the use of the purse-seine in the above limits, and for the periods mentioned, is the minimum of protection that must be insisted on; for it is a fact, capable of demonstration quite simply, that spawning or gravid fish are taken on the Nova Scotian coast up till 1st July, and though the spawning season in the southern part of the Gulf is pretty well over by 20th July in an average year, we have in these waters so much fluctuation in marine climate that there is great variation in the period of spawning. I have therefore fixed on 1st August as the date of commencement of the purse-seining, to allow for a late season and to cover the more northerly portions of these waters where the spawning season is later.

Many of the masters of United States fishing-vessels admit that the unrestrained use of the purse-seine has ruined the mackerel fishery, but some of them being part owners of vessels and gear are indisposed to support a measure the passage of which would practically wipe out a portion of their capital for a time. In Canada the sum invested in these seines is comparatively small, and I do not think that there would be any real opposition from Canadians to the enactment of the proposed laws for the protection of the mackerel. In fact, I consider that continued comparative productiveness of the Canadian mackerel-fishing grounds as compared with those on the New England coasts is largely due (1) to the protection afforded to fishermen, by securing the in-shore fishing grounds from molestation and continual harassment by a large fleet of foreign fishermen, thus affording the fish an area in which to spawn comparatively undisturbed; and (2) to the fact that Canadian fishermen have not so extensively adopted the use of the purse-seine as a means of capture.

One of the best arguments in favour of the abolition of the purse-seine is that many of the most experienced fishermen are already discarding the use of it, and all are relegating it to a secondary place in their operations. In the past, the mackerel schooner stood off and on, with one, two, or even three men at the mast-head, looking for fish, and when a school was sighted, the seine-boat was manned and the school surrounded; then, after the seine was pursed the schooner sailed up alongside the boat. To-day the *modus operandi* is entirely changed. The vessel now carries many barrels of bait, herrings, porgies, and clams; these are ground up in a mill and mixed with water to the consistency of thin porridge; the vessel still carries a man at the mast-head, but instead of sailing to and fro, she is allowed to drift slowly over the surface of the sea and the toll bait is constantly thrown over; two or three men meanwhile have their lines over the side, and if the fish rise to the bait and are taken on the hooks, all hands immediately get their lines over, and if the fish show in any number, the bait is kept going over steadily, the seine-boat is manned, and the seine quietly swept round both vessel and fish, and when the net is pursed up those left on board run the head of the jib up, the vessel pays off and rides easily and harmlessly over the cork rope, the haul occasionally amounting to a few barrels, but all the fishermen seem to admit that after sweeping the seine they have to change their ground, whilst they might have continued hooking successfully for some time longer had they not made the haul of the seine.

This purse-seine fishing is, in one sense, like prospecting for gold or boring for oil, it being purely a speculative business, in which there still certainly remain a few prizes, but in which there are very many blanks; but each crew looks forward to making a big haul, and not to the continuous work which the hook-and-line fishing imposes on

the men. As an instance of the prizes made, one vessel, the "Emma W. Brown," of Gloucester, got 160 barrels of sea-packed mackerel at a single haul of her seine, which, at the extraordinary prices which have prevailed, would mean a take worth nearly 4,000 dollars, or, say, upwards of 100 dollars per man.

Another vessel, the "Mayflower," of Gloucester, made a somewhat similar haul, but these were the only two fortunate schooners in the whole fleet; yet the effect of these two hauls was to keep many of the fleet down on our coasts for some weeks later than they otherwise would have been.

One marked, and, of late years, somewhat unusual, feature of this season's fishing was the run of fine mackerel which struck in on the Nova Scotia coasts during the earlier half of November. These were exceptionally large and fine fish, and would, in some instances that came under my notice, run from 130 to 160 fish to the packed barrel. I estimate that about 3,000 barrels were taken of this fall run; and as many of them were marketed fresh in ice, this run was worth nearly 60,000 dollars to the fishermen. In some parts of the coast this lot of fish when netted were considerably damaged by squid, which actually eat the fish after they are meshed in the nets, never totally consuming a whole fish, but eating a piece out of one and then testing the flavour of a second, till in some instances quite a serious proportion of the fish were damaged.

The Canadian mackerel net fishery by boats from the shore, and the net fishery by small schooners, requires regulation. This subject will be dealt with more fully in another part of the Report; suffice it to say that the two great points which it is desirable to attain are (1) the marking with registered marks all nets or other fishing buoys; and (2) the absolute prohibition of day fishing by drift-nets, say, between the hours of 8 A.M. and 5 P.M.

In concluding these remarks on the mackerel fishery, I would state again that the additional experience which I have acquired only confirms my opinion as to the desirability, almost the necessity, of the prohibition, or at any rate the limitation, of the use of the purse-seine.

To be really effectual, any arrangement must be of an international character; and I am of opinion that the majority of both Canadian and United States' fishermen would be willing to accept some such arrangement as that suggested, at any rate tentatively, for a period of five years, and they would readily admit that, whilst it might in the first instance be the occasion of loss to those of them who owned their seines and vessels, some such regulation of the fishing is most desirable.

12819.

No. 6.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received July 3, 1890.)

(Confidential.)

Government House, St. John's,
Newfoundland, June 19, 1890.

MY LORD,

CAPTAIN Sir Baldwin Walker, R.N., having brought to my notice the difficulty, or, I might say, almost impossibility, of enforcing the Bait Act in regard to American vessels on that portion of our coast where, under the treaty of 1818, they have fishing privileges, I brought the matter before the Premier, who is of opinion that while the Americans can fish for bait in our waters they cannot purchase it, a nice question which, being no lawyer, I cannot, I confess, distinguish. For, in addition, there are the following points in the contention of Newfoundland which must be borne in mind,—

First, that the Americans do not procure bait for their own fishing so much as for the purposes of trade; such trade being in violation of, and designed to defeat, our laws; in other words, they make a most profitable business in buying bait on our coast and carrying it to St. Pierre, and selling it to the French; and

Secondly, that, as the Americans come provided with large seines, which their crews are not sufficiently numerous to work, they employ our fishermen to aid them, thus engaging Newfoundlanders to participate in a contraband trade.

2. I have recently heard privately that some of the Americans object to the foregoing reading of the treaty, and, ergo, to paying for a licence; therefore, as possibly this may form the subject of a reference from the United States, I would suggest that the

Crown Lawyers be consulted in the matter, along with my Attorney-General, Sir William Whiteway, who goes home with this.

I have, &c.

(Signed) T. O'BRIEN, Lieut.-Col.,
Governor.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

11437.

No. 7.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, July 3, 1890.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a Despatch* from the Governor-General of Canada, with its enclosure, dealing with the evil effects caused by the use of purse-seines for the capture of mackerel, on account of their destructive character.

His Lordship presumes that Lord Salisbury will think it desirable to consult Sir J. Pannecote as to whether the present time is opportune for bringing before the Government of the United States this question, which appears to be one of great importance.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

11437.

No. 8.

COLONIAL OFFICE to BOARD OF TRADE.

SIR,

Downing Street, July 3, 1890.

I AM directed by Lord Knutsford to transmit to you, for any observations with which your Department may be able to favour him, a copy of a Despatch* from the Governor-General of Canada, with its enclosure, dealing with the evil effects caused by the use of purse-seines for the capture of mackerel, on account of their destructive character.

The Chief Inspector of Fisheries,
Board of Trade.

I am, &c.
(Signed) JOHN BRAMSTON.

12819.

No. 9.

COLONIAL OFFICE to SIR W. V. WHITEWAY.

SIR,

Downing Street, July 10, 1890.

I AM directed by Lord Knutsford to transmit to you, for any observations which you may have to offer, a copy of a Despatch† from the Governor of Newfoundland respecting the present position of American fishermen in those parts of Newfoundland waters in which they have fishing privileges under the convention of 1818.

Sir W. V. Whiteway, K.C.M.G.

I am, &c.
(Signed) JOHN BRAMSTON.

* No. 5.

† No. 6.

14423.

No. 10.

SIR W. V. WHITEWAY to COLONIAL OFFICE.

DEAR LORD KNUTSFORD,

Hôtel Métropole, London, July 12, 1890.

ACCORDING to your request, I beg to enclose a memorandum which Mr. Harvey agrees with me as our suggestion in the matter of the United States question.

We therefore submit same for your consideration.

The Right Hon. Lord Knutsford.

I am, &c.
(Signed) W. V. WHITEWAY.

Enclosure in No. 10.

MEMORANDUM with regard to the UNITED STATES.

American vessels to have the privilege of purchasing bait at all times on same terms and in same quantities as Newfoundland vessels, and to have all privileges of touching and trading, selling fish, oil, &c., and getting supplies without other charges than light and harbour dues and customs dues, such as are levied on Newfoundland vessels similarly employed.

American vessels procuring bait from Newfoundland to give bonds, similar to bonds given by Newfoundland vessels, with like penalties; provision to be made for enforcing penalties in United States territory.

In return, United States to admit codfish, cod oil, seal oil, herrings, salmon, &c. from Newfoundland, the produce of Newfoundland fisheries, free of duty.

N.B.—Canadian vessels to be admitted on same terms as above.

July 12, 1890.

13495.

No. 11.

BOARD OF TRADE to COLONIAL OFFICE.

Board of Trade (Fisheries Department), London,
July 12, 1890.

SIR,

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 3rd instant,* in which is enclosed, for such observations as they may be in a position to afford, copies of a Despatch and accompanying documents from the Governor-General of Canada regarding the effects of the use of purse-seines for taking mackerel; and I am to transmit herewith, to be laid before Lord Knutsford, copy of a memorandum in the matter which has been drawn up by the Board's Chief Inspector of Fisheries.

The Under-Secretary of State,
Colonial Office.

I have, &c.
(Signed) A. D. BERRINGTON.

Enclosure in No. 11.

MEMORANDUM by the CHIEF INSPECTOR OF FISHERIES to accompany Board of Trade Letter to Colonial Office of July 11, 1890.

THE proposal of the Privy Council of Canada is that negotiations should be opened with the Government of the United States with a view to the protection of the mackerel fisheries on the North American coasts by the prohibition or restriction of the use of purse-seine nets.

It would appear that the mackerel fisheries of the United States have been very seriously deteriorated by over-fishing, that the Legislature of the State of Maine in 1883 and 1885 passed Acts under which the use of purse and drag seines is prohibited in all bays, &c., not exceeding 3 miles in width, and that the Federal Legislature of

the United States in 1887 passed an Act establishing for five years from the 1st March, 1888, a close season between the 1st March and 1st June in each year, during which no mackerel taken otherwise than by hook and line, or by traps or weirs connected with the shore, shall be landed in the United States. This close season is understood to be intended for the protection of the mackerel until the expiration of their spawning period in the waters off the coasts of the United States.

It is stated that in the colder waters off the Canadian coasts the spawning season does not terminate in some parts until the 1st July, and in others until the 1st August.

The statistics furnished appear to show a lamentable falling-off in the productiveness of the mackerel fisheries off the Canadian coasts since the introduction of purse-seines, and the complaints against this description of net may be summarized under the following heads:—

1. That its use frightens and drives away the fish.
2. That it destroys large quantities of undersized mackerel, herrings, cod, and other fish, which are necessarily killed and are thrown away. The quantity of small fish thus destroyed is variously stated either as equal in number to the food fish taken, or as amounting in bulk to from one-half to one-sixth of the whole.
3. That it destroys the fish before they have spawned, but this objection would apply to every method of fishing, so long as no close season, or no adequate close season, prevails.

It would appear to be for the advantage of the Canadian fishermen generally that the use of purse-seines off their coasts should be entirely prohibited, since, as they live nearer these fisheries, they would have an advantage over the United States fishermen in using a class of instruments which are less productive and which it might not pay men from a distance to use. But for this very reason the United States Government may be expected to object to such a regulation.

In that case there is the second proposal to "restrict" the use of purse-seines. And in cases in which national interests do not interfere, it may be taken as a general rule that it is better economy to permit the use of the most efficient instrument of fishing, subject to such restrictions with regard to time and place as may be deemed necessary, rather than to compel men to waste their time and labour by using less efficient instruments for a longer period in order to obtain the same quantity of fish. The second and third points of complaint, viz., the useless destruction of undersized fish, and the taking of spawning fish, are matters which might very well be regulated. The latter might very advantageously be disposed of in accordance with the excellent report of Lieutenant Gordon, which forms the last of the papers forwarded. He recommends that the United States close season (1st March to the 1st June) should be adopted for all the waters of the North-west Atlantic south of the parallel of Cape Sable, and that north of that line the close season should be extended to the 1st July, except within the Gulf of St. Lawrence, where it should not terminate until the 1st August.

The question of the destruction of small fish is clearly one of mesh, but it does not appear from the papers what is the size of the smallest mesh of a purse-seine. In a note to the Report of the United States Commission of Fish and Fisheries, sec. 5, vol. i, p. 253, the following statement is made: "Size of mesh in all its parts 2 inches;" but it is not explained how the measurements are taken, and different modes of expressing the size of a mesh are used in different places. On this point fuller information is needed. If the use of a mesh smaller than that required to take a mackerel of 11 inches in length, which appears to be the size referred to as "No. 1 grade," were prohibited, few undersized fish would be taken. The mackerel seines used in Cornwall have about forty-five rows of knots to the yard in the bunt.

(Initialled) A. D. B.

July 5, 1890.

13495.

No. 12.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, July 17, 1890.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a letter* from the Board of Trade in connection with the use of purse-seines for taking mackerel.

His Lordship proposes, with Lord Salisbury's concurrence, to forward a copy of this letter, with its enclosure, to the Governor-General of Canada with reference to his Despatch No. 103 of the 27th May,* on receiving a reply to the letter addressed to the Foreign Office from this Department on the 3rd instant.†

I am, &c.
(Signed) JOHN BRAMSTON.

The Under Secretary of State,
Foreign Office.

14474.

No. 13.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, July 25, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letters of the 3rd and 17th instant‡ on the subject of the use of purse-seines in the Canadian and North American mackerel fisheries.

Copies of the correspondence have been sent to Her Majesty's Minister at Washington for his opinion as to the expediency of making representations on the subject to the United States Government at the present moment. On receipt of his reply a further communication will be addressed to you.

I am to add that Lord Salisbury concurs in the proposal to forward a copy of the enclosure in your letter of the 17th instant to the Governor-General of Canada.

I am, &c.
(Signed) T. H. SANDERSON.

The Under Secretary of State,
Colonial Office.

14474.

No. 14.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

(No. 143.)

MY LORD,

Downing Street, July 29, 1890.

I HAVE the honour to acknowledge the receipt of your Despatch No. 103 of the 27th May last,* enclosing copy of an approved Minute of your Privy Council, embodying a Report of the Minister of Marine and Fisheries dealing with the evil effects caused by the use of purse-seines for the capture of mackerel.

I referred this Despatch to the Board of Trade and to the Foreign Office, and I enclose, for the information of your Government, a copy of a letter§ from the Board of Trade, inclosing a memorandum by their Chief Inspector of Fisheries upon the subject.

The Secretary of State for Foreign Affairs has informed me that copies of the papers have been sent to Her Majesty's Minister at Washington for his opinion as to the expediency of making representations on the matter to the United States Government at the present moment, and on the receipt of his reply a further Despatch will be addressed to your Lordship.

I have, &c.
(Signed) KNUTSFORD.

Lord Stanley of Preston.

14423.

No. 15.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, August 2, 1890.

WITH reference to the letter from this Department of the 2nd of April last|| and to your reply of the 10th of that month¶ relating to the wish of the Government of Newfoundland that negotiations should be entered upon for a distinct arrangement (independently of Canada) with the United States as regards the fishing questions and

* No. 5.
§ No. 11.

† No. 7.
|| No. 2.

‡ Nos. 7 and 12.
¶ No. 3.

trade relations as between the United States and Newfoundland, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a letter* from Sir Wm. Whiteway enclosing a memorandum containing suggestions on the part of the Government of Newfoundland for dealing with this question.

I am to take this opportunity of forwarding, for Lord Salisbury's information, a copy of a Despatch† from the Governor of Newfoundland having a bearing on the matter, and I am to state that Lord Knutsford would be glad to receive Lord Salisbury's opinion as to the proposal for the negotiation of a distinct arrangement with the United States on behalf of Newfoundland, independently of Canada, and, if such negotiation should be entered upon, as to the mode of procedure which it would be desirable should be adopted.

The present position of the rights of United States citizens in Newfoundland waters are shown by the enclosures to the letters from this Department of the 12th, 20th, and 30th of May last, and 5th of July.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) R. H. MEADE.

15547.

No. 16.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, August 8, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 2nd instant,‡ and enclosures, in which Lord Knutsford asks what views are held by his Lordship on the proposal that negotiations should be entered upon for a distinct arrangement (independently of Canada) with the United States, as regards the fishing and trade relations between the United States and Newfoundland, and the mode of procedure which should be adopted if the negotiations were entered upon.

I am to state to you in reply, for Lord Knutsford's information, that Lord Salisbury is ready to consult Sir J. Pauncefote on the question whether any overtures on the subject would be opportune at the present juncture, but before doing so he would suggest that it would be desirable to ascertain how such a step would be viewed by the Canadian Government.

The action, however, of Her Majesty's Government in this and other matters in which Newfoundland interests are involved must, in Lord Salisbury's opinion, depend greatly on the attitude of the Government of that Colony on the questions now pending with France in regard to the fisheries.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. V. LISTER.

15575.

No. 17.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received August 9, 1890.)

(No. 138.)

Cascaedia River, New Richmond, P.Q.,

MY LORD,

July 24, 1890.

I HAVE the honour to transmit to your Lordship a copy of an approved Minute of the Privy Council of Canada, concurring in a Report of the Minister of Marine and Fisheries on the subject of pound-net fishing on Lake Erie.

Your Lordship will observe that the Dominion Government are desirous that this matter, together with the whole question of the protection of the fisheries in inland waters contiguous to the United States and to Canada, may be brought to the notice of the United States Government and to the Governments of the States of Michigan and Ohio, with a view to some international action having for its object the adoption of

* No. 10.

† No. 6.

‡ No. 15.

uniform regulations restricting the catching of fish at times and by means which tend to exhaust these fisheries.

I have, &c.
(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford,
&c. &c. &c.

Enclosure in No. 17.

Certified copy of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by his Excellency the GOVERNOR-GENERAL IN COUNCIL on the 5th July, 1890.

ON a Report dated the 25th June, 1890, from the Minister of Marine and Fisheries, stating that he has received urgent representations in the interests of the pound-net fishermen of Lake Erie, fronting on the County of Essex, asking that they be authorized to use double-headed pound-nets for fishing, instead of being limited, as at present, to the single pounds licensed by the Fisheries Department, their object being to increase the catching-power of these fishing apparatus.

The Minister observes that the question of pound-net fishing is one which has engaged the attention of the Department of Fisheries for years, and has always been found a difficult one to deal with, especially in waters adjacent to those of the United States, where fishing is carried on in close proximity to that in Canadian waters.

Pound-nets are prohibited by the Fisheries Act (Chapter 95, Revised Statutes), except under special licences, and subject to certain conditions. The policy of the Fisheries Department has been to curtail this mode of fishing within as reasonable limits as possible, and minimize its destructiveness.

The fact that these nets are allowed at all, though under a heavy licence fee, is largely due to the strong representations on behalf of Canadian fishermen, of the unequal position in which they were placed, both as regards the times and modes of fishing, as compared with the unrestricted fishing carried on in United States waters within their sight, and in which fishermen are permitted to take fish at all times, and by all means.

To protect the fishery, the operations of Canadian pound-net fishing on Lake-Erie have been curtailed to the extent of discriminating as much as possible against the use of double-headed pounds.

The Minister further observes that the importance of the interest involved, and the difficulty which exists to maintain a proper observance of the different close seasons for fish, by reason of the sedentary nature of pound-nets, which of necessity catch all kinds of fish at all times, render it highly inexpedient to relax the precautions of the Department of Fisheries towards the economical management and administration of the fishing industry; especially in view of the fact that observance of the close seasons, and other fishery regulations, is exacted from all other fishermen.

The Minister regrets that there is an absence of similar legislation in this and other directions for the protection and preservation of the fisheries in the waters of the neighbouring States of Michigan and Ohio, and before advising that the policy as authorized regarding pound-net fishing be abandoned, he is of opinion that it would be well to seek co-operation on the part of the authorities of the States of Michigan and Ohio, and he therefore recommends that a copy of this Report be transmitted to the Right Honourable the Principal Secretary of State for the Colonies, for submission to Her Majesty's Government, with a request that it be brought to the notice of the State Governments of Michigan and Ohio, as well as of the General Government of the United States.

The Committee, concurring in the above, advise that your Excellency be moved to forward a copy of this Minute to the Right Honourable the Secretary of State for the Colonies, with a request that it be brought to the notice of the United States Government, and of the Governments of the States of Michigan and Ohio, and with the expression of a hope that the whole question of the protection of the fisheries in inland waters contiguous to the United States and to Canada may be considered, with a view to some international action having for its object the adoption of uniform

regulations restricting the catching of fish at times and by means which tend to exhaust these fisheries.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. MCGEE, Clerk,
Privy Council.

15878.

No. 18.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, August 13, 1890.

WITH reference to the letter from this Office of the 25th ultimo,* I am directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before Lord Knutsford, a copy of a Despatch from Her Majesty's Minister at Washington relating to the use of purse-seines for the capture of mackerel.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. V. LISTER.

Enclosure in No. 18.

SIR J. PAUNCEFOTE to the MARQUIS OF SALISBURY.

(No. 107.)

MY LORD,

Magnolia, Massachusetts, July 27, 1890.

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch No. 149 of the 12th instant, inclosing a Despatch from the Governor-General of Canada, in which attention is called to the serious destruction of immature fish caused by the use of purse-seines for the capture of mackerel.

I had some conversation with Mr. Blaine on this subject in the course of our discussions on the Behring Sea fisheries, and he appeared quite disposed to give it his careful consideration with a view to the adoption of concerted measures to diminish the mischief complained of. It was on that account that I introduced in the proposed convention for the regulation of the Behring Sea fisheries (see my Despatch No. 52 of the 11th April last) a clause intended to meet the case.

I do not think that the present moment is opportune for reopening the question, but I will take the first favourable opportunity of again calling Mr. Blaine's attention to the subject.

The Marquis of Salisbury,
&c. &c. &c.

I have, &c.
(Signed) JULIAN PAUNCEFOTE.

15575.

No. 19.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, August 14, 1890.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a Despatch† from the Governor-General of Canada, forwarding a Minute of the Privy Council of Canada suggesting that international action should be taken with a view to the regulation of the fisheries in the inland waters contiguous to the United States and Canada.

Lord Knutsford would be glad if Lord Salisbury would instruct Her Majesty's Minister at Washington to approach the United States Government on this matter at a suitable opportunity, should he not see any objection.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

15878.

No. 20.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.
(Dated August 16, 1890.)

(Confidential.)

[Transmits copy of Enclosure in Foreign Office letter of the 13th August, 1890.*]

15547.

No. 21.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, August 18, 1890.

I AM directed by Lord Knutsford to acknowledge the receipt of your letter of the 8th instant† as to the proposal put forward on behalf of the Government of Newfoundland for negotiations for a distinct arrangement (independently of Canada) with the United States and Newfoundland with regard to fishing and trade relations.

Lord Knutsford learns from Sir William Whiteway that it is believed in Newfoundland that the United States Government would be disposed to admit the produce of the Newfoundland fisheries free of duty in return for the grant of facilities for their fishermen in the matter of obtaining bait. Newfoundland thus would have something definite to offer to the United States which Canada does not possess, a circumstance which places Newfoundland on a somewhat different footing from Canada, where the question of the free admission of fish to the United States is complicated by numerous other points of difference between the two countries, which increase the difficulty of arriving at any fishery arrangement between the United States and Canada.

The proposed separate arrangement for Newfoundland might not be beneficial to Canadian interests, but Lord Knutsford feels some hesitation in consulting the Dominion Government upon a matter in which, strictly speaking, Canada has no claim to interfere.

The Government of Newfoundland attach very great importance to the making such a separate arrangement with the United States, and they believe, moreover, that a concession upon this point would go far to mitigate the disappointment that is felt in respect of the French fishery questions. Lord Knutsford would, therefore, suggest that Sir J. Pauncefote should be at once consulted as to whether it would be possible or desirable to approach the American Government on the subject at the present time.

It is understood that it is not proposed that a delegate from Newfoundland should be joined in any negotiations that might take place, though some gentleman from the Colony would naturally go over to assist the British Minister by supplying him with information, and to give him such other aid as might be possible.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) R. H. MEADE.

17055.

No. 22.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, August 28, 1890.

YOUR letter of the 14th instant,‡ with its enclosure, recommending that some international action should be taken for regulating the fisheries in the inland waters contiguous to the United States and Canada, has been laid before the Marquis of Salisbury.

In reply, I am to request that you will state to Secretary Lord Knutsford that instructions will be sent to Her Majesty's Minister at Washington, directing him to invite the attention of the United States Government to this question whenever a favourable opportunity occurs for so doing.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 18.

† No. 16.

‡ No. 19.

17055.

No. 23.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

(Dated August 29, 1890.)

(No. 167.)

[Transmits copy of Foreign Office letter of the 28th August, 1890.*]

17465.

No. 24.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, September 4, 1890.

I AM directed by the Marquis of Salisbury to state to you that, on receipt of your letter of the 18th ultimo,† he consulted Her Majesty's Minister at Washington, by telegraph, as to whether it was desirable at the present time to approach the United States Government on the subject of a separate agreement respecting fishing questions and trade relations between Newfoundland and the United States, independently of Canada.

Sir J. Pauncefoot replied that, though he had not much hope of success, he saw no objection to sounding the Secretary of State on the subject, and he has accordingly been instructed to do so.

Copies of the correspondence furnished by you to this Department in regard to the question have also been forwarded for his information and guidance.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

17586.

No. 25.

SIR W. V. WHITEWAY to COLONIAL OFFICE.

SIR,

London, September 9, 1890.

HAVING understood that Her Majesty's Government has consented to negotiate with the United States Government with a view to an arrangement under which fish and other products of Newfoundland may be admitted into the United States free of duty, in return for concessions to be made by Newfoundland as regards the purchase of bait by United States fishermen, I beg to say that the Honourable Mr. Robert Bond, Colonial Secretary of Newfoundland, is about to proceed to New York, leaving London to-morrow (Wednesday), the 10th instant; and I have the honour to ask the favour of his being furnished with such authority as may be deemed necessary for his communicating to Her Majesty's Minister at Washington the views of the Newfoundland Government, in order to the attainment of the object desired.

I am, &c.

(Signed) W. V. WHITEWAY,
Premier and Attorney-General, Newfoundland.

John Bramston, Esq., C.B.

P.S.—Should there be no prospect of conceding Mr. Bond's request by letter to be posted to-morrow addressed to him steam-ship "Polynesian," Queenstown, may I beg that it be addressed as soon as possible to him, Astor House, New York?

W. V. W.

17686.

No. 26.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, September 9, 1890.

WITH reference to your letter of the 4th instant,† I am directed by Lord Knutsford to transmit to you, for communication to the Marquis of Salisbury, a copy of a

* No. 22.

† No. 21.

‡ No. 24.

letter* from Sir William Whiteway, requesting that Mr. Bond, Colonial Secretary of Newfoundland, who leaves for New York to-morrow, may be authorized to communicate to Sir Julian Pauncefote, at Washington, the views of the Colonial Government on the subject of the proposed separate arrangements respecting fishery questions between Newfoundland and the United States.

I am to request to be informed whether Lord Salisbury has any objection to giving the proposed authority.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

17836.

No. 27.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, September 10, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of yesterday,† forwarding a letter from Sir W. Whiteway, in which he states that the Honourable Robert Bond, Colonial Secretary of Newfoundland, is authorized by him to explain to Her Majesty's Minister at Washington the views of the Newfoundland Government in regard to an arrangement for the admission of fish and other products of Newfoundland into the United States free of duty, in exchange for facilities for the purchase of bait by United States fishermen.

Sir W. Whiteway requests that Sir J. Pauncefote may be informed that Mr. Bond has authority to speak to him on the subject.

I am to inclose a Despatch to Sir J. Pauncefote, introducing Mr. Bond, which Lord Salisbury has had pleasure in giving, in compliance with Sir W. Whiteway's wishes.

It is requested that the envelope may be closed before it is forwarded to Mr. Bond.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure in No. 27.

The MARQUIS OF SALISBURY to SIR J. PAUNCEFOTE.

(Separate.)

SIR,

Foreign Office, September 10, 1890.

THIS Despatch will be delivered to you by the Honourable Robert Bond, Colonial Secretary of Newfoundland, who is about to proceed to New York, and has been commissioned by Sir W. Whiteway, the Prime Minister of the Colony, to communicate to you the views and wishes of the Newfoundland Government with regard to an arrangement for the admission of fish and other products of Newfoundland to the United States free of duty, in return for concessions as to the purchase of bait by United States' fishermen.

Sir W. Whiteway has requested that you may be informed that Mr. Bond has authority to speak to you on the subject in the name of the Newfoundland Government, and I have accordingly furnished him with this introduction to you.

I am, &c.
(Signed) SALISBURY.

17836.

No. 28.

COLONIAL OFFICE to ROBERT BOND, Esq.

SIR,

Downing Street, September 10, 1890.

I AM directed by Lord Knutsford to transmit to you a letter of introduction* to Her Majesty's Minister at Washington, which has been obtained from the Foreign Office, at the request of Sir W. V. Whiteway, to enable you to explain to Sir Julian Pauncefote the views of the Newfoundland Government in regard to the proposed arrangement to obtain the admission free of duty into the United States of fish and other products of the Colony.

Robert Bond, Esq.

I am, &c.
(Signed) JOHN BRAMSTON.

17836.

No. 29.

COLONIAL OFFICE to SIR W. V. WHITEWAY.

SIR,

Downing Street, September 11, 1890.

IN reply to your letter of the 9th instant,† I am directed by Lord Knutsford to inform you that a letter of introduction to Her Majesty's Minister at Washington, obtained from the Foreign Office, to enable Mr. Bond to explain to Sir Julian Pauncefote the views of the Newfoundland Government in regard to the admission of fish and other products of the Colony into the United States, was yesterday forwarded to Mr. Bond to the care of the captain of the steam-ship "Polynesian," Queenstown.

Sir W. V. Whiteway, Q.C., K.C.M.G.

I am, &c.
(Signed) JOHN BRAMSTON.

18108.

No. 30.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received September 13, 1890.)

(No. 168.)

MY LORD,

The Citadel, Quebec, August 30, 1890.

I HAVE the honour to transmit herewith, with the request that it may be brought to the notice of the United States' Government, a copy of an approved Minute of the Privy Council on the subject of the threatened depletion of the supply of fish in the Lake of the Woods by excessive fishing.

Your Lordship will observe that, in view of the great importance to the Indians of this valuable food supply, it is suggested that common action be taken by the Governments of Canada and the United States with the object of securing the reservation of the fishing rights in this lake for the exclusive benefit of the Indians.

I have, &c.

(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

Enclosure in No. 30.

Certified copy of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by his Excellency the GOVERNOR-GENERAL IN COUNCIL on the 20th August, 1890.

On a joint Report from the Minister of Marine and Fisheries and the Superintendent-General of Indian Affairs, stating that excessive fishing is now being carried on in Lake of the Woods, threatening the entire depletion of the fish therein, and that in order to conserve such fisheries as a means of livelihood to the Indians, it is necessary

* Enclosure in No. 27.

† No. 25.

to afford protection thereto, by prohibiting the use of pound-nets in the above-mentioned waters :

The Ministers are impressed with the importance of the matter, and the advantage to the Government in connection with the support of the Indian population in the Lake of the Woods and Rainy River Region lying within the Provinces of Ontario and Manitoba, as well as in the neighbouring State of Minnesota, of whom there are on both sides of the line about 3,000 souls.

Game is fast disappearing, while Indians are not sufficiently advanced in the art of agriculture to support themselves by tilling the soil, and unless some strict measures are taken to protect the fish supply, their sustenance will devolve upon the Indian funds of the respective Governments.

The principal fish frequenting these waters is the sturgeon, a large fish, which forms the main article of food for the Indians; its sluggish nature renders its capture comparatively easy, as they can be herded into nets with little difficulty.

The Minister believes that the reservation of the fishing rights in these waters to the Indians, while interfering with no legitimate industry, will assure to them a means of support, which by careful fostering and proper protection can be made enduring, and thus obviate the necessity for large outlay on the part of the Government in sustaining these Indians in the future.

The Ministers further remark that a reservation of this nature would in view of the geographical position of the waters in question be equally advantageous to the Government of the United States as to that of the Dominion of Canada, and they are of the opinion that, as action by Canada alone would be of little value, it is desirable to seek the co-operation of the United States Government with a view to effecting some international arrangement by which the above-mentioned waters would be reserved for the exclusive benefit of the Indians of the two countries, and that fishing by means of pound-nets and similar fishing engines be prohibited, reserving, however, the right in common of fishing by hand with hook and line.

The Committee recommend that your Excellency be moved to transmit a copy of this Minute to the Right Honourable the Secretary of State for the Colonies, for submission to Her Majesty's Government, with a request that it be brought to the notice of the Government of the United States of America, with the expression of a hope that the above-mentioned arrangement may be effected.

All which is respectfully submitted for your Excellency's approval.

(Signed) JOHN J. MCGEE, Clerk,
Privy Council.

18108.

No. 31.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, September 17, 1890.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a Despatch* from the Governor-General of Canada, forwarding a Minute of the Privy Council of Canada, suggesting that international action should be taken with the view of preventing the depletion of the fisheries in the border Lake of the Woods by the use of pound-nets and similar fishing engines, and of reserving the right of fishery to the Indians.

In connection with the subject of the recent correspondence noted in the margin,† which has taken place respecting the proposed regulation of the fisheries in the inland waters contiguous to the United States and Canada, Lord Knutsford would be glad if Lord Salisbury would instruct Her Majesty's Minister at Washington similarly to approach the United States Government on this matter on a suitable opportunity, should his Lordship not see any objection to this course.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

* No. 30.

† Nos. 19 and 22.

18901.

No. 32.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, September 25, 1890.

I HAVE laid before the Marquis of Salisbury your letter of the 17th instant,* enclosing a despatch from the Governor-General of Canada, urging the expediency of taking measures for regulating the fishery of the Lake of the Woods, on the borders of the United States and Canada.

I am to state, for Lord Knutsford's information, that Her Majesty's Minister at Washington will be instructed to take a favourable opportunity of representing the matter to the United States Government in the sense desired by the Government of the Dominion.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

18901.

No. 33.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

(Dated September 30, 1890.)

(No. 193.)

[Transmits copy of Foreign Office letter of 25th September, 1890.†]

20255.

No. 34.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, October 17, 1890.

WITH reference to my letter of the 10th ultimo,‡ I am directed by the Marquis of Salisbury to transmit to you, to be laid before Lord Knutsford, for such steps as he may think proper, a paraphrase of a Telegram from Her Majesty's Minister at Washington, stating that he has presented the Colonial Secretary of Newfoundland to Mr. Blaine, and suggesting that the Canadian Government should be informed of the negotiations now proceeding between Newfoundland and the United States in regard to the Fisheries question.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure in No. 34.

PARAPHRASE OF TELEGRAM FROM SIR J. PAUNCEFOTE.

(No. 79.)

Washington, October 16, 1890.

WITH reference to your Despatch of the 10th ultimo, introducing Mr. Bond, I have presented that gentleman to Mr. Secretary Blaine, and negotiations are now going on with a view to an independent arrangement between the United States and Newfoundland relating to the fisheries. A draft convention has been drawn up by me for submission to the Secretary of State.

Before negotiations go further, I would suggest that the Government of Canada might be informed of them, as they might wish to negotiate on the same lines as regards New Brunswick and Nova Scotia. Such a course would also remove any soreness which the independent action of Newfoundland might possibly otherwise cause.

* No. 31.

† No. 32.

‡ No. 27.

20255.

No. 35.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

October 22, 1890.—The following is the substance of a telegram received by the Marquis of Salisbury from British Minister at Washington, 17th instant :—

“With reference to your Lordship’s Despatch of the 10th ultimo, introducing Mr. Robert Bond, I have presented that gentleman to Mr. Secretary Blaine, and negotiations are now going on with a view to an independent arrangement between the United States and Newfoundland relating to the fisheries. Before negotiations go further I would suggest that the Government of Canada might be informed, as they might wish to negotiate on the same lines as regards the Provinces of New Brunswick and Nova Scotia.”

20255.

No. 36.

COLONIAL OFFICE to the HIGH COMMISSIONER FOR CANADA.

SIR,

Downing Street, October 23, 1890.

I AM directed by Lord Knutsford to acquaint you that a Telegram, dated the 16th instant, has been received from Her Majesty’s Minister at Washington by the Secretary of the State for Foreign Affairs, of which the following is the purport :—

“With reference to your Despatch of the 10th ultimo introducing Mr. Bond, I have presented that gentleman to Mr. Secretary Blaine, and negotiations are now going on with a view to an independent arrangement between the United States and Newfoundland relating to the fisheries. Before negotiations go further, I would suggest that the Government of Canada might be informed of them, as they might wish to negotiate on the same lines as regards New Brunswick and Nova Scotia.”

The substance of Sir J. Pauncefote’s Telegram has been communicated by telegraph to the Governor-General of Canada.

The High Commissioner for Canada.

I am, &c.
(Signed) JOHN BRAMSTON.

20255.

No. 37.

COLONIAL OFFICE to FOREIGN OFFICE.
(Dated October 23, 1890.)

[TRANSMITS a paraphrase of Telegram to the Governor-General dated the 22nd October, and copy of letter to the High Commissioner dated the 23rd October.*]

21120.

No. 38.

The HIGH COMMISSIONER FOR CANADA to COLONIAL OFFICE.

Victoria Chambers, 17, Victoria Street, London,
October 27, 1890.

MY LORD,

I HAD the honour to receive at Paris, on the 23rd instant, Mr. Bramston’s Despatch of the same date, † saying :—

“I am directed by Lord Knutsford to acquaint you that a Telegram dated 6th instant has been received from Her Majesty’s Minister at Washington by the Secretary of State for Foreign Affairs, of which the following is the purport :

“With reference to your Despatch of the 10th ultimo, introducing Mr. Bond, I have presented that gentleman to Mr. Secretary Blaine, and negotiations are now going on with a view to an independent arrangement between the United States and Newfoundland relating to the fisheries. Before negotiations go further, I would suggest that

* Nos. 35 and 36.

† No. 36.

the Government of Canada might be informed of them, as they might wish to negotiate on the same lines as regards New Brunswick and Nova Scotia.'"

I had previously received a telegram from the Premier of Canada as follows:—

"Bond, Whiteway's Minister, now at Washington, announces authority from Imperial Government to make separate Fishery Treaty. Ascertain truth and enter protest. See 'New York Herald,' 13th, 'Boston Herald,' 18th October;" and I wrote to Sir R. Herbert in that sense on the 22nd instant.

I believe I am right in saying that in reference to the question of the Atlantic North American fisheries Her Majesty's Government has hitherto invariably recognized the importance of obtaining unity of action, so far as was possible, on the part of all the Colonies interested. In the Treaty of Reciprocity with the United States in 1854, the consent of Newfoundland, as well as of the various provinces of Canada, was made necessary to its going into operation; and the same course was followed, subsequent to confederation, in reference to the treaties of 1871 and 1888.

I learn with deep regret that this obviously sound policy has not only been departed from, but that, while Newfoundland has on previous occasions been fully advised as to negotiations that were to be undertaken, Her Majesty's Government have, without any intimation to Canada of what was proposed, authorized, so long ago as the 10th September, Newfoundland to open negotiations for a separate treaty with the United States; and that the first communication to Canada is a suggestion from Sir J. Pancefote not to include Canada in the proposed arrangements, but "that the Government of Canada might be informed of them, as they might wish to negotiate on the same lines as regards New Brunswick and Nova Scotia," i.e., for a treaty independent of the other provinces of Canada.

I should fail in my duty to the Crown, as well as to Canada, if I did not promptly assure your Lordship that I feel confident the difficulties of the vexed question of the British North American fisheries will be greatly increased by the wide departure that is now proposed from the long-established policy that has hitherto prevailed upon this very important question.

I am, &c.
(Signed) CHARLES TUPPER.

The Right Hon. Lord Knutsford, G.C.M.G.,
Secretary of State for the Colonies.

P.S.—Since writing my letter, I have received the following Telegram from Sir John A. Macdonald, which I beg to quote for the consideration of Her Majesty's Government:—

"Can scarcely believe Newfoundland has received authority from Imperial Government to make separate arrangement respecting fisheries. The relations of all the North American provinces to United States and to the Empire would be affected. We are not informed of powers given to Bond, and desire communication of them. Please represent strongly how the fishery and commercial interest of Canada will be injured by such an arrangement as Bond is currently reported as making, and how disastrous from a national point of view it would be for a separate Colony to effect an arrangement with the United States more favourable than would be given to the confederated provinces. Our difficulties under new American tariff are sufficiently great now."

C. T.

21211.

No. 39.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received October 31, 1890.)

TELEGRAPHIC.

REFERRING to your Telegram of the 22nd,* Dominion Government are not informed of Bond's powers or instructions, and wish for communication thereof, and to have opportunity reserved for Canada to be included in any arrangement.

21120.

No. 40.

COLONIAL OFFICE to the HIGH COMMISSIONER FOR CANADA.

SIR,

Downing Street, November 1, 1890.

I AM directed by Lord Knutsford to acknowledge the receipt of your letter of the 27th ultimo,* drawing attention to the objection entertained by the Government of Canada to a separate fishery arrangement between the United States and Newfoundland, and to acquaint you that the representation which it contains will receive very careful consideration, and that a further reply will be addressed to you on the subject.

I am, &c.

The High Commissioner for Canada.

(Signed) JOHN BRAMSTON.

21211.

No. 41.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, November 3, 1890.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a Telegram† received from the Governor-General of Canada relating to the negotiations proceeding at Washington on the subject of an arrangement between the United States and Newfoundland relating to the fisheries.

Lord Knutsford proposes, with Lord Salisbury's concurrence, to reply to the Governor-General in the terms of the Telegram‡ of which a draft is inclosed; and he would suggest, for Lord Salisbury's consideration, whether it would not be advisable that the Governor-General's Telegram and the reply should be telegraphed to Sir Julian Pauncefote, with instructions to consider in what way the wish of Canada to be included in any arrangement may best be made, and to telegraph home for consideration the terms of any convention or arrangement which he thinks could be obtained or is desirable.

I am, &c.

The Under Secretary of State,
Foreign Office.

(Signed) JOHN BRAMSTON.

21534.

No. 42.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 3, 1890.

WITH reference to the letter from this Office of the 17th ultimo,§ I am directed by the Marquis of Salisbury to state, confidentially, for the information of Lord Knutsford, that Her Majesty's Minister at Washington was informed by telegraph on the 31st ultimo that the negotiations between Newfoundland and the United States relating to fishery questions should not be allowed to proceed too rapidly, and that the draft convention should be sent home before it was communicated to Mr. Blaine.

A reply has been received from Sir J. Pauncefote, of which a paraphrase is inclosed, to the effect that the draft convention has already been sent to Mr. Blaine, at his own request and at the urgent instance of the Newfoundland Agent, but that the negotiations will be delayed pending further instructions.

The Despatch on the subject to which Sir J. Pauncefote refers has not yet been received.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) P. W. CURRIE.

Enclosure in No. 42.

PARAPHRASE of TELEGRAM from SIR J. PAUNCEFOTE.

(No. 82.)

Washington, November 1, 1890.

IN reply to your Lordship's telegram No. 46 of the 31st ultimo, I beg to refer you to my Despatch No. 149 now on its way home.

I have sent to Mr. Blaine, at his own request and at the urgent instance of Mr. Bond, a copy of the draft convention inclosed in a private note.

A copy will be sent home by the mail of the 4th instant, and, pending further instructions from your Lordship, the negotiations will be delayed.

21586.

No. 43.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 4, 1890.

WITH reference to your letter of yesterday's date* respecting the proposed negotiations between Newfoundland and the United States for an arrangement as to the Fisheries question, I am directed by the Marquis of Salisbury to request that you will state to Lord Knutsford that he concurs in the proposed reply to Lord Stanley's Telegram of the 30th ultimo.†

I am to add that, in accordance with the suggestion made in your letter, the telegraphic correspondence with the Governor-General of Canada on this subject has been communicated by telegraph to Her Majesty's Minister at Washington.

Sir Julian Pauncefote has also been requested to report in what way he considers that the wish of the Canadian Government to be included with that of Newfoundland in any arrangement made with the United States can best be carried out, and to send home, by telegraph, the substance of the draft convention privately communicated to Mr. Blaine, as stated in his Telegram of the 1st instant, a paraphrase of which accompanied my letter of yesterday.‡

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

21211.

No. 44.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

4th November, 1890. Your Telegram of 30th October.‡ Bond has no powers or instructions. Having decided to visit Washington he was introduced to the British Minister in order to consider with him whether, as Newfoundland delegates believed, United States would, under McKinley Law, remit or reduce duty on Newfoundland fish if Colony granted reciprocally facilities for procuring bait. No wider arrangement suggested. Her Majesty's Government are in communication with British Minister respecting wish of Dominion Government that Canada should be included in any arrangement.

* No. 41.

† No. 42.

‡ No. 39.

21726.

No. 45.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 6, 1890.

WITH reference to my letter of the 4th instant,* I am directed by the Marquis of Salisbury to transmit herewith, for the information of Secretary Lord Knutsford, a paraphrase of a Telegram from Sir J. Pauncefote, giving the substance of the draft convention he has privately communicated to Mr. Blaine for an arrangement as to fishing questions and trade regulations between the United States and Newfoundland. A copy of Sir W. Whiteway's memorandum, alluded to therein, accompanied your letter of the 2nd August last.†

I am to point out that Sir J. Pauncefote defers replying to the inquiry addressed to him as to the best mode of including Canada in such an arrangement until he has discussed the draft with Mr. Blaine.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

Enclosure in No. 45.

PARAPHRASE OF TELEGRAM FROM SIR J. PAUNCEFOTE.

(No. 83.)

Washington, November 5, 1890.

IN reply to your Lordship's telegram No. 49 of yesterday, I beg to state that Sir W. Whiteway's memorandum sent to me in your Lordship's despatch No. 175 of the 26th August corresponds exactly with the convention I have communicated to Mr. Blaine, except that, in accordance with Mr. Bond's request, crude minerals have been added.

The 1st Article provides that the privilege of purchasing bait fishes in Newfoundland in the same manner as vessels of the Colony shall be accorded to United States fishing vessels; also that United States fishing vessels shall be allowed to touch and trade, sell their fish and oil, and procure supplies, on condition that they pay the same dues as Newfoundland vessels, and conform to the harbour regulations.

In Article II provision is made that facilities shall be given for recovery of penalties in United States Courts under bonds against United States citizens.

Under Article III the United States are to admit duty free the produce of the fisheries of Newfoundland, including cod and seal oil, and also the produce of mines.

By Article IV it is agreed that the Convention shall hold good for ten years, and that after that period it shall, subject to one year's notice, continue from year to year.

I hope to discuss the above proposal with Mr. Blaine in the course of a few days, and until I have done so I would ask to be allowed to defer my reply to your Lordship's inquiry as to the best mode of including Canada in the arrangement.

191 SECRET.

No. 46.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 10, 1890.

WITH reference to my letters of the 3rd and 6th instant,‡ I am directed by the Marquis of Salisbury to transmit herewith, for Lord Knutsford's information, a copy of a Despatch from Her Majesty's Minister at Washington on the subject of Mr. Bond's visit to the United States, and the progress of the negotiations for a reciprocity arrangement between that country and Newfoundland on fishery and trading questions.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

* No. 43.

† No. 15.

‡ Nos. 42 and 45.

Enclosure in No. 46.

SIR J. PAUNCEFOTE to the MARQUIS OF SALISBURY.

(No. 139. Confidential.)

MY LORD,

Washington, October 30, 1890.

WITH reference to your Lordship's Confidential despatch, marked Separate, of the 10th ultimo, informing me of the intended visit to this country of the Honourable Robert Bond, Colonial Secretary of Newfoundland, for the purpose of communicating to me the views and wishes of the Colonial Government with regard to a reciprocity arrangement with the United States, I have the honour to report that Mr. Bond arrived in Washington at the end of last month, while I was still at Magnolia.

The Secretary of State happened to be passing through Washington at the time, and I availed myself of the opportunity to request him to receive Mr. Bond unofficially, in order that he might explain to him informally the general character of the proposed arrangement, and the advantages which would result to the United States from its adoption.

Mr. Blaine at once acceded to my request, and Mr. Bond had a lengthy interview with him, the result of which was that I was invited to put the Newfoundland proposals in the shape of a draft convention.

I accordingly transmitted to Mr. Blaine a draft which had been previously approved by Mr. Bond, and I have every hope that it will be accepted without any important modifications, provided it should not meet with any formidable opposition on the part of the representatives of the fishery interests in New York, Boston, and Gloucester.

Mr. Bond visited me at Magnolia, which is only an hour from Boston and a few miles from Gloucester, and being provided with letters of introduction to some of the principal persons connected with the fishery industry in those parts, he was able to sound them as to their views in regard to the proposed arrangement.

He informed me that he was not dissatisfied with the general tone of opinion on the subject, though, as might be expected, some uneasiness was manifested at the prospect of the free admission of fish. He subsequently visited New York, apparently with success, for a statement appears in the "Washington Post" of to-day that the Committee on Trade of the "New York Produce Exchange" has adopted a resolution favouring reciprocity with Newfoundland.

Mr. Blaine, who has been absent from Washington, is expected to return this week to the capital, and I shall lose no time in resuming the negotiation, and will inform your Lordship as early as possible of its progress and probable result.

I have, &c.

The Marquis of Salisbury, K.G.,
&c. &c. &c.

(Signed) JULIAN PAUNCEFOTE.

194 SECRET.

No. 47.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 13, 1890.

WITH reference to my letters of the 6th and 10th instant,* I am directed by the Marquis of Salisbury to transmit herewith, for Lord Knutsford's information, a copy of a Despatch from Her Majesty's Minister at Washington, inclosing a copy of the draft convention for the improvement of the commercial relations between the United States and Newfoundland which he has communicated privately to Mr. Blaine.

I am, &c.

The Under Secretary of State.
Colonial Office.

(Signed) P. W. CURRIE.

Enclosure in No. 47.

SIR J. PAUNCEFOTE to the MARQUIS OF SALISBURY.

(No. 142.)

MY LORD,

Washington, November 4, 1890.

IN continuation of my Despatch No. 139 of the 30th ultimo respecting the pending negotiations for a reciprocity arrangement with the United States in relation to Newfoundland, I have the honour to inclose a copy of the draft convention referred to in that Despatch, and of the private note in which I transmitted it to Mr. Blaine for his consideration.

The draft is in precise accordance with the wishes of the Newfoundland Government, as explained in your Lordship's Despatch No. 175 of the 26th August, 1890, with the addition of crude minerals to the list of free imports. This I inserted in Article III at the request of the Honourable Mr. Bond, the Colonial Secretary of Newfoundland, and being pressed by him to send the draft to Mr. Blaine at once I acceded to his request.

I trust that my action in this matter under the circumstances will meet with your Lordship's approval.

The Marquis of Salisbury, K.G.,
&c. &c. &c.

I have, &c.
(Signed) JULIAN PAUNCEFOTE.

DRAFT CONVENTION.

CONVENTION between Great Britain and the United States of America for the improvement of commercial relations between the United States and Her Britannic Majesty's Colony of Newfoundland. Title.

The Governments of Great Britain and of the United States, desiring to improve the commercial relations between the United States and Her Britannic Majesty's Colony of Newfoundland, have appointed as their respective Plenipotentiaries, to wit:— Preamble.

who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE I.

United States fishing-vessels entering the waters of Newfoundland shall have the privilege of purchasing herring, caplin, squid, and other bait fishes, at all times, on the same terms and conditions in all respects as Newfoundland vessels. They shall also have the privilege of touching and trading, selling fish and oil, and getting supplies in Newfoundland, conforming to the harbour regulations, but without other charge than the payment of such light, harbour, and customs dues as are, or may be, levied on Newfoundland fishing-vessels. Purchase of bait, touching and trading in Newfoundland waters.

ARTICLE II.

Whereas the master of every United States fishing-vessel to whom a licence to purchase bait may be granted under the last preceding Article will be required to enter into the bond prescribed by law in the case of Newfoundland vessels, and difficulties may arise in recovering penalties incurred by United States citizens for the violation of such bonds, the United States Government agree to take such measures as may be necessary to enable the Government of Newfoundland to recover such penalties in the Courts of the United States. Recovery of penalties against American citizens.

ARTICLE III.

The produce of Newfoundland fisheries, that is to say, codfish, cod oil, seal oil, herrings, salmon, lobsters, &c., and all crude or unmanufactured produce of Newfoundland mines, shall be admitted into the United States free of duty. Fish, fish-oil, &c., and minerals to be admitted in the United States free of duty.

ARTICLE IV.

Ratifications, commencement, and duration of convention.

This convention shall be ratified, and the ratifications shall be exchanged in as soon as possible.

It shall come into force on such day as shall be agreed on between the High Contracting Parties, and it shall continue in force for the term of ten years from the date at which it may come into operation, and, further, until the expiration of twelve months after either of the High Contracting Parties shall give notice to the other of its wish to terminate the same, each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said term of ten years, or at any time afterwards.

In faith whereof we, the respective Plenipotentiaries, have signed this convention, and have hereunto affixed our seals.

Done in duplicate at Washington this day of , in the year of our Lord 1890.

SIR J. PAUNCEFOTE to MR. BLAINE.

DEAR MR. BLAINE,

Magnolia, Massachusetts, October 18, 1890.

I AM informed by Mr. Bond, the Colonial Secretary of Newfoundland, that at the interview which you were good enough to give him on the 7th instant you expressed the wish that I should send you a draft of a convention embodying the arrangement proposed by the Newfoundland Government.

I have much pleasure in complying with that request, and I beg to inclose the draft I have prepared, and which meets with Mr. Bond's concurrence. I shall be in Washington on the 25th, and I shall do myself the honour of calling at the State Department on the subject as soon as possible after my return.

I remain, &c.

(Signed) JULIAN PAUNCEFOTE.

192 SECRET.

No. 48.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 13, 1890.

WITH reference to my letter of the 4th instant,* I am directed by the Marquis of Salisbury to transmit herewith a paraphrase of a Telegram from Sir J. Pauncefote, from which it appears that the United States Government is willing to negotiate a separate Reciprocity Treaty with Canada, but is not disposed to include the Dominion in the proposed reciprocity arrangement with Newfoundland.

Sir J. Pauncefote suggests that, if such an arrangement would be acceptable to the Canadian Government, they should send delegates to discuss the question unofficially at Washington.

From a further Telegram of the same date, of which a paraphrase is also inclosed, it appears that Mr. Blaine is anxious that Mr. Bond should return at once to Washington, in order to supply statistical information in connection with the proposed arrangement between the United States and Newfoundland.

I am to request that you will lay these papers before Secretary Lord Knutstord, and move him to furnish Lord Salisbury with any observations he may have to offer on them.

I am, &c.

(Signed) P. W. CURRIE.

The Under Secretary of State,
Colonial Office.

Enclosure 1 in No. 48.

PARAPHRASE of TELEGRAM from SIR J. PAUNCEFOTE.

(No. 84.)

Washington, November 12, 1890.

I HAVE to inform your Lordship, in reply to your Telegram No. 49 of the 4th instant, that Mr. Blaine is not inclined to include Canada in the proposed reciprocity arrangement between Newfoundland and the United States. He is, however, prepared to negotiate with Canada on a wide basis for a separate Reciprocity Treaty.

If an arrangement of this kind is desired by Canada, it would be well, in my opinion, that she should send unofficially to Washington one or two delegates to discuss the proposal.

Mr. Blaine approves of the suggestion, and I told him I would obtain your Lordship's opinion in regard to it.

Enclosure 2 in No. 48.

PARAPHRASE of TELEGRAM from SIR J. PAUNCEFOTE.

(No. 85.)

Washington, November 12, 1890.

WITH reference to my Telegram No. 84 of to-day, I have been urged by Mr. Blaine to ask Mr. Bond, the Colonial Secretary, to return at once to Washington to furnish certain explanations and statistical information which are necessary in connection with the reciprocity arrangement proposed between the United States and Newfoundland. He considers that this step would be advantageous.

I informed him that I would submit his request to your Lordship and let him know your opinion as soon as I was able to do so.

22173.

No. 49.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 14, 1890.

WITH reference to my letters of the 25th of July, 28th of August, and yesterday,* I am directed by the Marquis of Salisbury to transmit herewith, for Lord Knutsford's information, a paraphrase of a further Telegram from Her Majesty's Minister at Washington, in which he reports that Mr. Blaine is prepared to enter into negotiations for the protection of the mackerel and inland waters fisheries, as desired by the Canadian Government.

Sir J. Pauncefote also suggests that these questions, and that of transit in bond, might be discussed by delegates from Canada, sent to Washington for that purpose.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) P. W. CURRIE.

Enclosure in No. 49.

PARAPHRASE of TELEGRAM from SIR J. PAUNCEFOTE.

(No. 88.)

Washington, November 13, 1890.

I HAVE to inform your Lordship, with reference to my Telegram No. 84 of the 12th instant, that Mr. Blaine is ready to negotiate in regard to the arrangements desired by the Canadian Government for the protection of mackerel fisheries and the fisheries on inland waters. These arrangements are referred to in Despatches Nos. 159 and 177 of the 7th of July and the 28th of August respectively from your Lordship.

* Nos. 13, 22, and 48.

If my suggestion as to sending delegates here is approved by Canadian Government, they might come ostensibly for the discussion of the two subjects above mentioned.

The transit bond question is one among others which they might be able to settle.

An important meeting was held yesterday at the Treasury relative to the privileges of the Grand Trunk Railway for carrying bonded goods through American territory. I am sending home a report of the proceedings by to-morrow's mail.

192 SECRET.

No. 50.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

November 14, 1890. Blaine urges that Colonial Secretary should return at once to Washington to furnish information as to statistics and certain explanations which are necessary in connection with proposed Reciprocity Treaty. He considers that would be advantageous to go immediately.

192 SECRET.

No. 51.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, November 14, 1890.

I AM directed by the Secretary of State for the Colonies to acknowledge the receipt of your letters of the 6th, 10th, and 13th November,* on the subject of the proposed fishery arrangement between Newfoundland and the United States.

Referring to Sir J. Pauncefote's Telegram No. 85 of the 12th instant, I am to acquaint you that Lord Knutsford has telegraphed to the Governor of Newfoundland the suggestion that Mr. Bond should at once revisit Washington, in order to give further explanations and statistics respecting the Newfoundland fisheries.

In regard to Mr. Blaine's suggestion, as conveyed in Sir J. Pauncefote's Telegram No. 84 of the 12th November, that, instead of including Canada in the proposed reciprocity arrangement with Newfoundland, there should be negotiations on a wide basis for a separate Reciprocity Treaty between Canada and the United States, Lord Knutsford is, upon the whole, of opinion that as the special requirements of Canada and Newfoundland are very different, it will be better in principle that any negotiations affecting Canada should proceed separately; and his Lordship concludes that he may assure the Dominion Government that, if they think it desirable to open such negotiations, they will have the best assistance of Her Majesty's Government in carrying them to a successful issue, and are at liberty to send unofficially one or two delegates to Washington.

In order that the Dominion Government may understand clearly the position in which matters at present stand, Lord Knutsford would propose, with Lord Salisbury's concurrence, to telegraph confidentially to Lord Stanley of Preston the outline of the proposed Newfoundland Convention, as telegraphed by Sir J. Pauncefote on the 5th November (Telegram No. 83), as well as the purport of his Telegram No. 84.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

22201.

No. 52.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received November 14, 1890.)

TELEGRAPHIC.

COLONIAL Secretary will leave by first opportunity, not later than end of next week. Ambassador has been informed.

22224.

No. 53.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, November 15, 1890.

IN reply to your letter of yesterday,* I am directed by the Marquis of Salisbury to request that you will state to Lord Knutsford that he concurs in the proposal that assurances should be given to the Canadian Government that they will have every assistance from Her Majesty's Government in support of their desire that negotiations should be opened for a Reciprocity Treaty between Canada and the United States, should they think it desirable that such an arrangement should be arrived at.

Lord Salisbury sees no objection to the suggestion made by Sir Julian Pauncefote that one or two delegates should be sent unofficially from Canada to Washington.

He also concurs in Lord Knutsford's proposal to telegraph, confidentially, to the Governor-General of Canada the substance of the convention between Newfoundland and the United States which has been drawn up by Sir Julian Pauncefote, and privately communicated to Mr. Blaine, and also the purport of Sir J. Pauncefote's Telegram No. 84 of the 12th instant, a paraphrase of which was communicated to the Colonial Office on the 13th instant.†

Lord Salisbury proposes, with Lord Knutsford's concurrence, to inform Sir Julian Pauncefote that Her Majesty's Government consider that it would be better that the two agreements with the United States for Canada and Newfoundland should be carried through *pari passu*.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

192 SECRET.

No. 54.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

November 15, 1890. Referring to my Telegram of the 4th instant,‡ following is substance of draft proposed convention between Newfoundland and United States:—

Article I. United States vessels to have privilege of purchasing bait in Newfoundland, same conditions as Newfoundland vessels, and to be allowed to touch and trade, sell their fish and oil, and procure supplies, paying same dues as Newfoundland vessels and conforming to harbour regulations.

Art. II. Facilities shall be given for recovery in United States Courts of penalties incurred under bonds by United States citizens.

Art. III. United States to admit duty free Newfoundland codfish, cod oil, seal oil, herrings, salmon, lobsters, &c., and crude produce of mines.

Art. IV. Convention to continue for ten years, and thereafter from year to year, subject to a year's notice. Convention ends.

Blaine unwilling to include Canada in proposed convention, but prepared to negotiate for separate Reciprocity Treaty on a wide basis, and as to protection of mackerel fisheries and fisheries on inland waters.

Minister at Washington suggests, with Blaine's concurrence, one or two Canadian delegates proceed unofficially to Washington discuss matters with him, coming ostensibly in connection with fisheries questions above mentioned only, and transit in bond might be included in negotiations.

If your Government think it desirable to open such negotiations they will have best assistance from Her Majesty's Government in carrying them to successful result.

* No. 49.

† No. 48.

‡ No. 44.

22201.

No. 55.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, November 15, 1890.

WITH reference to the letter from this Department of the 14th instant,* I am directed by Lord Knutsford to acquaint you, for the information of the Marquis of Salisbury, that the Governor of Newfoundland has telegraphed that the Colonial Secretary, Mr. Robert Bond, will leave for Washington by the first opportunity, not later than the end of next week, and that Her Majesty's Minister there has been so informed.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

22224.

No. 56.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, November 18, 1890.

I AM directed by Lord Knutsford to acknowledge the receipt of your letter of the 15th instant† relating to the proposed reciprocity arrangements between the United States and Canada and Newfoundland.

I am to enclose, for the information of the Marquis of Salisbury, the paraphrase of a Telegram‡ which was sent to the Governor-General of Canada on this subject on the 15th instant, and I am also to enclose a copy of a Despatch§ which, with his Lordship's concurrence, Lord Knutsford proposes to send to the Governor-General by the mail of Thursday next.

I am to add that Lord Knutsford agrees in the Telegram which Lord Salisbury proposes to address to Sir Julian Pauncefote as to the carrying through of the two arrangements, if arrived at, *pari passu*.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

195 SECRET.

No. 57.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received November 19, 1890.)

TELEGRAPHIC.

HAVE received your Telegram of 15th instant.‡ My Government view with the utmost alarm proposed convention between Newfoundland and the United States.

It affects fisheries interests of Canada as well as those of Newfoundland, and places fisheries and other products of Canada on a different footing from those of Newfoundland in United States markets.

United States are waging commercial war in many ways against Canada to force annexation, which idea Blaine has never relinquished.

Sanction of Newfoundland treaty by Her Majesty's Government would materially aid United States policy by placing Canada at disadvantage with neighbouring Colony of Newfoundland and producing discontent here.

My Government are quite ready, as they have stated before, to make arrangements for reciprocity of trade with United States with a view to the liberal extension of commercial relations between the two countries.

They desire that Her Majesty's Government inform United States authorities to this effect.

They object to Canadian delegates proceeding unofficially to Washington as liable to lead to misunderstanding and commit one side solely, but are willing to enter into

* No. 51.

† No. 53.
§ Cancelled. See No. 61.

‡ No. 54.

formal negotiations at once if Her Majesty's Government approve and if United States mean business. Meanwhile, Dominion Government respectfully remonstrate in strongest terms against signature of proposed convention at Washington. I will telegraph text of Council Minute when received.

May I inform Pauncefote very confidentially of substance of present message? Telegraph reply.

196 SECRET.

No. 58.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 20, 1890.

WITH reference to my letter of the 13th and to your letters of the 14th and 15th instant,* I am directed by the Marquis of Salisbury to transmit herewith, for the information of Secretary Lord Knutsford, paraphrases of Telegrams relating to the proposed negotiations with the United States for agreements with Canada and Newfoundland on fishery and trading questions.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure 1 in No. 58.

PARAPHRASE of TELEGRAM to SIR J. PAUNCFOTE.

(No. 51.)

Foreign Office, November 18, 1890.

YOUR Telegram No. 84 of the 12th instant has been received.

Her Majesty's Government consider that the proposed agreements with the United States for Newfoundland and Canada respectively should be carried through *pari passu*.

Enclosure 2 in No. 58.

PARAPHRASE of TELEGRAM from SIR J. PAUNCFOTE.

(No. 89.)

Washington, November 19, 1890.

I HAVE received your Telegram No. 51 of the 18th instant.

I was informed by the Governor of Newfoundland, on the 14th instant, that Mr. Bond would leave by first opportunity for Washington, and he is expected to arrive every day. I presume I may proceed with the Newfoundland negotiations pending the receipt of instructions in regard to the wishes of the Dominion Government.

Enclosure 3 in No. 58.

PARAPHRASE of TELEGRAM to SIR J. PAUNCFOTE.

(No. 52.)

Foreign Office, November 20, 1890.

I HAVE received your Telegram No. 89 of yesterday, stating that Mr. Bond is to leave for Washington by the first opportunity, and enquiring whether the negotiations for an arrangement between the United States and Canada may proceed pending the receipt of an instruction as to the wishes of the Canadian Government.

In reply, I have to state to you that the Dominion Government appear to be opposed to the Newfoundland negotiations. They should therefore be suspended while Canada maintains her objections. It will be better, however, to avoid assigning the reason for the interruption of discussions.

195 SECRET.

No. 59.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, November 21, 1890.

WITH reference to the letter from this Department of the 18th instant,* relating to the negotiations for an arrangement between Newfoundland and the United States upon the subject of the fisheries, &c., and to the question of the opening of negotiations with the United States on behalf of the Dominion of Canada, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, the decypher of a Telegram† received from the Governor-General of Canada on this subject.

Lord Knutsford is of opinion that the Telegram does not explain sufficiently how Canadian interests would be so gravely injured by the proposed arrangement between Newfoundland and the United States, and he is disposed to think that the decision to proceed with the two negotiations *pari passu* should be almost enough to allay Canadian apprehensions on this point.

I am to enclose, for Lord Salisbury's concurrence, the draft of a Telegram‡ which Lord Knutsford proposes to send in reply to Lord Stanley's message.

I am, &c.

The Under-Secretary of State,
Foreign Office.

(Signed) JOHN BRAMSTON.

197 SECRET.

No. 60.

FOREIGN OFFICE to COLONIAL OFFICE.

MY DEAR HERBERT,

Foreign Office, November 23, 1890.

I SEND, by Lord Salisbury's desire, a memorandum, by Bergne, on the Canadian objections to a separate fishery arrangement between the United States and Newfoundland. You will see that he thinks they are not without foundation.

Have you consulted Tupper?

I see that in the draft Telegram to Canada Lord Knutsford is made to say that he cannot understand how the injury, if any, could be serious. Surely it would be more judicious to put it in the form of an enquiry what the injury would be.

Lord Salisbury wishes to bring the matter before the Cabinet to-morrow (Monday) at 3 before deciding on the answer to the Canadian Telegram.

Yours, &c.

(Signed) T. H. SANDERSON.

Enclosure in No. 60.

MEMORANDUM by SIR H. BERGNE.

I THINK the Canadian protest is well founded. Their interests might probably suffer in this way:—

United States' fishing-vessels would, under the proposed arrangement, if concluded separately on account of Newfoundland, be able to get their bait supply from Newfoundland instead of, as at present, being obliged to pay for licences to buy it in Canadian ports.

This means to Canada—

1st. Loss of trade in bait and incidental traffic in supplies to fishery fleet.

2nd. Loss of export fish trade to the United States (the only market for mackerel) in this way: An American mackereeler cannot do much in the bay without fresh bait, but with it can obtain plenty of mackerel just outside the Canadian 3-mile limit, and supply the United States market with fish which pays no duty whilst the Canadian-caught mackerel would pay a heavy duty. At present the licence duty makes matters more equal.

* No. 56.

† No. 57.

‡ See No. 62.

The bait privileges have always been considered by Canada as one of their chief weapons to extort a Reciprocity Treaty from the United States, and their interests are immeasurably greater than those of Newfoundland.

I should fear that if Canada is not satisfied in this matter, she might create trouble in the North Atlantic fisheries question by the termination of the *modus vivendi*, and possible seizure of United States fishing-vessels.

(Initialled) J. H. G. B.

November 22, 1890.

23037.

No. 61.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, November 25, 1890.

I HAVE laid before the Marquis of Salisbury your letter of the 21st instant,* enclosing a copy of a Telegram from the Governor-General of Canada, and a draft of one which Lord Knutsford proposes to send in reply, regarding the proposed negotiations with the United States for arrangements as to fishery and trading questions on behalf of Newfoundland and Canada.

I am to request that you will state to Lord Knutsford that Lord Salisbury concurs generally in the terms of the draft Telegram, but would suggest, for Lord Knutsford's consideration, some verbal alterations marked in the margin in red ink.

Lord Salisbury presumes that the Despatch to Lord Stanley a draft of which accompanied your letter of the 18th instant, will be cancelled or altered to meet the present position of the case.

The Under-Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON

23037.

No. 62.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

(Paraphrase.)

25th November, 1890. Your Telegram of 19th† received. Her Majesty's Government greatly regret your Government should apprehend proposed separate arrangement between Newfoundland and United States will injure Canada, and would wish to have a full statement showing how it is apprehended that injury would, under the conditions of the case, result. They have offered to endeavour to extend proposed arrangement to Canada, or, if preferred, to negotiate for Canada, with assistance of Canadian delegates, a separate convention more applicable to her circumstances. The condition of Newfoundland is very urgent, and unfortunate feeling will be aroused if Canada opposes effort of Newfoundland to relieve its distress. There is no objection to your communicating confidentially to Pauncefote the purport of your telegram to me, and, if Canadian negotiations can be at once opened on the lines proposed by your Ministers, Her Majesty's Government will delay Newfoundland convention so that both may proceed *pari passu*. Any treaty for reciprocity arrangement between Canada and the United States would, of course, as previously, be so framed as not to place at a disadvantage imports from this country, and Canada would, I conclude, with the view of being able to extend trade with England and Colonies, wish to retain control over her own tariff.

23104.

No. 63.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received November 27, 1890.)

TELEGRAPHIC.

HAVE received your Telegram of the 26th.* Dominion Government greatly appreciate the consideration of Her Majesty's Government in delaying Newfoundland convention. If their representatives at Washington could be commissioned, associated with the British Minister, and empowered to negotiate directly, instead of being merely delegates, they are ready to open negotiations immediately on lines indicated in my Telegram of 19th.† They think that separate convention is necessary rather than inclusion in Newfoundland arrangement, because latter is inapplicable in some details, and is incomplete in others, desired by Canada. Any treaty for reciprocity of commerce between Canada and United States would, of course, be so framed as not to place imports from United Kingdom at a disadvantage, Canada retaining control over her own tariff so as to be able to extend trade with England and Colonies. If you assent to Commission, Prime Minister would much like Sir R. Herbert added to British representation if willing to act, and if no objection on part of Colonial Office. Desire to strengthen hands of the British Minister at Washington for reasons given in my Secret despatch of the 19th instant,‡ now on way to you. This also gives general statement of Canadian objections, but one in fuller detail shall follow. Am communicating to British Minister at Washington substance of Telegrams according to your permission.

23104.

No. 64.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, November 28, 1890.

WITH reference to your letter of the 25th instant,§ conveying the expression of the concurrence of the Marquis of Salisbury (with some verbal alterations) in a Telegram proposed to be sent to the Governor-General of Canada on the question of opening negotiations with the Government of the United States for a reciprocity arrangement with Canada in connection with the fisheries and other matters, I am directed by Lord Knutsford to acquaint you that the Telegram was sent to the Governor-General on the 25th instant, and I am now to enclose, for Lord Salisbury's information, the reply|| received yesterday by telegraph from the Governor-General.

With regard to the wish of the Government of Canada that any representatives whom they may send to Washington should be commissioned, associated with Her Majesty's Minister there, and empowered to negotiate directly, instead of being mere delegates, I am to request that you will inform Lord Salisbury that Lord Knutsford thinks it most desirable that regard should be given to the wishes of the Dominion Government in this matter.

In the case of the treaty negotiated at Washington in 1887-88, a Canadian representative was associated with Mr. Chamberlain and Sir L. West, and in the case of a commercial treaty it is especially important, in Lord Knutsford's opinion, that the Dominion should have fully empowered representatives. His Lordship would be glad to receive Lord Salisbury's views on the Canadian proposals at his earliest convenience.

I am to add that in a continuation of his reply now sent the Governor-General also deals with other subjects as to which he refers to a Despatch dated the 19th instant, which should arrive very shortly. When this Despatch is received a further communication will be made to you.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

* No. 62.

§ No. 61.

† No. 57.

‡ No. 66.

|| No. 63.

23234.

No. 65.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received November 29, 1890.)

TELEGRAPHIC.

ACCORDING to Telegram from Bond, British Ambassador at Washington unauthorized to affix signature to convention. My Government strongly request, as of great importance, necessary authority to be transmitted by telegram without delay. Anxious for reply to this Telegram; of greatest importance.

198 SECRET.

No. 66.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received December 1, 1890.)

(Secret.)

MY LORD,

Government House, Ottawa, November 19, 1890.

I HAVE the honour to state that, on receipt of your Lordship's Telegram of the 15th instant,* I at once communicated its substance to the Prime Minister of this Government.

2. He called a Council of such Ministers as were available, and on Monday afternoon (the 17th instant) brought to me a draft Minute of Council, which it was proposed that I should forward to your Lordship as the reply of the Dominion Government. It commenced by a strong remonstrance against the signing of the proposed convention between Newfoundland and the United States. It was pointed out that Canada would be placed thereby in a most disadvantageous position, that Her Majesty's Government would be giving active assistance to the United States in their commercial war against Canada, and it drew attention to the fact that Canada has been, and still is, perfectly ready to enter into reciprocity of commercial relations with the United States on the basis of the treaty of 1854 if the United States Government are willing to negotiate, and if Her Majesty's Government approve. It concluded with a repetition of the previous remonstrance, couched in strong terms.

3. Whilst agreeing with the general tenour of the Minute, I took occasion to observe to the Prime Minister that I thought the language required modification, and he agreed that an amended Minute should be substituted, the text of which (as I had the honour to inform your Lordship in my Telegram of yesterday's date†) I will telegraph as soon as I receive it.

4. The Prime Minister stated to me that he and his colleagues were strongly opposed to sending any Canadian delegates unofficially to Washington, as Sir Julian Pauncefote and Mr. Blaine had suggested. I regret to inform your Lordship that Ministers scarcely conceal their impression (from which, by the way, I wholly dissent) that Her Majesty's Minister at Washington is greatly under the influence of Mr. Blaine, and they consider that, in the discussion of the matters in question by delegates who were only unofficially at Washington, great advantage would be given to the United States Government, who would, no doubt, make their own use of such information as they might obtain from the Canadian representatives, while they would not hold themselves bound by any statement which might be made on their side in course of argument to persons who were not empowered to treat officially.

5. In course of the conversation which ensued I urged upon the Prime Minister not to limit himself in his answer to Her Majesty's Government to mere remonstrance and refusal, and I told him that I should telegraph to your Lordship a statement of the position of affairs pending my receipt of the formal Minute of Council. I accordingly wrote the draft of the Telegram which was sent to your Lordship yesterday, and in order to be perfectly certain that I was accurately representing their feelings I asked Sir John Macdonald to bring some of his principal colleagues and discuss it with me.

6. I was unable to induce the Government to name specifically the articles of commerce or questions of trade as to which reciprocal arrangements could be made, but I am satisfied that they are acting in good faith in desiring the renewal of extended commercial relations with the United States, provided that the United States,

* No. 54.

† No. 57.

on the other hand, are sincere in their professions. I am desirous, however, of recalling your Lordship's attention to the fact that Mr. Blaine has never withdrawn or qualified the opinions he has frequently stated that Canada must expect no commercial advantages in the United States whilst she remains a British possession. In other words, that commercial war must be used as a leverage.

7. At this moment the people of the United States, as well as their Government, lose no opportunity of dealing in the most unfriendly way with all that concerns Canadian commerce or transport, and it is openly stated that this is done with a view of strengthening a feeling in Canada in favour of annexation to the States. The effect of the conclusion of the Newfoundland treaty will undoubtedly be to leave Canada in a worse position than that Colony in respect of the United States trade, and I have no doubt that a feeling of serious discontent will be produced here which will revive the annexationist sentiment.

8. Canadians will say, "We have repeatedly expressed our willingness to extend the commercial relations between ourselves and our neighbours, but we require to be met in the same spirit; we have repeatedly shown our willingness (as in the case of the draft fishery convention of 1888) to go to the furthest possible limit so as to settle these international differences. If Newfoundland, a British Colony, is given advantages which are refused to, or withheld from, the Dominion of Canada (likewise a British possession), does it not accentuate the fact that it is commercial war which is being waged against Canada, and that it is part of a settled policy that this shall be done so as to drive her into union with the States? If we are loyal to the British connection, the British Government must be loyal to us."

9 The above are the reasons which have led the Dominion Government so strongly to object to the conclusion of the proposed Newfoundland convention. I have thought it necessary thus to explain to your Lordship what is the general feeling in the Dominion on these questions. I understand that the formal Minute of the Government will probably be in such a form as to be made use of as their justification in Parliament, and if its publication is asked for it will be difficult to refuse it.

10. I am sending to your Lordship, under cover of a separate Despatch, a paraphrase of my Telegram of yesterday, but I have thought it best to give this explanation of the circumstances under which it was sent.

I have, &c.
(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford,
&c. &c. &c.

199 SECRET.

No. 67.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 2, 1890.

IN reply to your letter of the 28th ultimo,* on the subject of the proposed negotiations for a reciprocity arrangement between the United States and Canada in regard to the fisheries and other matters, I am directed by the Marquis of Salisbury to state, for Lord Knutsford's information, that he has no objection to make to the proposals contained in the Governor-General's Telegram.

Lord Salisbury is ready, if Lord Knutsford desires it, to authorize Her Majesty's Minister at Washington to propose to the United States Government the opening of negotiations for such an arrangement, and to state that he will be assisted in them by one or more co-Plenipotentiaries from Canada.

I am, &c.
(Signed) T. H. SANDERSON.

The Under Secretary of State,
Colonial Office.

199 SECRET.

No. 68.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, December 3, 1890.

I AM directed by Lord Knutsford to acknowledge the receipt of your letter of the 2nd instant,* on the subject of the proposed negotiations for a reciprocity arrangement between the United States and Canada in regard to the fisheries and other matters.

Lord Knutsford desires me to request that you will inform the Marquis of Salisbury that he will be obliged if his Lordship will, as suggested, authorize Her Majesty's Minister at Washington to propose to the United States Government the opening of negotiations for such an arrangement, and to state that he will be assisted in them by one or more co-Plenipotentiaries from Canada.

I am, &c.

The Under Secretary of State,
Foreign Office.

(Signed) JOHN BRAMSTON.

23234.

No. 69.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, December 3, 1890.

WITH reference to previous correspondence, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a Telegram† from the Governor of Newfoundland, asking that authority should be sent to Her Majesty's Minister at Washington to conclude a convention with the United States on the basis of the draft prepared by Sir J. Paucefote.

Lord Knutsford would propose, with Lord Salisbury's concurrence, to reply to this Telegram that Her Majesty's Government are not at present able to authorize Her Majesty's Minister to conclude the draft convention; that they have never contemplated any immediate action, as it is necessary to consider carefully how any convention may affect the fishery and other interests of the people of Canada.

It should be understood whether it is intended that Canadian fishing-vessels shall have the same privileges in Newfoundland as would be given, under Article I of the draft convention, to United States vessels; and it may also be necessary to ascertain whether the United States would extend to Canadian fish and minerals similar treatment to that which would be given to those articles from Newfoundland under Article III of the draft convention.

I am, &c.

The Under Secretary of State,
Foreign Office.

(Signed) JOHN BRAMSTON.

199 SECRET.

No. 70.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

December 4th. Referring to your Secret despatch of the 19th November,‡ Her Majesty's Government consent that British Minister at Washington should be assisted by one or more Plenipotentiaries from Canada if negotiations are agreed to by United States.

* No. 67.

† No. 65.

‡ No. 66.

198 SECRET.

No. 71.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, December 4, 1890.

WITH reference to the letter from this Department of the 28th ultimo,* relating to the proposed negotiations with the United States Government for a reciprocity arrangement with Canada as well as with Newfoundland, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of the Despatch† from the Governor-General of Canada, dated the 19th ultimo, referred to in the accompanying further portion of Lord Stanley's Telegram which was mentioned in my letter quoted above.

Lord Salisbury will observe that a further statement, in fuller detail, of the objections of the Dominion Government to the proposed separate convention for Newfoundland is promised in the Telegram.

Lord Knutsford shares the Governor-General's entire dissent from the impression formed by his Ministers, as stated in the 4th paragraph of the Despatch, and is not of opinion that there is any necessity for strengthening the hands of Her Majesty's Minister in the manner suggested in the Telegram, even if that suggestion could be adopted without inconvenience to the work of this Department; although his Lordship is disposed to think that if formal negotiations for a reciprocity treaty are agreed to, Sir J. Pouncefote may wish to have the assistance of some person specially conversant with the business of commercial treaties.

I am, however, to observe that as the desire of the Dominion Government to have fully empowered representatives is to be complied with, the doubts and apprehensions of that Government, which appear to Lord Knutsford to be based in a great degree upon the imperfect information obtainable by a delegate not admitted to the actual negotiations, would cease to exist.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

23741.

No. 72.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.

(Received December 5, 1890.)

(No. 93.)

Government House, St. John's, Newfoundland,
November 21, 1890.

MY LORD,

I HAVE the honour to report that, in compliance with your telegraphic instructions,‡ my Colonial Secretary, the Hon. R. Bond, left to-day for Washington, by the mail-steamer which brought Sir W. V. Whiteway and the Hon. A. Harvey back to the Colony.

I have, &c.
(Signed) T. O'BRIEN, Lieut.-Col.,
Governor.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

23779.

No. 73.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received December 6, 1890.)

TELEGRAPHIC.

5th December. Dominion Government are much gratified by assent to their proposals given in your Telegram of 4th December.§ Should Mr. Blaine take part in the proposed Commission, which I have reason to suppose likely, Sir J. Macdonald, the Premier, would be one of Ministers sent to represent Canada. I have informed Sir J. Pouncefote unofficially of the substance of your Lordship's answer. May we now officially make definite proposal to United States Government through British Minister at Washington?

* No. 64.

† No. 66.

‡ No. 50.

§ No. 70.

23784.

No. 74.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 6, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letters of the 3rd and 4th instant,* relative to the proposed negotiations for a reciprocity arrangement between Canada and the United States.

I am to request that you will point out to Secretary Lord Knutsford that the contemplated agreement will, among other matters, deal largely with the fishery questions, on which it appears that the interests of Canada and Newfoundland are diverse, and in some points antagonistic. Under these circumstances Lord Salisbury would wish to know whether, in Lord Knutsford's opinion, it will be possible to appoint a Plenipotentiary at Washington to represent Canadian interests, without also appointing one to represent those of Newfoundland.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

23859.

No. 75.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 6, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 3rd instant,† with a copy of a telegram from the Governor of Newfoundland, urging that authority should be given without delay to Her Majesty's Minister at Washington to sign a convention with the United States on the basis of the draft prepared by Sir J. Pauncefote.

I am to request that you will inform Lord Knutsford that Lord Salisbury entirely concurs in the reply which it is proposed to return to Sir T. O'Brien's telegram.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

24586.

No. 76.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, December 6, 1890.

WITH reference to my letter of the 13th November,‡ I am directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before Secretary Lord Knutsford, a copy of a despatch from Her Majesty's Minister at Washington, on the subject of the negotiations with the United States with regard to Newfoundland.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

Enclosure in No. 76.

Sir J. PAUNCEFOTE to the MARQUIS OF SALISBURY.
(Received November 20.)

(No. 148.)

MY LORD,

Washington, November 11, 1890.

WITH reference to my despatch No. 142 of the 4th instant, and to previous correspondence respecting the pending negotiations for a reciprocity arrangement with

* Nos. 68 and 71.

† No. 69.

‡ No. 47.

the United States in relation to Newfoundland, I have the honour to inclose herewith to your Lordship a copy of a letter addressed to Mr. Blaine by the President of the New York Produce Exchange.

I have, &c.
(Signed) JULIAN PAUNCEFOTE.

EXTRACT from the "NEW YORK TRIBUNE" of November 8, 1890.

RECIPROCITY WITH NEWFOUNDLAND.

LETTER to SECRETARY BLAINE from the PRODUCE EXCHANGE.

THE Produce Exchange of this city warmly commended Secretary Blaine's plan for reciprocity with neighbouring countries, and publicly expressed itself as in favour of reciprocity at a recent meeting. Another step has been taken towards securing reciprocity with Newfoundland, as the following letter will show, which President Evan Thomas, of the Exchange, sent to Secretary Blaine yesterday:—

"The proposals made by the British Government on behalf of the Colonial Government of Newfoundland for a reciprocity treaty with the United States have been brought to the attention of the Board of Managers of the Produce Exchange. The Board of Managers referred the matter to the regular Committee on Trade, with directions to investigate and report to the Board the opinion of the Committee as to the effect such a proposed treaty would have upon the commerce of this port with Newfoundland.

"The Committee on Trade brought the matter to the attention of the individual merchants who are, or have been, engaged in trade with Newfoundland, received from them expressions of their opinion upon the subject, and reported to the Board of Managers, recommending that the Exchange present a Memorial to the State Department of the United States, advocating a commercial treaty with Newfoundland which shall be advantageous to both countries, and remove the restrictions on those products in which our merchants have heretofore traded with Newfoundland.

"Acting upon this recommendation, the Board of Managers respectfully offers the following for your consideration:—

"1. A large trade in bread-stuffs and provisions by members of the Exchange with Newfoundland, which had grown up prior to the abrogation of the so-called Washington treaty, has, under the existing commercial relations between Newfoundland and the United States, been gradually drifting to other countries, and it is believed that by the negotiation of a proper treaty this trade can be restored to our port.

"2. The privileges proposed to be granted to American fishing-vessels of purchasing bait, and touching and trading and selling fish oils, and so forth, and getting supplies, without other charges than such as are levied on Newfoundland vessels similarly employed, seem to be of great value to certain American industries.

"3. While but little Newfoundland codfish is consumed in the United States, the through freight business is increasing, and is the source of revenue through the disbursements of money for labour, freighting, transferring, warehousing, insuring, tug-boat hire, and other things inseparable from the handling of merchandize in this port. Large quantities of goods come forward to this port for transshipment to Europe, Brazil, West Indies, Central America, and other points, and if, by the removal of duties upon importations from Newfoundland of the products of its fisheries and unmanufactured minerals, the burdens necessarily incident to our bonding laws could also be removed, so that this through freight could be handled with greater facility, the port of New York would become the great disbursing centre for the products of the Island of Newfoundland. The greater facilities we can furnish for the export trade of the merchants of Newfoundland, the closer will become our commercial relations, and the greater the ability to purchase from us.

"4. The opportunity of making a reciprocity treaty which will apply to the Island of Newfoundland only appears to offer great advantages, and, in the opinion of the New York Produce Exchange and the merchants composing its membership, a treaty upon the lines proposed would be advantageous to the commerce of this port. Newfoundland would become a larger customer for our provisions and bread-stuffs,

and we would have better facilities for supplying our own wants with her products which cannot be produced elsewhere.

"According to the directions contained in the Resolutions of the Board of Managers of the New York Produce Exchange, passed at a meeting thereof held on the 6th day of November, 1890, I have signed this Memorial as President of said Exchange, and caused its incorporate seal to be annexed thereto.

(Signed) "EVAN THOMAS, President,
"New York Produce Exchange."

202 SECRET.

No. 77.

FOREIGN OFFICE to COLONIAL OFFICE.

(Very Confidential.)

SIR,

Foreign Office, December 8, 1890.

WITH reference to my letter of the 6th instant,* I am directed by the Marquis of Salisbury to transmit herewith, confidentially, for Secretary Lord Knutsford's information, the paraphrases of two Telegrams which have been received this morning from Her Majesty's Minister at Washington, reporting his recent proceedings in regard to the negotiations for an arrangement of the fishery and trading relations of Canada and Newfoundland severally with the United States.

I am also to enclose, very confidentially, a paraphrase of a Telegram which has been addressed to Sir J. Pouncefote in reply, instructing him to make no further communication to the United States Secretary of State on either of these questions without first referring for instructions to Her Majesty's Government.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure 1 in No. 77.

PARAPHRASE OF TELEGRAM FROM SIR J. PAUNCEFOTE.

(No. 94.)

Washington, December 7, 1890.

LORD STANLEY has communicated to me the Telegrams which have passed between Her Majesty's Government and his Excellency as to the proposed convention dealing with fishery and trading relations between Newfoundland and the United States, and the negotiations for a reciprocity treaty between Canada and the United States.

I have sent to his Excellency to-day a Telegram to the following effect:—

"I have received your Telegram of the 5th instant. I am informed by Mr. Blaine that unless a basis of arrangement was previously arrived at, his Government could not respond to the suggestion for the appointment of a formal Commissioner on the part of Canada. He expressed, however, his strong desire for the conclusion of a wide reciprocity treaty. I am endeavouring to ascertain his views as to a scheme of arrangement. Meanwhile, the appointment of a Commissioner would probably be expedited if your Excellency could furnish me with the views of your Ministers."

Enclosure 2 in No. 77.

PARAPHRASE OF TELEGRAM FROM SIR J. PAUNCEFOTE.

(No. 95.)

Washington, December 7, 1890.

MR. BOND arrived at Washington from Newfoundland on the 28th ultimo. On the following day we had an interview with Mr. Blaine, when information on statistical and other matters was given. He has not since then invited us to another interview.

Mr. Bond is much disturbed to find that I can only act *ad referendum*, and have no power to sign anything.

Enclosure 3 in No. 77.

PARAPHRASE OF TELEGRAM TO SIR J. PAUNCEFOTE.

(No. 58. Confidential.)

Foreign Office, December 8, 1890.

I HAVE received your Telegrams Nos. 94 and 95 of the 7th instant, relating to the negotiations with the Government of the United States for an arrangement of their fishery and trade relations with Newfoundland and Canada.

I have to request that you will not make any further communication to Mr. Blaine in regard to either the Newfoundland or Canadian negotiations without previous reference to Her Majesty's Government.

It is necessary that we should have the opportunity of examining the proposals made by the Dominion Government before they are laid before the Government of the United States.

23958.

No. 78.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received December 9, 1890.)

TELEGRAPHIC.

BOND sends Telegram from Washington that no authority has been received by British Ambassador to sign arrangement between United States of America and Newfoundland. My Ministers make urgent representations that proper authority may be given by telegram without delay. Great inconvenience caused by Bond's absence.

202 SECRET.

No. 79.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

(Paraphrase.)

9th December, 1890. Her Majesty's Government will be glad, with reference to the telegram to you from Her Majesty's Minister at Washington of 7th instant,* to have an opportunity of considering the views of your Ministers as soon as he is furnished with them.

23779.

No. 80.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR

Downing Street, December 9, 1890.

WITH reference to the letter from this Department of the 3rd instant,† I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a telegram‡ from the Governor-General of Canada respecting the proposed negotiations for a reciprocity treaty between the Dominion and the United States.

I am at the same time to acknowledge the receipt of your letter of the 6th instant,§ and to point out that as it is not proposed to include Newfoundland in the proposed treaty, and as a separate convention for settling the fishery arrangements between that Colony and the United States is in progress, Lord Knutsford is disposed to think that there is no need to appoint at present a representative of Newfoundland to take part in the proposed negotiations.

When the negotiations for the Washington treaty were proceeding in 1887-88, Newfoundland was not represented by a Plenipotentiary, although a delegate from the Colony was sent to Washington. Mr. Bond, the Colonial Secretary of Newfoundland, being now on the spot, could be kept informed by Sir Julian Pauncefote of any

* Enclosure in No. 77.

† No. 68.

‡ No. 73.

§ No. 74.

proposals affecting the interests of Newfoundland made in the course of the Canadian-United States negotiations, and could make any representation from time to time which he might consider desirable to Sir Julian Pauncefote in the interests of that Colony.

Lord Knutsford presumes that Lord Salisbury will now instruct Her Majesty's Minister at Washington to propose to the Government of the United States that negotiations for a reciprocity arrangement between that country and Canada should be opened at Washington; one or more delegates from Canada being directly associated with Her Majesty's Minister as co-Plenipotentiaries for the purpose of the negotiations, and that the Governor-General of Canada may be informed to that effect in reply to his message.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

202 SECRET.

*
No. 81.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, December 10, 1890.

I AM directed by Lord Knutsford to acknowledge the receipt of your letter of the 8th instant,* forwarding copies of telegraphic correspondence with Her Majesty's Minister at Washington respecting the negotiations for reciprocity arrangements between the United States and Canada and Newfoundland.

In reply, I am to transmit to you, for the information of the Marquis of Salisbury, a paraphrase† of a Telegram which he has sent to the Governor-General of Canada respecting the Telegram sent to him by Sir J. Pauncefote on the 7th instant.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

23859.

No. 82.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

10th December, 1890. Referring to your Telegrams of the 29th November and 8th instant,‡ Her Majesty's Government are not at present able to authorize Sir J. Pauncefote to conclude the draft convention with United States. They have never contemplated immediate action in this matter, as it is necessary to consider carefully how any convention may affect the fishery and other interests of the people of Canada. They desire to understand whether it is intended that Canadian fishing-vessels should have the same privileges in Newfoundland as would be given under Article I of the draft convention to United States vessels.

It may also be necessary to ascertain whether United States would extend to fish and minerals from Canada similar treatment to that which would be given under Article III to those articles from Newfoundland.

23859.

No. 83.

COLONIAL OFFICE to FOREIGN OFFICE.

(Dated December 10, 1890.)

[TRANSMITS copy of Telegram from Sir T. O'Brien of 8th December, and paraphrase of Telegram to him of 10th December.§]

* No. 77.

‡ Nos. 65 and 78.

† No. 79.

§ Nos. 78 and 82.

199 SECRET.

No. 84.

COLONIAL OFFICE to BOARD OF TRADE.

SIR,

Downing Street, December 10, 1890.

THE Board of Trade are, no doubt, aware that communications have lately been proceeding at Washington between Her Majesty's Minister there, assisted by Mr. Bond, the Colonial Secretary of Newfoundland, and the Secretary of State for the United States, with a view to the establishment of some arrangement for reciprocity in connection with the fisheries and other matters.

A draft convention, of which a copy is enclosed,* was drawn up by Sir Julian Pauncefote, and submitted privately to Mr. Blaine, but negotiations are for the present suspended, in consequence of the representations of the Canadian Government that it would be injurious to the interests of the Dominion if an arrangement were concluded for the settlement of Newfoundland questions alone, without due provision being made at the same time for questions affecting Canada.

I am to enclose, for the information of the Board of Trade, copies of the correspondence, telegraphic and otherwise, from which it will be seen that it is contemplated that negotiations should be set on foot for the negotiation of a Reciprocity Treaty between the United States and Canada, and that Her Majesty's Government are desirous that the negotiations on behalf of Canada and Newfoundland respectively should proceed *pari passu*.

The Board of Trade will perceive that it is the wish of the Government of Canada that their representatives who may be sent to Washington should be associated with the British Minister, and be empowered to negotiate directly instead of being mere delegates.

Her Majesty's Government have agreed to this proposal, but it is not yet known whether it will be accepted by the Government of the United States.

In the meantime, Lord Knutsford thinks it desirable that the Board of Trade should be informed of the present position of this matter, as it may become necessary to consider how far any arrangement which may eventually be proposed may affect the commercial interests of this country.

I am, &c.

(Signed) JOHN BRAMSTON.

The Secretary to the
Board of Trade.

Enclosure in No. 84.

SCHEDULE of Enclosures in Letter to BOARD OF TRADE of December 10, 1890.

Draft Convention (Newfoundland)	.. ..	..	October 22, 1890	..	Paraphrase.
Secretary of State to Governor-General (Telegraphic)	.. ..	..	" 23, "	..	
Colonial Office to High Commissioner	.. ..	..	" 27, "	..	
High Commissioner to Colonial Office	.. ..	..	" 30, "	..	Ditto.
Governor-General to Secretary of State (Telegraphic)	.. ..	..	November 4, 1890	..	Ditto.
Secretary of State to Governor-General (Telegraphic)	.. ..	..	" 15, "	..	Ditto.
Governor-General to Secretary of State (Telegraphic)	.. ..	..	" 19, "	..	Ditto.
Foreign Office to Colonial Office	.. ..	..	" 20, "	..	
Secretary of State to Governor-General (Telegraphic)	.. ..	..	" 25, "	..	Ditto.
Governor-General to Secretary of State (Telegraphic)	.. ..	..	" 27, "	..	Ditto.
(Extract only as sent to Foreign Office in letter of the 26th November.)					
Colonial Office to Foreign Office	.. ..	..	" 28, "	..	
Governor-General to Secretary of State	.. ..	..	" 19, "	..	
(Extract as marked.)					
Foreign Office to Colonial Office	.. ..	..	December 2, "	..	
Colonial Office to Foreign Office	.. ..	..	" 3, "	..	
Secretary of State to Governor-General	.. ..	..	" 4, "	..	Ditto.
Governor to Secretary of State (Newfoundland)	.. ..	..	November 29, "	..	
Colonial Office to Foreign Office	.. ..	..	December 3, "	..	

* Enclosure in No. 47.

24031.

No. 85.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received December 11, 1890.)

TELEGRAPHIC.

(Paraphrase.)

10th December. Referring to your Telegram of even date,* Sir J. A. Macdonald called this morning, and promised to give me the information required by Her Majesty's Government on Friday.

24124.

No. 86.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received December 12, 1890.)

TELEGRAPHIC.

(Paraphrase.)

12th December. Referring to your Lordship's Telegram of the 10th instant,† my Ministers have unanimously passed the following Minute of Council: "On the 8th July the Newfoundland delegates proposed to Lord Knutsford that Newfoundland should be authorized to negotiate a convention with the United States of America, and it was distinctly stated that the interests of Newfoundland were not identical with those of Canada. Her Majesty's Government assented to this proposal on the 8th September, and with their approbation Mr. Bond left London for Washington. Having returned to Newfoundland he was directed by the Secretary of State for the Colonies to proceed again to Washington, and then, for the first time, difficulties are raised, presumably by or on behalf of Canada, whose relations with the United States are not amicable. We decline being involved in Canadian disputes, and believe that Her Majesty's Government will not cause this Colony to be so hampered, and thus add to the trading disabilities under which she suffers. We are surprised at this hostile action of Her Majesty's Government, which is calculated to defeat us in our struggle to open new markets, in the hope of securing thereby some relief from existing difficulties. We repudiate the interference of Canada, and our interests being made subservient to hers.

"We pray that Her Majesty's Government will reconsider the decision conveyed in Lord Knutsford's Telegram of the 10th instant, and authorize the Minister at Washington to sign such convention as Mr. Bond concurs in for the advantage of this Colony, disregarding the outside influences."

24130.

No. 87.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, December 12, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 9th instant,‡ forwarding an inquiry from the Governor-General of Canada, whether the Canadian Government may now make a definite proposal, through Her Majesty's Minister at Washington, to open negotiations for an arrangement with the United States on fishery and trade questions.

Lord Stanley's Telegram is dated the 5th instant, and Lord Knutsford will have learnt from Sir J. Pouncefote's Telegram No. 94 of the 7th instant (a paraphrase of which was communicated to you on the 8th§), that Mr. Blaine has refused to entertain the suggestion for the formal appointment of a Commissioner to represent Canada in the negotiations, unless a basis of arrangement shall have been previously arrived at. This information has been communicated to the Governor-General by Sir J. Pouncefote.

It appears, therefore, to Lord Salisbury, that what is now required is that the views

* No. 79.

† No. 82.

‡ No. 89.

§ No. 77.

of Canada, as to the basis on which the negotiations are to proceed, should be ascertained.

Lord Salisbury thinks it of importance that Her Majesty's Government should have an opportunity of examining the Canadian proposals before they are communicated to the Government of the United States. He is glad to learn from your letter of the 10th instant* that Lord Knutsford has taken the necessary steps for this purpose, and he would propose, in the meanwhile, to make no further communication at Washington.

Lord Salisbury takes note of the opinion expressed by Lord Knutsford in the letter under reply, that it will not be necessary to appoint a Representative of Newfoundland who should officially take part in the proposed negotiations, and that Mr. Bond, who is now at Washington, will be able to communicate with Sir J. Pauncefote in regard to any proposals affecting the interests of the Colony which may be made in the course of the Canadian negotiations.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

24031.

No. 88.

COLONIAL OFFICE to FOREIGN OFFICE.
(Dated December 12, 1890.)

[TRANSMITS copy of Lord Stanley of Preston's Telegram of 10th December, 1890.†]

442.

No. 89.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Secret.)

MY LORD,

Government House, Ottawa, December 13, 1890.

I HAD the honour to send to your Lordship to-day a telegraphic message in cypher, of which the following is the substance:—

With reference to my telegram of the 10th instant,† this Government is desirous of availing itself of the opportunity given by Mr. Blaine's communication to Sir Julian Pauncefote to propose a Joint Commission such as that of 1871, with authority to deal without limitation, and to prepare a treaty respecting the following subjects:—

1. Renewal of the reciprocity treaty of 1854 with the modifications required by the altered circumstances of both countries, and with the extensions deemed by the Commission to be in the interest of Canada and the United States.

2. Reconsideration of the treaty of 1888 with respect to the Atlantic fisheries, with the aim of securing the free admission into the United States markets of Canadian fishery products, in return for facilities to be granted to United States fishermen to buy bait and supplies, and to tranship cargoes in Canada. All such privileges to be mutual.

3. Protection of mackerel and other fisheries on the Atlantic Ocean, and in inland waters also.

4. Relaxation of seaboard coasting laws of the two countries.

5. Relaxation of the coasting laws of the two countries on the inland waters dividing Canada from the United States.

6. Mutual salvage and saving of wrecked vessels.

7. Arrangements for settling boundary between Canada and Alaska.

The treaty would, of course, be *ad referendum*.

The substance of the Minute of Council, with the exception of the recital, is contained in the foregoing.

Duplicate message has been telegraphed to Minister at Washington. Hope instructions will be sent to him to act on this, if Her Majesty's Government approve, it being important that present opportunity should not be lost.

I have, &c.

(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

24124.

No. 90.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, December 15, 1890.

WITH reference to your letter of the 6th instant,* I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a Telegram† from the Governor of Newfoundland, reporting a Minute by his Ministers protesting against the delay in authorizing Her Majesty's Minister at Washington to conclude the proposed convention with the United States.

Lord Knutsford proposes, with Lord Salisbury's concurrence, to point out, in reply to this message, that although Newfoundland may not desire to be concerned in Canadian questions, Her Majesty's Government are nevertheless bound to consider, as stated in his Lordship's Telegram of the 10th instant,‡ what would be the effect upon other British interests of any proposals made in the interests of Newfoundland exclusively, and that in the present case there would appear to be comparatively little obstacle to the full consideration of these points, inasmuch as some months must elapse before the proposed Newfoundland convention could, on the reopening of the fisheries, come into practical operation; and that his Lordship would be glad to have a reply to the question in his Telegram of the 10th instant,§ as to the position of Canadian fishing-vessels in Newfoundland with regard to the privileges proposed to be granted to United States vessels under Article I of the draft convention.

I am to suggest, however, for Lord Salisbury's consideration, that as there is reason to fear that disturbances may occur in Newfoundland unless some arrangement between the United States and that Colony can be effected within a reasonable time, it is highly expedient that the proposed negotiations between Canada and the United States should be pressed on as expeditiously as possible.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) R. H. MEADE.

24182.

No. 91.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, December 16, 1890.

WITH reference to your letter of the 12th instant,§ I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a Telegram|| from the Governor-General of Canada, stating the views of his Government as to the subjects which should be dealt with by the proposed Joint Commission for negotiating a treaty with the United States.

Lord Knutsford sees no objection to the proposed scope of the treaty, and, if Lord Salisbury concurs, he presumes that instructions will be sent to Her Majesty's Minister at Washington, without delay, to bring the views of the Canadian Ministers before the United States Secretary of State.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) ROBERT G. W. HERBERT.

24420.

No. 92.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 17, 1890.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 15th instant,¶ relative to a Minute of Council passed by the New-

* No. 75.
§ No. 87.

† No. 86.
|| No. 89.

‡ No. 82.
¶ No. 90.

foundland Government, protesting against the suspension of the negotiations for a reciprocity agreement with the United States.

I am to request that you will state to Secretary Lord Knutsford that Lord Salisbury entirely concurs in the reply which it is proposed to return to Sir T. O'Brien's communication.

With reference to the last paragraph of your letter under reply, I am to say that, before instructing Her Majesty's Minister at Washington to place before the United States Government the proposals received from Canada for a reciprocity treaty with the United States, as conveyed with your letter of the 16th instant,* Lord Salisbury has requested the opinion of the Board of Trade upon them, especially with regard to their bearing on the general interests of British commerce.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

24420.

No. 93.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

18th December, 1890. Referring to your Telegram of the 12th instant,† you should remind your Ministers that, although Newfoundland may not desire to be concerned in Canadian questions, it is the duty of Her Majesty's Government, as I pointed out in my Telegram of 10th instant,‡ to consider what would be the effect upon other British interests of any proposals made exclusively in interests of Newfoundland. In the present case there would appear to be comparatively little inconvenience in such full consideration of the draft convention, as it must be some months before, on the reopening of the fisheries, it could come into practical operation.

I should be glad, therefore, to have a reply from your Ministers on the two points raised in my Telegram of the 10th December.‡

24585.

No. 94.

FOREIGN OFFICE to COLONIAL OFFICE.

Sir,

Foreign Office, December 18, 1890.

With reference to my letter of yesterday,§ I am directed by the Marquis of Salisbury to transmit, for Secretary Lord Knutsford's information, a paraphrase of a Telegram from Her Majesty's Minister at Washington, reporting that Mr. Bond has been informed by the United States Secretary of State that he is prepared to accept a modification of the proposed arrangement for the improvement of commercial relations between the United States and Newfoundland.

Sir J. Pauncefote also states that Mr. Bond has left Washington on his return to the Colony.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

Enclosure in No. 94.

PARAPHRASE of TELEGRAM from Sir J. PAUNCEFOTE No. 98 of December 17, 1890

I HAVE been informed by Mr. Blaine that he does not wish to detain Mr. Bond any longer with regard to the Newfoundland negotiations, but that he would like to have another interview with him before he leaves.

* No. 91.

† No. 86.

‡ No. 82.

§ No. 92.

Mr. Bond, having called on him by appointment, tells me that Mr. Blaine is willing to accept a modified arrangement which would be very satisfactory to Newfoundland.

He left Washington for the Colony last night.

The substance of any communication which may be made to me by Mr. Blaine shall be telegraphed to your Lordship.

24615.

No. 95.

FOREIGN OFFICE to COLONIAL OFFICE.

MY DEAR HERBERT,

Foreign Office, December 19, 1890.

I SEND you herewith copies of memoranda by Kennedy and Bergne on the Canadian bases.

The answer from the Board of Trade is just in, and will go to Lord Salisbury at once. It notices the difficulty as to most-favoured-nation clauses, and thinks it should be carefully considered, but is otherwise favourable to the negotiations.

Yours, &c.

(Signed) T. H. SANDERSON.

Enclosure 1 in No. 95.

MEMORANDUM by Sir H. BERGNE respecting RECIPROCITY between CANADA and the UNITED STATES.

It is difficult to believe that under existing conditions Mr. Blaine can be willing to conclude an arrangement with Canada for any extensive reciprocity, which might allow the goods or produce of the United Kingdom to enter the United States duty free through Canada.

But it is not improbable that he might wish to foment the agitation in Canada for complete Customs union with the United States (which would shortly lead to annexation) by showing that Great Britain stands in the way of reciprocity.

For this reason I think it should be made clear to the United States Government, as a condition precedent to the negotiation, that we shall insist on British goods and produce entering Canada under the Tariff or free list which may be granted to the United States.

If the negotiations were nearly completed on other points, and this were finally presented as the only obstacle, we should be in a very awkward situation.

The danger to be apprehended from the operation of the most-favoured-nation clauses in our treaties is not, I think, to be apprehended very seriously, so long as the free list of imports is confined to natural products. I believe the only claim under a most-favoured-nation clause preferred during the twelve years' existence of the reciprocity treaty was by the Hanse Towns, and that it came to nothing.

If the most-favoured-nation list was further extended to manufactured goods of any kind the danger would be greatly increased.

In any case, possible claims under most-favoured-nation clauses is a danger which must be faced if any reciprocity negotiations between Canada and the United States are to be undertaken at all. This risk was run in 1854 without serious inconvenience.

I have no other observation to make on the bases suggested by Canada.

(Signed) H. G. BERGNE.

Foreign Office, December 18, 1890.

Enclosure 2 in No. 95.

MEMORANDUM by Mr. KENNEDY.

The Government of Canada propose negotiations with the United States for the renewal of the reciprocity treaty of 1854, subject to such modifications as the altered circumstances of both countries require, and to such extension as may be deemed expedient in the interests of the United States and Canada. Upon the directions given

in Sir T. Sanderson's minute on the Colonial Office letter of the 16th December, 1890, I beg to submit the following observations:—

1. As a matter of policy it is advisable to meet as far as possible the wishes of the Government of the Dominion.

2. The provisions of the reciprocity treaty of 1854 have to be considered for the purposes of this Memorandum: (1) As regards customs duties; and (2) as regards navigation.

(1.) Customs duties. Article III of that treaty runs as follows:—

“It is agreed that the Articles enumerated in the Schedule hereunto annexed, being the growth and produce of the aforesaid British Colonies, or of the United States, shall be admitted into each country respectively free of duty:—

“SCHEDULE.

“Grain, flour, and bread-stuffs of all kinds. Animals of all kinds. Fresh, smoked, and salted meats. Cotton wool, seeds, and vegetables. Undried fruits, dried fruits. Fish of all kinds. Products of fish and of all other creatures living in the water. Poultry. Eggs. Hides, furs, skins, or tails undressed. Stone or marble in its crude or unwrought state. Slate. Butter. Cheese, tallow, lard, horns, manures. Ores of metals of all kinds. Coal, pitch tar, turpentine, ashes. Timber and lumber of all kinds, round, hewed, and sawed, unmanufactured in whole or in part. Firewood. Plants, shrubs, and trees. Felts, wool, fish-oil, rice, broom corn, and bark. Gypsum, ground or unground. Hewn or wrought or unwrought burr or grindstones. Dye stuffs. Flax, hemp, and tow, unmanufactured. Unmanufactured tobacco. Rags.”

The question arises, is it intended that this freedom from customs duty shall be an *exclusive* advantage in favour of Canada in the United States, and in favour of the United States in Canada? As regards the United States, this would probably be the case. Their policy is to limit the application of the most-favoured-nation clause, and is clearly expressed in President Harrison's Message of the 1st December, 1890:—

“The right of independent nations to make special reciprocity trade concessions is well established, and does not impair either the comity due to other Powers, or what is known as the favoured-nation clause so generally found in commercial treaties. What is given to one for an adequate consideration cannot be claimed by another freely.”

If the United States admit the products above enumerated of Canadian origin free of duty, while duty is charged on the like goods coming from other countries, no serious difficulty is likely to arise as regards the trade of the United Kingdom or of other British possessions; and we need not enter upon possible questions between the United States and other Powers.

Secondly, as regards Canada: if this freedom of duty is extended to these goods, whatever may be their place of origin, no question arises; it is a local matter, in the same way as any revision of the Dominion tariff. But if Canada admits these goods free from duty when imported from the United States, and levies a duty on them when imported from other countries, the case becomes quite different. The policy of Great Britain, certainly in the last thirty years, has been to give a very wide interpretation to the most-favoured-nation clause. This policy is adopted on behalf of the trade interests of the United Kingdom. It is necessary to prevent differential duties from being charged upon our exports to foreign countries, and in the present position of our Customs tariff there are few means available for tariff negotiations, and it has been recognized that a very wide interpretation of our most-favoured-nation clauses is the best means of claiming to participate in treaty and tariff arrangements concluded between different foreign Powers, and is therefore, in present circumstances, of very great importance to the commerce of the United Kingdom.

What the practice in Canada was under the Treaty of 1854 (which expired in 1866) does not appear; but I am not aware of any complaints of differential treatment at that date of the products of any foreign country. It is further to be remembered that international trade has largely developed since 1866, and if differential duties were levied in Canada between 1854 and 1866 without complaint, it would not be safe to assume that no complaint will be made now. In my view of the case, the existing commercial treaties with the following nations (to mention a few instances, not the whole list) entitle those countries respectively to claim in Canada the same treatment as may be accorded to the United States, namely: Austria, Colombia, Ecuador, Greece, Italy, Russia, Spain, Switzerland. It is probable that not many importations of the

goods in question would be made, but the treaty right of foreign Powers in the matter must not be overlooked.

(2.) As regards navigation, it must likewise be borne in mind that the right to navigate the St. Lawrence and the canals in Canada conceded to "the citizens and inhabitants of the United States" could be claimed by the subjects or citizens of many other countries.

(3.) The Dominion Government now contemplate "modifications" and "extension" of the arrangements of 1854. These alterations may have a further bearing on British Treaty engagements, and may be of a nature to affect public opinion in this country. Until the details of these alterations are known, it is not possible to say anything with respect to them; there may perhaps be no danger involved, but, on the other hand, this is a point as to which it is certainly desirable to obtain full information at an early date.

C. M. K.

Foreign Office, December 18, 1890.

24710.

No. 96.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 20, 1890.

WITH reference to my letter of the 17th instant,* I am directed by the Marquis of Salisbury to transmit to you, very confidentially, for the information of Secretary Lord Knutsford, a copy of a letter from the Board of Trade, containing their observations on the proposals made by the Canadian Government for the revival and extension of the reciprocity treaty with the United States of the 5th June, 1854.

The various points suggested in the Board of Trade letter will be carefully considered, but in the meanwhile Sir Julian Pauncefote has been authorized, by telegraph, to place before Mr. Blaine the Canadian proposals for the bases of a reciprocity arrangement with the United States, and to ascertain whether they are acceptable to the United States Government.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

Enclosure in No. 96.

BOARD OF TRADE to FOREIGN OFFICE.

(Confidential.)

SIR,

Board of Trade, December 19, 1890.

IN reply to your letter of the 17th instant, I am directed by the Board of Trade to state that, apart from the question whether the most-favoured-nation clause in our treaties with Germany and Belgium does not preclude the negotiation of a reciprocity treaty like that of 1854, the Board of Trade approve of the proposal by the Canadian Government to enter into negotiation with the United States for the revival and extension of the Reciprocity Treaty in question, which they understand would, as previously, be so framed as not to place imports from the United Kingdom at a disadvantage.

For reasons which have been discussed at different times in communications with the Foreign Office and Colonial Office, the Board of Trade are satisfied that where local conditions require the creation of special commercial arrangements between some British Colonies among themselves, or even between such Colonies and a neighbouring foreign State, it is expedient that, if the Colonies affected desire it, the mother country should not resist such a proposal.

It will be recollected that this was the principle of the recommendation of the Board of Trade in favour of a union among South African States which the Government assented to in 1889. The latter case was, no doubt, a specially favourable one for the application of the principle. The foreign State there in question had no frontier except a land frontier to the British dependencies with which the union was entered

into. It had no commercial relations with foreign countries except through British territory. But the difference between such a case and that of a Treaty in the nature of a reciprocity treaty, giving complete freedom of trade in a number of articles between adjacent territories such as formerly existed and is now proposed between the United States and Canada, is only one of degree. The reciprocity proposed is not so complete as the South African Union, but the interests dictating it are more vital to both the communities affected. Where there is a long line of frontier between two countries, placing many districts of each in special relations with corresponding districts in the other, the conditions of trade are necessarily such that freedom of local traffic across the frontier becomes specially desirable.

Objection might, perhaps, be taken to a reciprocity treaty between Canada and the United States on political grounds. It might be argued that such a treaty, by bringing the communities of Canada and the United States more closely together commercially, would tend to promote a political union. But the prevention of commercial freedom by the mother country for political reasons might give rise to the desire in Canada for a political union with the United States as a means to that end; whereas, if commercial freedom is permitted, there would be no artificial stimulus to the feeling, whatever it may be, in favour of political union. On balance, in the opinion of the Board of Trade, the danger of a political union following on commercial freedom is not so great as to outweigh the much stronger reasons in favour of permitting the Canadians to make the arrangements which may seem to them best suited to their commercial interests.

The matters in the proposed negotiation relating to the American fisheries are not specially for the Board of Trade, but it is, of course, desirable, for the sake of trade, that the fisheries disputes between our North American Colonies and the United States should be equitably arranged, and it is for the interest of the mother country that the parties directly concerned should be induced to negotiate directly.

The proposals that the negotiations should include mutual arrangements for the coasting trade are covered by the general reasons recommending a reciprocity treaty.

While these are the general views of the Board of Trade, they are, of course, aware that it may be contended that a special obstacle is in fact presented to the negotiation of a reciprocity treaty, by the clauses in our commercial treaties with Germany and Belgium, to which reference has been made. These clauses might be considered to forbid the concession of more favourable treatment by our Colonies, not merely to any other foreign country as compared with Germany or Belgium, but even to other Colonies and to the mother country as compared with these two States. As expressed, however, in the correspondence respecting the South African Union, the Board of Trade are of opinion that these clauses cannot be held to forbid Unions in the nature of Customs Unions between adjacent States, or special arrangements for local frontier trade between such States, and in fact the South African Union was assented to in spite of such clauses. They would also point out that in point of fact, while the former reciprocity treaty with the United States lasted from 1854 to 1866, yet the treaty with the Zollverein containing the clause in question was made in June 1865, and the treaty with Belgium in 1862, showing that at these dates the clauses in question were not considered as in contradiction with the reciprocity treaty.

The matter is, however, of considerable importance, and, as the Law Officers have expressed an opposite opinion, the Board of Trade, while putting forward their own view, and while prepared to maintain it, would desire that the subject should be fully considered before the proposed negotiations are entered upon.

The Foreign Office are, of course, aware that the Colonies are very generally desirous to have the clauses in question struck out of the treaties with Germany and Belgium, these treaties being denounced, if necessary, for that end. This matter is now before the Treaties Committee. But various grave questions are undoubtedly raised by the proposal to denounce treaties which are otherwise beneficial; and without indicating any desire to resort to so extreme a step, the Foreign Office might, perhaps, be able to ascertain whether, in point of fact, either Germany or Belgium is likely to raise any question in the matter. The fact that the former reciprocity treaty and the treaties with Germany and Belgium were formerly in force at the same time would probably be decisive, if duly brought to the notice of these Governments.

I have, &c.

The Under Secretary of State,
Foreign Office.

(Signed) HENRY CALCRAFT.

24805.

No. 96A.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received December 22, 1890.)

TELEGRAPHIC.

(Paraphrase.)

IN reply to your telegram of the 18th December,* my Ministers, notwithstanding my strong representations, have unanimously passed the following Minute of Council:—

“We refer to our telegram of the 12th December† as an answer to the Secretary of State for the Colonies' message of the 18th instant,* that Newfoundland is not concerned in Canadian questions, and it is unjust that Her Majesty's Government should lend its aid to involve this Colony in the embittered controversies existing between Canada and the United States. Indirectly, Newfoundland has already suffered. Her Majesty's Government concurred in our separate negotiations, and we now appeal for the fulfilment of its undertaking. We emphatically protest against our arrangement being imperilled by the introduction of questions connected with Canada. Her Majesty's Government are in error as to the time when the arrangement with the United States would come into practical operation. The present is the season for the exporting the products of this Colony, and the only season for exporting frozen herrings. Every day's delay in signing the arrangement is a loss to the Colony.”

203 SECRET.

No. 97.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 21, 1890.

WITH reference to the letter from this Office of the 20th instant,‡ I am directed by the Marquis of Salisbury to transmit to you, to be laid before Lord Knutsford, for any observations he may wish to offer, a paraphrase of a Telegram from Her Majesty's Minister at Washington, reporting Mr. Blaine's views as to the manner in which the negotiations for a reciprocity treaty between Canada and the United States should be conducted.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

Enclosure in No. 97.

PARAPHRASE of TELEGRAM No. 101 from SIR J. PAUNCEFORE.

Washington, December 21, 1890.

WITH reference to Telegram No. 63 of the 20th instant from your Lordship, I have the honour to report that I have this day communicated the Canadian proposals with regard to an arrangement with the United States to the Secretary of State.

Mr. Blaine stated it was his firm conviction that it would be utterly useless to endeavour to obtain the appointment of a formal Commission, whose object it would be to arrive at some arrangement for reciprocity of trade between Canada and the United States.

He said, however, that his Government were quite ready to discuss the question fully but privately with myself and one or more delegates from Canada, and to carefully consider every subject on which there was any hope of arriving at an agreement on the ground of mutual interests. If it were found possible to come to an agreement, well and good; if not, the attempt should not be officially referred to. Mr. Blaine added the expression of his opinion, that it was most important that all public reference to the subject should be avoided.

* No. 93.

† No. 86.

‡ No. 96.

204 SECRET.

No. 98.

FOREIGN OFFICE to COLONIAL OFFICE.

(Secret.)

SIR,

Foreign Office, December 24, 1890.

WITH reference to my letter of this day,* I am directed by the Marquis of Salisbury to transmit to you, to be laid before Lord Knutsford, a paraphrase of a further Telegram which has been received from Her Majesty's Minister at Washington on the subject of the proposed negotiations for a reciprocity treaty between Canada and the United States.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

Enclosure in No. 98.

PARAPHRASE of TELEGRAM No. 102 from SIR J. PAUNCEFOTE.

Washington, December 22, 1890.

WITH reference to my Telegram No. 101 of yesterday on the subject of the proposed negotiations between Canada and the United States, I have the honour to inform your Lordship that I saw Mr. Blaine to-day, and that he again broached the subject of the proposed Commission.

He stated that he had quite recently consulted the President in the matter; that Mr. Harrison strongly objected to the Commission, on the ground that it would provoke agitation throughout the United States, and that he must emphatically decline to run so grave a risk until he had assured himself by means of a private exchange of views that there was good ground for the presumption that an agreement might be arrived at through the medium of a Commission.

Mr. Blaine added that he would be ready at any time after the 4th March, the date of the closing of Congress, to enter upon the private negotiations referred to in my Telegram of yesterday's date.

I beg to add, for your Lordship's secret information, that Mr. Blaine hinted, in the course of his observations, that some heavy blow, of which he himself did not approve, was being prepared against the Canadian Pacific Railway by the United States' Treasury Department.

24965.

No. 99.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, December 24, 1890.

WITH reference to your letter of the 18th September last,† I am directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before Her Majesty's Secretary of State for the Colonies, copies of correspondence on the subject of Canadian fisheries.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) P. W. CURRIE.

Enclosure 1 in No. 99.

The MARQUIS OF SALISBURY to Sir J. PAUNCEFOTE.

(No. 200.)

SIR,

Foreign Office, September 25, 1890.

IN connection with the subject of my Despatch No. 177 of the 28th ultimo, I transmit to you herewith a copy of a letter† from the Colonial Office respecting the fishery of the Lake of the Woods, on the borders of Canada and the United States.

• No. 97.

† No. 31.

You will observe that the Canadian Government are anxious to take common action with the Government of the United States to prevent the destruction of fish in this lake, and to reserve the fishing rights therein for the exclusive benefit of the Indians of the two countries.

I have to request you to take a favourable opportunity of making representations to the United States Government on the subject in the sense desired by the Government of the Dominion.

Sir J. Pauncefote, G.C.M.G.,
&c. &c. &c.

I am, &c.
(Signed) SALISBURY.

Enclosure 2 in No. 99.

Sir J. PAUNCEFOTE to the MARQUIS OF SALISBURY.
(Received December 15, 1890.)

(No. 157.)

My LORD,

Washington, December 3, 1890.

On the receipt of your Lordship's Despatch No. 200 of the 25th September last I addressed a note to the United States Government on the subject of the fishery in the Lake of the Woods, and suggested that in view of the great importance of this valuable food supply to the Indian possession in the region of that lake and of Rainy River lying within the Provinces of Ontario and Manitoba, as well as in the neighbouring State of Minnesota, common action should be taken by the United States Government with that of Canada to prevent the destruction of fish in the lake, and to reserve the fishing rights therein for the exclusive benefit of the Indians of the two countries.

I have now received a note from Mr. Blaine in reply, copy of which I enclose herewith, in which he states that the American portion of the Lake of the Woods has lately been ceded by the Indians, and that this change in its status raises some question as to who should be the proper authority to deal with my suggestion. He adds, however, that he has referred the whole subject to the Minister of the Interior.

I have, &c.
(Signed) JULIAN PAUNCEFOTE.

Mr. BLAINE to Sir J. PAUNCEFOTE.

SIR,

Department of State, Washington, December 1, 1890.

I HAVE the honour to acknowledge the receipt of your note of the 6th October last, and to inform you that the American portion of the Lake of the Woods was lately an Indian reservation, but has, during the present year, been ceded by the Indians. This change in its status raises some question as to the proper official in whom the authority inheres to deal with the matter suggested.

I have, however, referred the whole subject to my colleague of the Interior, and will communicate with you further as early as possible.

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

25090.

No. 100.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received December 20, 1890.)

(No. 235.)

My LORD,

Government House, Ottawa, December 13, 1890.

I HAVE the honour to transmit to your Lordship a copy of an approved Minute of the Privy Council on the subject of the recent negotiations between a Delegate from the Government of Newfoundland and the Administration of the United States for a convention relating to the fisheries and commerce of those two countries.

This Minute of Council is substituted for the one referred to in my telegram to you of the 18th November.*

I have, &c.
(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford,
&c. &c. &c.

Enclosure in No. 100.

Certified COPY of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by his Excellency the GOVERNOR-GENERAL IN COUNCIL, on the 12th December, 1890.

THE Committee of the Privy Council have had under consideration a Report herewith attached, dated the 9th December, 1890, from the Sub-Committee of Council, to whom was referred a letter from the High Commissioner for Canada, dated the 31st October, 1890, on the subject of the recent negotiations between a Delegate from the Government of Newfoundland and the Administration of the United States, for a convention relating to the fisheries and commerce between the Colony of Newfoundland and the United States.

The Committee, concurring in the Report, recommend the same for your Excellency's approval.

(Signed) JOHN J. MCGEE,
Clerk, Privy Council.

REPORT.

To his Excellency the GOVERNOR-GENERAL IN COUNCIL,

THE Undersigned have had referred to them a letter from the High Commissioner for Canada, dated the 31st October, 1890, on the subject of the recent negotiations between a Delegate from the Government of Newfoundland and the Administration of the United States for a convention relating to the fisheries and commerce between the Colony of Newfoundland and the United States.

The High Commissioner had been informed by telegram from your Excellency's First Minister, that the Honourable Mr. Bond, a member of the Newfoundland Government, was at Washington, and seemed to have announced that he had authority from the Imperial Government to make a separate Fishery treaty for his Government, and the High Commissioner was asked to ascertain the truth and enter protest. He was referred to the New York and Boston papers, which contained the information referred to.

The High Commissioner wrote to Sir Robert Herbert on the 22nd October, intimating that he had received such a telegram from the Premier of Canada, and on the 23rd October, Mr. Bramston addressed the High Commissioner, in reply, as follows:—

"I am directed by Lord Knutsford to acquaint you that a telegram, dated the 6th instant, has been received from Her Majesty's Minister at Washington by the Secretary of State for Foreign Affairs, of which the following is the purport:

"With reference to your despatch of the 10th ultimo, introducing Mr. Bond, I have presented that gentleman to Mr. Secretary Blaine, and negotiations are now going on with a view to an independent arrangement between the United States and Newfoundland relating to the fisheries. Before negotiations go further, I would suggest that the Government of Canada might be informed of them, as they might wish to negotiate on the same lines as regards New Brunswick and Nova Scotia."

The High Commissioner, in a letter to the Right Honourable Lord Knutsford, Her Majesty's Principal Secretary of State for the Colonies, dated the 27th October, set forth the telegram he had received from the First Minister of Canada and the letter from Mr. Bramston, and followed with certain observations, thus:—

"I believe I am right in saying that, in reference to the question of the Atlantic and North American fisheries, Her Majesty's Government has hitherto invariably recognized the importance of obtaining unity of action, as far as was possible, on the part of all the Colonies interested. In the treaty of Reciprocity with the United States, in 1854, the consent of Newfoundland, as well as the various Provinces of Canada, was

made necessary to its going into operation, and the same course was followed, subsequent to Confederation, in reference to the Treaties of 1871 and 1888.

"I learn with deep regret that this obviously sound policy has not only been departed from, but that while Newfoundland has on previous occasions been fully advised as to negotiations that were to be undertaken, Her Majesty's Government have, without any intimation to Canada of what was proposed, authorized, so long ago as the 10th September, Newfoundland to open negotiations for a separate treaty with the United States, and that the first communication to Canada is a suggestion from Sir J. Pouncefote not to include Canada in the proposed arrangement, but that the Government of Canada might be informed of them, as they might wish to negotiate on the same lines as regards New Brunswick and Nova Scotia, *i.e.*, for a treaty independent of the other Provinces of Canada.

"I should fail in my duty to the Crown as well as to Canada if I did not promptly assure your Lordship that I feel confident the difficulties of the vexed question of the British North American fisheries will be greatly increased by the wide departure that is now proposed from the long-established policy that has hitherto prevailed upon this very important question."

The High Commissioner having communicated to the First Minister the despatch from Mr. Bramston of the 23rd October above set forth, a telegram was sent to him by the First Minister as follows:—

"Can scarcely believe Newfoundland has received authority from Imperial Government to make separate arrangements respecting fisheries. The relations of all the North American Provinces to the United States and to the Empire would be affected. We are not informed of powers given to Bond, and desire communication of them. Please represent strongly how the fishery and commercial interests of Canada will be injured by such an arrangement as Bond is currently reported as making, and how disastrous, from a national point of view, it would be for a separate Colony to effect an arrangement with the United States more favourable than would be given to the Confederated Provinces. Our difficulties under the new American Tariff are sufficiently great now."

Your Excellency was, on the same day, moved to request from Lord Knutsford communication of the authority possessed by Mr. Bond, and likewise to urge that no arrangement be concluded until your Government should be informed of the nature thereof, and unless Canada should be given an opportunity to be included therein if she should so desire.

It appears also that the High Commissioner waited on Lord Knutsford personally, and expressed at large the views which are indicated in his letter of the 27th October.

About the 15th November last, it transpired that a draft convention between Newfoundland and the United States of America had been prepared in the following terms:—

"ARTICLE I.

"United States vessels to have privilege of purchasing bait in Newfoundland on the same conditions as Newfoundland vessels, and to be allowed to touch and trade, sell their fish and oil, and procure supplies, paying same dues as Newfoundland vessels, and conforming to the harbour regulations.

"ARTICLE II.

"Facilities shall be given for recovering in United States Courts of the penalties incurred under bonds by United States citizens.

"ARTICLE III.

"United States admit, duty free, Newfoundland codfish, cod oil, seal, and herrings, salmon, lobsters, &c., and crude produce of mines.

"ARTICLE IV.

"Convention to continue for ten years and thereafter from year to year, subject to a year's notice."

It transpired at the same time that Mr. Blaine, the United States Secretary of State, was unwilling to include Canada in the proposed Convention, but stated that he was

prepared to negotiate for a separate Reciprocity treaty on a wider basis, and as to the protection of the mackerel fishery and fishery on inland waters. The British Minister at Washington suggested, with Mr. Blaine's concurrence, that one or two Canadian Delegates should proceed to Washington to discuss these matters unofficially.

On the 18th November, your Excellency was moved to express to Lord Knutsford the fact that your Government view with the utmost alarm the proposed Convention between Newfoundland and the United States, that such Convention would affect the fishery interests of Canada, as well as those of Newfoundland, and would place the fishery and other products of Canada on a different footing from those of Newfoundland in the United States markets.

Your Excellency was also moved to remind Lord Knutsford that your Excellency's Government were quite ready, as they had stated before, to make arrangements for reciprocity of trade with the United States, with a view to a liberal extension of commercial relations between the two countries, and to express the desire that Her Majesty's Government inform the United States authorities to that effect, and, further, to state that your Excellency's Government objected to Canadian Delegates proceeding unofficially to Washington, as liable to lead to misunderstanding and commit one side only, but were willing to enter into formal negotiations at once, if Her Majesty's Government should approve, and if the United States should be willing to negotiate.

Your Excellency was asked to say that, meanwhile, your Government respectfully remonstrated in the strongest terms against the signature of the proposed convention at Washington.

Having received, through your Excellency, an intimation that, if Canadian negotiations could be at once opened on the lines proposed by your Ministers, Her Majesty's Government would delay the Newfoundland convention, so that both might proceed *puri passu*, your Excellency was moved on the 26th November to cable that your Government was ready to open negotiations immediately on the lines already indicated.

It may be necessary at this stage to call the attention of your Excellency and of Her Majesty's Principal Secretary of State for the Colonies to sum up the grounds on which your Excellency's advisers feel bound to remonstrate against the separate arrangement being made between the United States and one of the British North American Provinces to the exclusion of the others, relating to the fisheries and commerce.

From the earliest period in the history of the North American Fishery question down to the opening of the negotiations with Mr. Bond, Her Majesty's Government has invariably recognized the fact that the interests of all her possessions in British North America with regard to the fisheries were bound up together, and could only be properly dealt with on a basis common to all.

This view has prevailed at every step in the diplomacy and in administration, the two great points on which the Atlantic Fishery question has always turned being the competition in fishing between British subjects and foreigners, and the question of access to the markets of the United States for sale of the fish caught by British subjects.

In early times the negotiations which took place between Great Britain and foreign countries concerning the fisheries had chiefly in view the bank fisheries off the coast of Newfoundland, the prosecution of which was immensely facilitated by the obtaining of supplies and outfits in the Island of Newfoundland and on the coast of some of the provinces now forming part of Canada. These fisheries, with that adjunct, were regarded as the principal object to be secured and established in any arrangement made by Great Britain and the great object aimed at by the United States and France.

By the treaty of 1778 between France and the United States (Article X) provision for the fishery rights on the banks of Newfoundland were stipulated for by France and guaranteed by the United States.

The United States took care to stipulate for the enjoyment of these fisheries by the treaty of 1783.

It was to establish the successful prosecution of these fisheries by her people that France incurred such enormous expenditures in fortifying Louisburg and in retaining possessions in North America, and that the New England Colonies, by two successive expeditions, accomplished the capture of Louisburg, and thereby achieved a success which was described as having counterbalanced all the disasters which had fallen upon the British arms in Europe.

It was with the same view that Lord North in 1775 introduced his Bill to prevent

the inhabitants of the New England States from fishing on the banks, although it has now long since been conceded that these fisheries themselves are open to all nations.

The IIIrd Article of the treaty of Paris (1783) dealt in a single paragraph with "*such part of the coast of Newfoundland as British fishermen use, and also the coasts, bays, and creeks of all of His Britannic Majesty's dominions in America.*"

When the treaty of Ghent was being negotiated, in 1814, the bank fisheries were being extensively prosecuted by both American and Colonial fishermen. The Americans, however, adopted the policy, which they will doubtless presently revive (if such a convention as that proposed be adopted), of granting a bounty to aid their own fishermen and establishing customs duties against all others.

From 1815 to 1818 the bounty paid in the United States to fishermen rose from 1,811 dollars to 149,000 dollars, and after the convention of 1818 it continued to rise, until, in 1838, it was upwards of 314,000 dollars.

On the 17th June, 1815, Lord Bathurst conveyed to Vice-Admiral Sir Richard G. Keats the command of His Royal Highness the Prince Regent, that while he was to abstain from interfering with the fisheries in which the subjects of the United States might be engaged, either on the grand banks, the Gulf of St. Lawrence, or other places in the sea, he should "*exclude their fishing-vessels from the bays, harbours, creeks, and inlets of His Majesty's possessions.*" His Lordship, in writing to the Governor of Newfoundland, said, "*The subjects of the United States can have no pretence to any right to fish within British jurisdiction, or to use the British territory for purposes connected with the fisheries.*"

When the treaty of 1818 was made, although a special privilege was given to United States' fishermen of fishing on certain parts of the coast of Newfoundland, of the Magdalen Islands, and of Labrador, in all other respects the fishermen of all the British Provinces received the same protection, and its provisions were made in the interests of all alike, especially those by which United States fishing-vessels were prohibited from entering the bays and harbours of British North America to obtain facilities in the prosecution of the fisheries.

The Imperial Statute of 1819, which was passed to make this treaty effective (59 Geo. III, cap. 38), as well as all the Acts passed for the same purpose in the British North American Provinces, followed the same principle, and were uniform as to their substance and spirit.

The treaty of Reciprocity of the 5th June, 1854, made provisions as to the fisheries and commerce which were common to all the Provinces. The rights which it gave to United States fishermen were rights in all the fisheries of British North America, and the commercial concessions made by the United States were made in favour of all the British North American Provinces which were willing to accept them.

In the Washington treaty of 1871, although Canada was represented among Her Majesty's Plenipotentiaries and Newfoundland not represented, there was an express provision, by Article XXXII, that the treaty provisions relating to the fisheries and commerce which applied to Canada and Prince Edward Island, should extend to the Colony of Newfoundland, so far as applicable.

The Washington treaty of 1888 included Canada and Newfoundland under one provision, although, as before, Her Majesty's Commission to her Plenipotentiaries did not include a Representative from the Colony of Newfoundland, but included a Representative from Canada.

The *modus vivendi* attached to the treaty was common to both Canada and Newfoundland, and, until the fishing season of 1890, was kept in force by both countries; the licences issued to American fishermen by Canada being recognized in Newfoundland, and those issued in Newfoundland being recognized in Canada.

On at least two occasions there were strong expressions from Her Majesty's Government to indicate that any policy not common to all the British North American Provinces would not receive the approval of that Government.

The first of these instances occurred in 1868. A Committee of the House of Representatives at Washington was appointed in that year, "to inquire and report at the next session of Congress the fullest and most reliable information they could obtain in regard to the Colony of Prince Edward Island, including particularly whatever could be ascertained as to the kind and amount of imports and exports to and from the island, and the views and disposition, as well as authority, of the Colonial Government, to enter into any particular or exceptional arrangement or agreement, by legislative enactment, with the United States, conceding and securing such privileges as to fisheries on the coast as were contemplated" in a Resolution which had been referred to the Committee of Ways and Means for their Report, which Resolution

looked in the direction of free trade between Prince Edward Island and the United States as a Return for fishing under a nominal licence fee, on the coast of the island, and for the right of American fishing vessels to enter for shelter, or to obtain supplies and to refit free of duty or impost.

The Committee of the House of Representatives proceeded to Prince Edward Island in the summer of 1868, and had a conference with the Executive Council of that Province on the subject of the Resolution. Certain propositions were made by the Congressional Committee, and were favoured by the Executive Council with slight modifications. The Executive Council made a favourable Report on the subject of the Conference, expressing hope that Her Majesty's Government would feel favourable to the propositions, although they related to Prince Edward Island only.

The Lieutenant-Governor, on the 27th August, 1868, communicated to the Duke of Buckingham and Chandos the Memorandum of his Council, and informed his Grace at the same time that he had "thought it right to express clearly, in writing to his Council, that a Colonial Government had no authority whatever to enter into any particular or exceptional arrangement or agreement with a foreign Power."

On the 30th September, 1868, the Duke of Buckingham and Chandos acknowledged the receipt of the Despatch from the Lieutenant-Governor which inclosed the Memorandum sent to him by his advisers, and stated that Her Majesty's Government entirely approved of the answer which the Lieutenant-Governor had made to his Council. Here the matter ended.

Another instance occurred in July 1887, when the American Minister at the Court of St. James', acting on the policy which now seems to be favoured by the United States Government of endeavouring to divide the British North American Provinces by setting up the interests of one against the interests of others, communicated to Sir Ambrose Shea that, "should the Government of Newfoundland see fit to give notice that American fishermen be admitted to the ports of that Province for the purpose of obtaining supplies, the proposal would be cordially accepted and acted on by the Government of the United States. Her Majesty's Principal Secretary of State for the Colonies informed the Officer Administering the Government of Newfoundland, that no separate action should be attempted by the Newfoundland Government, in the direction suggested, without full previous communication with Her Majesty's Government."

These Documents were transmitted to your Excellency's predecessor. In the end, the attempt to negotiate a separate arrangement between the United States and Newfoundland was abandoned, and negotiations were opened with Her Majesty's Government on behalf of Newfoundland and Canada. This resulted in the Washington treaty of 1888, which was only defeated by want of concurrence on the part of the Senate of the United States. Since that time, the Governments of Newfoundland and Canada have acted in concert.

The Government of Newfoundland has repeatedly recognized the force of the view here contended for.

In an address to Her Majesty's Principal Secretary of State for the Colonies from the Legislative Council and House of Assembly in Newfoundland, dated the 18th May, 1886, after referring to the fact that the British fishermen engaged in the prosecution of the cod fisheries had great advantages over American fishermen under the convention of 1818, and after stating further that the United States had abrogated the treaty of Washington and renewed the impost on fishery products of British Colonies, the following expression, which may now be aptly applied to the prospects of the Canadian fishermen if a separate arrangement should be made for Newfoundland, was used:—

"If we supinely assent to this course, we shall provide these (our rivals) with the means of shutting us entirely out of the United States markets."

In a Despatch dated the 14th January, 1887, from Governor Sir G. Des Vœux to Mr. Stanhope, the former well described the position in which Newfoundland fishermen would be placed if obliged to furnish bait to foreign fishermen who would be in competition with them in the markets of the foreign country, while these markets were practically closed to the products of British fisheries. He says: "It is evident that Newfoundland is thus furnishing the means of its own destruction."

Further on, in the same Despatch, the writer states: "I have very good reasons for believing that, as regards the United States, the right of obtaining bait would be restored on the opening of the American markets to Newfoundland fish, or (if common cause be made with Canada) to all British fish."

Referring in a subsequent passage to the Canadian Statute passed in 1887 for the

enforcement of the treaty of 1818 by the exclusion of American fishing-vessels, except for the purposes for which they were allowed to enter, under the convention of 1818, his Excellency said: "I may mention, as probably having escaped notice, that this object will, to a large extent, fail to be secured if a similar measure in this Colony should not be enforced, as *it is not impossible that the Americans could afford to disregard the prohibition of bait supply on the Canadian coast if they were assured of being able to procure the bait they require on the coast of Newfoundland.* The interests of Canada and of this Colony being thus to this extent identical, it is not difficult to foresee that any further delay in the allowance of the bill would give rise to the strongest pressure on the part of the Canadian Government."

In a letter from Sir Robert Thorburn, Premier of Newfoundland, to Her Majesty's Principal Secretary of State for the Colonies, dated 27th April, 1887, on the subject of the Newfoundland Bait Act and of the remonstrance of Canada against the same, which has been put forward on a supposition that Canadian fishermen would be put in the position of foreign fishermen by that Act, in being obliged to pay for licences, Sir Robert Thorburn said that the inference drawn by Sir G. W. Des Vœux in his Despatch relative to the Bait Bill, that Canada would suffer from its disallowance, inasmuch as American and other foreign fishermen would continue to procure their bait supplies in Newfoundland waters, particularly if excluded from this privilege in Canadian waters, seemed a perfectly clear conclusion, and served practically to illustrate the desirability of British fishermen retaining the undivided control of so important an element as the bait supply, giving them vantage ground over their bounty-sustained rivals.

When the Arbitration took place at Halifax to settle the compensation to be paid by the United States under the treaty of Washington, the British case was presented by an agent of Her Majesty's Government, in consultation with counsel from Newfoundland as well as from the Provinces of Canada.

The following is an extract from that case which will serve to indicate the value of the privileges which were supposed to be accorded to United States fishermen by the treaty of 1871, of procuring bait and of making Newfoundland the basis of operations, while the disadvantages to Newfoundland fishermen which are there set forth affect equally Canadian fishermen who pursue their vocation in the bank and deep sea fisheries:—

"Apart from the immense value to the United States fishermen of participation in Newfoundland inshore fisheries must be estimated the important privilege of procuring bait for the prosecution of the bank and deep sea fisheries, which are capable of unlimited expansion. With Newfoundland as a basis of operations, the right of procuring bait, refitting their vessels, drying and curing fish, procuring ice in abundance for the preservation of bait, liberty of transshipping their cargoes, &c., and almost continuous prosecution of the bank fisheries secured to them. By means of these advantages, United States fishermen have acquired, by the treaty of Washington, all the requisite facilities for increasing their fishing operations to such an extent as to enable them to supply the demand for fish food in the United States markets, and largely furnish the other fish markets of the world, and thereby exercise a competition which must inevitably prejudice Newfoundland exporters. . . .

"Not only are the United States fishermen almost entirely dependent on the bait supply from Newfoundland, now open to them, for the successful prosecution of the bank fisheries, but they are enabled, through the privileges conceded to them by the treaty of Washington, to largely increase the number of their trips, and thus considerably augment the profits of the enterprise."

Attention may now be called to the action of the United States Administration in the present year.

By the adoption of the Tariff measure which is popularly known as the "McKinley Act," the customs duties of the United States are greatly increased on nearly all Canadian products (including fresh fish, unless caught in vessels or by nets owned by American citizens). While this most unfriendly measure is in force, and is avowed to be designed to teach Canadians that they cannot avail themselves of the markets of the United States while they continue their allegiance as British subjects, a separate Arrangement with Newfoundland would practically dissolve the protection given by the treaty of 1818, by enabling American fishing-vessels to have access to the ports of Newfoundland as a base of supplies and for the purpose of transshipping their cargoes. The protection afforded by that treaty for upwards of seventy years would thus be taken away from Canadian fishermen and Newfoundland fishermen alike, but there would be special compensation to the fishermen of Newfoundland in the shape of

removal of duties, while the Canadian fishermen would be made to pay enhanced duties under the new American Tariff. While this would, perhaps, be the most effectual method of impressing on the minds of the Canadian people the lesson that they cannot be British subjects and enjoy American markets, Her Majesty's Government can hardly, on reflection, feel surprised that your Excellency's Government have not for a moment believed that Her Majesty's Ministers would co-operate with the authorities of the United States in inculcating such a lesson at the present time.

The subject has also to be viewed to some extent in connection with the question of the Confederation of the Provinces. The union which was effected, in accordance with the strong desire of Her Majesty's Government, in 1867, has always been viewed with unfriendly feelings by a large portion of the people in the United States, who continue, with great reason, to regard it as a means of consolidating British power in North America. The Confederation Provinces, at great sacrifices, have striven to accomplish that object; they have made progress in the direction of its accomplishment, of which they feel some pride, but they are now threatened with being placed in a worse position, as regards some of the most important interests of their commerce, than the one Colony in British North America which has remained outside of the union.

The Administration of the United States has long been aware that the Government of Canada is willing to enlarge the trade relations between the two countries by a system of reciprocity. That intention has so often been announced, in offers from the Canadian Government, in proposals put forward by negotiations, in Customs legislation and in public declarations of responsible Ministers, that the authorities of the United States have from time to time resented what has been considered the importunity of Canada in this regard. Her Representatives have often reproached Canada with being unable to maintain existence without reciprocity, and asserted that the livelihood of her people is dependent on Tariff concessions from the United States. Canada has been constantly accused, by public men in the United States, of adopting a severe policy in asserting her fishery rights in order to force negotiations for the extension of trade.

Her Majesty's Principal Secretary of State for the Colonies may, perhaps, with propriety, be reminded, on this occasion, that the complaint constantly put forward against Canada in the United States is, that Canada denies hospitality in her ports to American vessels, which is not denied to Canadian vessels in United States ports. When the treaty of 1818 was negotiated the abstention by American fishing-vessels from using British ports, except for shelter, repairs, wood, and water, was conceded by the United States negotiators in return for the right to fish in-shore on parts of the coasts of Newfoundland and Labrador, and on all the coasts of the Magdalen Islands. This privilege, so rarely accorded by the people of one country to the people of another, was boasted of by the American negotiators, after the treaty of 1818 was signed, as having secured to the United States the most valuable fisheries on the British American coast.

The people of the United States have made no proposal to relinquish that benefit, but they complain that the concession by which it was purchased should be enforced.

It seems necessary also to remind Her Majesty's Principal Secretary of State for the Colonies of the peculiar position in which British and Canadian fishing interests will be placed by such a convention as that proposed, in view of the Bait Act of Newfoundland. Under that Act and the regulations made by the Government of Newfoundland, under powers conferred on them by it, no fishing-vessel can enter the ports or harbours of Newfoundland to obtain bait without a licence, which can only be obtained under very onerous restrictions, which exact, among other things, a very heavy licence fee. His Lordship will remember that that Act was only allowed by Her Majesty's Government to go into operation after the most distinct written pledges given by members of the Newfoundland Government and by its Representatives that no licence fee would be exacted from Canadian fishermen. During the fishing season of last year that pledge was not observed, and the same fee which was charged to foreign vessels was exacted from Canadian fishermen. His Lordship will remember that the attention of Her Majesty's Government has already been drawn to this subject by Minute of Council of your Government; and that, on a subsequent occasion, in the month of August last, the High Commissioner for Canada and the Minister of Justice had an interview with his Lordship, in the presence of two Delegates from the Newfoundland Government, in which, on behalf of Canada, this whole subject was presented again, and in the course of which his Lordship was

good enough to urge upon the Delegates from Newfoundland that their Government should keep faith, when that faith had been so distinctly pledged. The Delegates from the Newfoundland Government present at that time professed ignorance of the pledges which had been given until they had communication of them in London; but they assured his Lordship that the attention of their Government would be given to the matter immediately, with a view and desire to carry out the promises which had been made. The fulfilment of this renewed promise and the exemption of Canadian fishermen from the provisions of the Bait Act would not lessen any of the objections which have been stated in this Report; but it seems necessary to remind Her Majesty's Principal Secretary of State for the Colonies that if this promise should still go unfulfilled, and the draft convention be adopted, the singular case would be presented of one Colony of the Empire admitting foreign vessels to privileges in her ports and excluding the vessels of the neighbouring Colonies as well as of the mother country from the like privileges.

There are strong indications that this policy is expected of Newfoundland by the country with which she is now in negotiation. It could only be exacted from her by that country with a view to injuring the interests of the Empire, in so far as the British North American possessions are concerned; and your Excellency's Government feel that, in resisting a policy so likely to create feelings of discontent and irritation, and to lessen the attachment to the Empire which now prevails, they are discharging a duty which they owe not only to Canada, but to the rest of the Empire.

Respectfully submitted,

(Signed)

JNO. S. D. THOMPSON,
Minister of Justice.

CHARLES H. TUPPER,

Minister of Marine and Fisheries.

Ottawa, December 9, 1890.

203 SECRET.

No. 101.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, December 29, 1890.

I AM directed by Lord Knutsford to acknowledge the receipt of your two letters of the 24th instant,* forwarding paraphrases of two Telegrams from Her Majesty's Minister at Washington, reporting the views of Mr. Blaine and President Harrison as to the proposed Commission for the negotiation of a commercial treaty between Canada and the United States.

Lord Knutsford proposes, with Lord Salisbury's concurrence, to telegraph to the Governor-General of Canada the substance of the two Telegrams from Sir J. Pauncefote.

His Lordship also proposes to communicate them confidentially to the High Commissioner for Canada, omitting in this case, however, the last paragraph of the Telegram No. 102.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) R. H. MEADE.

24805.

No. 102.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, December 29, 1890.

WITH reference to your letter of the 17th instant,† I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a further Telegram‡ from Newfoundland protesting against the delay in proceeding with the draft convention for an arrangement between the Colony and the United States.

Lord Knutsford thinks it may be best to defer a reply to this message until it is known whether there is a prospect of negotiations for an arrangement between Canada and the United States being actively undertaken without delay, and until he has had

* Nos. 97 and 98.

† No. 92.

‡ No. 96 A.

an opportunity of considering the modifications made in the draft convention at the suggestion of Mr. Blaine. He trusts that he will receive Sir J. Pauncefote's Despatch on this subject at an early date, as he considers that there is much force in the protest made by the Government of Newfoundland, and he would be glad to be in a position to give them a definite reply as soon as possible.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) R. H. MEADE.

25161.

No. 103.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received December 29, 1890.)

TELEGRAPHIC.

(Paraphrase.)

THE Colonial Secretary has returned from Washington, and has brought with him a copy of the convention which has been arranged with the United States. My Ministers approve of this Convention, which has been referred to in the former telegrams which have passed on this subject; and they assume that there is now no obstacle to its immediate signature, thus carrying out the undertaking of Her Majesty's Government that this Colony might enter into a separate arrangement with the United States.

Delay in concluding the convention is seriously prejudicial to the trade relations between this Colony and the United States, and public opinion is strongly agitated upon the subject.

Ministers therefore pray that immediate instructions be given to Her Majesty's Minister at Washington to sign the convention, and they anxiously await a speedy reply.

36.

No. 104.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, December 31, 1890.

IN reply to your letter of the 29th instant,* I am directed by the Marquis of Salisbury to state, for the information of Lord Knutsford, that he concurs in the proposal that the Governor-General of Canada should be informed by telegraph of the substance of the Telegrams from Sir J. Pauncefote Nos. 101 and 102 of the 22nd and 23rd instant, relative to the proposed negotiations between Canada and the United States, paraphrases of which were forwarded to you on the 24th instant.

Lord Salisbury also concurs in the proposal to communicate these Telegrams confidentially to the High Commissioner for Canada, with the omission of the last paragraph of Telegram No. 102.

I am, &c.
(Signed) P. W. CURRIE.

The Under Secretary of State,
Colonial Office.

24965.

No. 105.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.
(Dated December 31, 1890.)

(Confidential.)

[Transmits copy of Enclosures in Foreign Office letter of the 24th December, 1890.†]

* No. 101.

† No. 99.

25161.

No. 106.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

January 1, 1891, 4:30 P.M. Received your Telegram of 29th December,* but its consideration necessarily has been suspended in consequence of no answer received to question asked in my Telegrams of 10th December and 18th December† with regard to privileges granted to Canadian vessels in Newfoundland. Information required by telegraph as to modifications of convention conceded to United States Government.

36.

No. 107.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

(Paraphrase.)

2nd January, 1891. The substance of your Lordship's Telegram of the 13th December‡ was communicated to the United States Secretary of State by Her Majesty's Minister at Washington. Mr. Blaine replied that it would be useless to endeavour to obtain the appointment of a formal Commission to arrive at a reciprocity arrangement, but that the United States Government were willing to discuss the question fully, though privately, with Sir J. Pauncefote and one or more delegates from Canada, and to consider carefully every subject as to which there was any hope of an agreement on the ground of mutual interests. If no agreement were found possible, the attempt should not be mentioned officially, and all public reference to the subject should be avoided. At a further interview Mr. Blaine stated that President Harrison strongly objected to the Commission on the ground that it would provoke agitation throughout the United States, and declined to run so grave a risk until he had satisfied himself by private discussion that there was good ground for expecting an agreement by means of a Commission.

Mr. Blaine added that he would be ready any time after the 4th March to enter on the private negotiations.

(Secret.)

I learn confidentially United States Treasury preparing some measure intended to affect prejudicially Canadian Pacific Railway.

138.

No. 108.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.

(Received January 2, 1891.)

(Confidential.)

Government House, St. John's, Newfoundland,
December 13, 1890.

MY LORD,

MY Telegram§ will have informed your Lordship of the Minute passed unanimously by my Ministers at a meeting yesterday in reference to the mission of Mr. Bond to Washington.

2. I had, on receipt of your Lordship's message, communicated its paraphrase to the Premier, and at a Committee meeting of the Executive the reply was originally drafted and transmitted to me.

3. As I did not approve of this answer, I, at the meeting of Council, used my best endeavours to have the message modified, for I considered it was unsatisfactory in some ways, particularly in not giving a decision as to the question relating to the terms on which Canadian vessels would be allowed to obtain bait in our waters. To this I was answered that, as it was evident that some one, presumably the leader of the Opposition, Mr. Morine, now in Nova Scotia, was regularly informed of what transpired in London with regard to this matter, and that it was immediately published on this side, it would be dangerous to make any engagements with Canada

* No. 103.

‡ No. 89.

† Nos. 82 and 93.

§ No. 86.

till those with the United States were completed. For were we to do so, America, which enters into an agreement with us on the understanding that we are an independent Colony, might get alarmed and break off the negotiations.

4. I find myself, I regret to say, obliged to inform you, my Lord, that, though the meeting was most friendly, still a very strong feeling was shown by all present, not only against Canada for her interference with the concerns of an independent Colony, but against the Home Government for now raising objections to the ratification of the convention after allowing negotiations to be initiated by sending Mr. Bond to Washington and apparently acquiescing in these negotiations by recalling him there. And it was further strongly urged that if it was not contemplated to ratify the agreement made by him, why was he sent? Why are the Colony and its emissary placed in so false a position? And why are he and his Government brought to such discredit before the public? which has already been attempted through the inspired communication from Mr. Morine.

5. Looking to the detention of the Colonial delegates in England without any result, and to the present state of the French treaty question, for which, rightly or wrongly, Her Majesty's Government get the blame, I cannot but consider that any obstacle thrown in the way of the ratification of Mr. Bond's negotiations, should they be *per se* unobjectionable, will not only give rise to a strong feeling of hostility between two adjacent Colonies of the Empire, but will greatly increase the irritation felt towards the mother country, consequent on the *modus vivendi* and on the strained relations as to the French and their asserted rights, which have caused so much excitement during the past twelve months, and on which it is therefore needless for me to further dilate.

6. In conclusion, I hope I may be permitted to observe that if, in the great Imperial question of negotiations with France, it is desired by the Home Government to carry with it the good-will of this Colony, no surer way to defeat this object, in my humble opinion, exists than in making the interests of Newfoundland appear to be subservient to those of the Dominion in a matter undertaken by us alone with the consent of Her Majesty's Government, and in which the interference of Canada, with whose difficulties with America we have no concern, is resented as an intrusion.

I have, &c.

(Signed) T. O'BRIEN, Lieutenant-Colonel,
Governor.
The Right Hon. Lord Knutsford, G.C.M.G. &c.
&c. &c.

206.

No. 109.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, January 2, 1891.

I HAVE laid before the Marquis of Salisbury your letter of the 29th ultimo,* inclosing a copy of a further Telegram from the Governor of Newfoundland, protesting against the delay in proceeding with the draft convention for an arrangement between that Colony and the United States.

I am to state, for Lord Knutsford's information, that no further communication has been received from Sir J. Pauncefoot respecting the modifications suggested by Mr. Blaine in the draft convention since the Telegram of which a paraphrase was forwarded to you on the 18th ultimo.†

Lord Salisbury concurs in Lord Knutsford's opinion, that it will be best to defer a reply to Sir T. O'Brien's Telegram for the present, at all events, until the views of the Canadian Government have been ascertained as to Mr. Blaine's recent decision to conduct the negotiations with Canada privately, and to postpone their commencement till the 4th March next.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. V. LISTER.

* No. 102.

† No. 94.

25090.

No. 114 A.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, January 6, 1891.

WITH reference to previous correspondence respecting the recent negotiations for an arrangement between Newfoundland and the United States in regard to fisheries and commerce, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a Despatch* from the Governor-General of Canada, inclosing copy of an approved Minute of his Privy Council, with its annexure, setting forth the objections of the Government of the Dominion to the conclusion of a separate arrangement for Newfoundland independently of Canada.

Lord Knutsford will communicate to Lord Salisbury at a later date the observations he may have to offer on this Despatch.

I am, &c.

(Signed)

ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

142.

No. 115.

COLONIAL OFFICE to FOREIGN OFFICE.

(Dated January 7, 1891.)

[Transmits copies of Sir Terence O'Brien's Confidential Despatches of 13th and 22nd December, 1890.†]

* No. 100.

† Nos. 108 and 110.

142.

No. 110.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received January 2, 1891.)

(Confidential.)

MY LORD,

Government House, St. John's, December 22, 1890.

THE meeting of Executive Council to-day having resulted in the Telegram just sent,* I feel it my duty to explain to your Lordship that the Minute in question was decided on unanimously by the Council against my strongest representations.

2. I again pointed out to the Cabinet that, if they expected Her Majesty's Government to listen to them, they must expect equally that the representations of other Colonies should meet with similar attention; that it was evident to me that no difficulties were anticipated by the Home authorities, all that was needed being an assurance that Canadian vessels would be treated by us in a similar manner to American, and that Canada might be admitted to participate in our agreement; to this the reply was ever the same: that till our convention was definitely concluded any promise made to Canada would be sure to defeat the object in view; that they could admit no interference by Canada; and I was reminded how the engagements made some years ago by Sir Robert Thorburn and Sir Ambrose Shea when at home, relative to Canada, have tended to embarrass a subsequent Government.

3. One member, the Honourable A. W. Harvey, contended that though a promise was appended to some engagement made by him and Sir William Whiteway, when at home, as to the admission of Canadian fishermen to the same privileges as Americans, a condition he was prepared, under ordinary circumstances, to observe, still, he would go with his colleagues, as he agreed in their belief that such a promise would certainly be immediately published on this side, when it would be sure to upset all negotiations.

4. I appealed to their loyalty, and to their duty as English subjects, to be guided by the action of Her Majesty's Government, to whom is confided the interests of the Empire. The answer was that those obligations existed equally when Mr. Bond's mission was approved of.

5. I then asked the Premier, categorically, if in Mr. Bond's instructions, or in any way, there was anything which bound the Colony to grant to Americans privileges denied to Canadians. I was, however, assured that no such instructions existed; in fact, by a general consensus of opinion, I could glean that, once let us get our independent agreement with the United States completed, then no objection would exist to agreeing with the Dominion for a similar *quid pro quo*.

6. The meeting was, as far as I am personally concerned, a most friendly one. At the same time, I must admit it was not devoid of a strong bitter feeling towards, and a want of confidence in the intentions of, the Home Government, for having, as they said, so often sacrificed the interests of the Colony to State and other necessities.

I have, &c.

(Signed)

T. O'BRIEN, Lieutenant-Colonel,

The Right Hon. Lord Knutsford, G.C.M.G.,

Governor.

&c.

&c.

&c.

275

No. 111.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received 3rd January, 1891.)

TELEGRAPHIC.

REFERRING to your Telegram of 1st January.†

To-day at meeting of Executive Council it has been decided, after convention with United States Government has been signed, my Government are willing to negotiate for arrangement on a similar basis with Canadian Government. They again strongly urge on me to impress reasons for secrecy, as stated in paragraph 3 of my Confidential Despatch of 13th December.‡ They do not understand meaning of modifications, and they cannot suppose that Her Majesty's Government will intervene objections.

* No. 96 A.

† No. 106.

‡ No. 108.

36.

No. 112.

COLONIAL OFFICE to the HIGH COMMISSIONER for CANADA.

(Secret.)

SIR,

Downing Street, January 3, 1891.

I AM directed by Lord Knutsford to transmit, for your information, copies of the paraphrases of two Telegrams* from Her Majesty's Minister at Washington, stating the views of the United States Government as to the proposed negotiations for a reciprocity arrangement between Canada and the United States.

The substance of these Telegrams has been communicated to the Governor-General of Canada.

I am, &c.

(Signed) R. H. MEADE.

Sir C. Tupper.

25161

No. 113.

COLONIAL OFFICE to FOREIGN OFFICE.

(Dated January 3, 1891.)

[TRANSMITS copies of Sir T. O'Brien's Telegram of 29th December, 1890, and Lord Knutsford's reply of 1st January, 1891.†]

275.

No. 114.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, January 6, 1891.

WITH reference to previous correspondence, and especially to the letter from this Department of the 3rd instant,‡ I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a further Telegram from the Governor of Newfoundland§ respecting the proposed convention between the Colony and the United States.

Lord Knutsford proposes, with Lord Salisbury's concurrence, to reply to Sir T. O'Brien, that he presumes it is to be concluded from his message that his Government are prepared to undertake to grant Canada the same privileges as are proposed to be accorded to the United States under the convention, provided that Canada reciprocally admits Newfoundland produce on the same terms as the United States has agreed to, and that as to the modifications of the convention referred to in Lord Knutsford's Telegram of the 1st instant, Her Majesty's Minister at Washington telegraphed on the 17th [P] December that Mr. Bond had been informed by Mr. Blaine that he was prepared to accept a modification of the draft convention, and that Mr. Bond had intimated that the proposed modification was acceptable to Newfoundland, and that Her Majesty's Government have no information as to the nature of the modification in question.

I am, &c.

The Under Secretary of State,
Foreign Office.

(Signed) ROBERT G. W. HERBERT.

* Enclosures in Nos. 97 and 98.
‡ No. 113.

† Nos. 103 and 106.
§ No. 111.

484.

No. 116.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, January 7, 1891.

WITH reference to my letter of the 18th ultimo,* I am directed by the Marquis of Salisbury to transmit herewith, to be laid before Secretary Lord Knutsford, a paraphrase of a Telegram from Her Majesty's Minister at Washington, reporting the substance of a counter-draft which has been communicated to him by Mr. Blaine for an arrangement of trade and fishery questions between the United States and Newfoundland.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. V. LISTER.

Enclosure in No. 116.

PARAPHRASE of a TELEGRAM from SIR J. PAUNCEFOTE.

(No. 3.)

Washington, January 6, 1891.

WITH reference to my Telegram No. 98 of the 17th ultimo on the subject of the negotiations with the United States Government in regard to Newfoundland, I have the honour to report to your Lordship that, at an interview which I had yesterday with the Secretary of State in consequence of an invitation from him, Mr. Blaine communicated to me a counter-draft, which, he stated, the United States Government would not be unwilling to accept, although they were not anxious for the arrangement.

Mr. Blaine's counter-draft is confined to the free admission of fish as against the free purchase of bait, and to insuring that the existing tariff on certain American imports shall remain in force, and that the benefit of any diminution shall be secured. Crude minerals are struck out of the list of articles named in the counter-draft.

I am sending home by to-day's mail a copy of the counter-draft and a Report of my interview with Mr. Blaine.

687.

No. 117.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, January 9, 1891.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 6th instant,† inclosing a further Telegram from the Governor of Newfoundland relative to the proposed arrangement between that Colony and the United States on fishery and commercial questions.

I am to suggest, for Lord Knutsford's consideration, whether it might not be sufficient, in reply, to communicate to Sir T. O'Brien the substance of Sir J. Pauncefote's Telegram No. 3 of the 6th instant (of which a paraphrase was communicated to you on the following day‡), and to state that Her Majesty's Government think it better to await the receipt of Sir J. Pauncefote's full Report, with the copy of the counter-draft communicated by Mr. Blaine, before discussing the matter further.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 94.

† No. 114.

‡ No. 116.

687.

No. 118.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

13th January, 1891. With reference to your telegram of 3rd January,* Mr. Blaine on 6th January communicated to Her Majesty's Minister at Washington a counter-draft of a convention between Newfoundland and the United States, which he said his Government would accept, though they were not anxious for the arrangement.

The draft is confined to the free admission of fish, with the exception of green codfish, in return for the free purchase of bait; and to securing that the existing Newfoundland duties and free list shall remain in force as to certain American imports; and that the United States shall have the benefit of any diminution of duties on such articles. Crude minerals have been struck out.

Her Majesty's Government will await the report on the arrangement and the copy counter-draft now on the way from Sir J. Pouncefote before considering the question further.

687.

No. 119.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

13th January, 1891, 4.50 p.m. Referring to my telegram of 2nd January,† when may I expect reply?

687.

No. 120.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, January 13, 1891.

In reply to your letter of the 9th instant‡ on the subject of the proposed Convention between Newfoundland and the United States, I am directed by Lord Knutsford to request that Sir J. Pouncefote may be desired by telegraph to send direct to Newfoundland, as soon as possible, a copy of the counter-draft handed to him by Mr. Blaine.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) ROBERT G. W. HERBERT.

950.

No. 121

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, January 14, 1891.

In reply to your letter of yesterday,§ I am directed by the Marquis of Salisbury to state that, in compliance with Lord Knutsford's wishes, Her Majesty's Minister at Washington has been instructed by telegraph at once to communicate to the Government of Newfoundland a copy of the counter-draft convention handed to him by Mr. Blaine.

He has also been requested to furnish a copy of the same document to the Canadian Government.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 111.

† No. 107.

‡ No. 117.

§ No. 120.

1160.

No. 122.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received January 17, 1891.)

TELEGRAPHIC.

(Paraphrase.)

REFERRING to your telegram of the 13th January. My Government request me to forward to your Lordship the following telegram: My Ministers have received with profound regret the intimation of Her Majesty's Government that crude minerals have been struck out of the convention agreed to between the United States Government and Mr. Bond, and this great misfortune can only be attributed to the unaccountable delay on the part of Her Majesty's Government in signing the draft convention. Her Majesty's Government are in error in supposing that the counter-draft convention was communicated to Minister at Washington for the first time on the 6th January. The said counter-draft was communicated to British Minister by Mr. Blaine through Mr. Bond on the 16th December, and my Colonial Secretary was authorized by Mr. Blaine and did inform British Minister that Mr. Blaine was prepared to sign immediately. There was at first a special condition attached to minerals definition, but that condition was fulfilled, and an assurance was given by Mr. Blaine that he would agree to the insertion of the same. The delay that has occurred has afforded time for opposition to be aroused in Western States, and doubtless Mr. Blaine now finds himself compelled to strike out the definition. This means a very serious loss to the Colony, and it is with deep regret that my Ministers must attribute it to the incomprehensible delay of Her Majesty's Government. My Government are fully aware of the interference of Canada in this matter, and they look upon same, as it has apparently met with the approval of Her Majesty's Government, as a menace to the independence of this Colony. They again respectfully but firmly protest against the affairs of this Colony being in any way subject to the approval or disapproval of the Canadian Government. They would repeat that Canadian interests are not similar to those of this Colony, which was the reason given to Her Majesty's Government for separate negotiations by this Colony and the grounds upon which Her Majesty's Government assented. My Government are aware that the United States Government are not anxious to enter into a reciprocity treaty with this Colony, and Mr. Bond found it necessary to elicit the sympathy of the great commercial centres of New York and Boston before he succeeded in accomplishing the object of his mission. This lack of anxiety on the part of United States Government emphasizes the necessity for speedy action on the part of Her Majesty's Government if the desire of this Colony is to be accomplished. The receipt of your Lordship's telegram has postponed a crisis in reference to this matter, and my Government would now respectfully but firmly urge upon Her Majesty's Government the necessity for speedy action. Further delay may mean the total withdrawal by the United States Government of the counter-draft, and a collapse of this business after its having been arranged to the satisfaction of this Colony. Such a recompense will doubtless intensify the feeling caused by grievous injustice to which this Colony has been so long subjected.

1152.

No. 123.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received January 17, 1891.)

(Confidential.)

MY LORD,

Government House, St. John's, January 3, 1891.

I HAVE the honour to report, for your Lordship's information, that, on receipt of your telegram of the 1st instant,* it was immediately forwarded to the Premier, and, as a Committee meeting of Council was being held that day, it was considered by them, and the enclosed reply was sent to me for my approval, prior to submission to England.

2. As I could not give such approval, for I considered that the reply did not satisfy the demand made by your Lordship, I called for a special meeting of the Council on Saturday, the 3rd instant, and, after a discussion of over three hours, when I stood alone in enjoining the necessity of the Colony giving the engagement required,

* No. 106.

viz., to allow Canadian vessels the same facilities as would be conceded by Mr. Bond's convention to those of the United States, I obtained from the Council the telegram sent this day.* I here should add that, to a certain extent, the Honourable Mr. Harvey supported me, as he felt himself bound by some engagement he made with your Lordship when in England.

3. I have no doubt in my own mind that not only is there no desire, but there never has been any intention, on the part of my Ministers to treat Canadian vessels differently from American, though, at our meeting, I found the same dread of the effects of publicity, formerly expressed by me, existing as strong as ever (*vide* my Confidential Despatch of the 13th December,† of which I informed them, and which I quoted in order to avoid the unnecessary lengthening of to-day's telegram), accentuated by a bitter feeling against Sir Charles Tupper, to whom, rightly or wrongly, is attributed the interference of Canada in our affairs, and of whose actions they exhibited the greatest mistrust, especially as Mr. Morine is supposed to derive the inspirations for his political conduct from Sir Charles Tupper, he having been, it is said, formerly an electioneering agent of his in Nova Scotia, and being still, it is believed, in constant communication with him.

4. There no doubt is a party in the Colony in favour of confederation with the Dominion, led by Mr. Morine, but the mass of the people are not for it, and, except perhaps on the west coast, they are somewhat lukewarm in their friendship towards the Dominion, a feeling that might easily be turned into one of animosity were it but known that Canada had intermeddled in our affairs.

I have, &c.

(Signed)

T. O'BRIEN, Lieut.-Col.,

Governor.

The Right Hon. Lord Knutsford, G.C.M.G.,

&c

&c.

&c.

Enclosure in No. 123.

MINUTE passed by the COMMITTEE OF EXECUTIVE COUNCIL, January 2, 1891.

My Government considered your telegrams of the 10th and 18th had been answered. My Government having proposed and Her Majesty's Government having assented to this Colony negotiating distinct arrangement with United States, my Government strongly object to Canadian negotiations being mixed therewith. My Government presume that Her Majesty's Government has received copy of convention agreed to by Colonial Secretary Bond and United States Government. Please say if this presumption is correct. They do not understand what is meant in your telegram by modifications. Neither my Government nor United States Government desire modifications, and they cannot suppose that Her Majesty's Government will intervene objections. My Government beg to ask whether the obstruction now apparent is not consequent upon Canadian interference; assuming such, it will seriously interfere with all relations, including those of trade, between Newfoundland and Canada. They would repeat that Canada's interests are not similar to those of this Colony, which was the reason given to Her Majesty's Government for separate negotiations by this Colony, and the ground upon which Her Majesty's Government assented thereto.

1159.

No. 124.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, January 17, 1891.

WITH reference to my letter of the 14th instant,‡ and to previous correspondence on the subject of the proposed convention for the arrangement of the fishery and commercial relations between Newfoundland and the United States, I am directed by the Marquis of Salisbury to transmit a copy of a Despatch from Her Majesty's Minister at Washington reporting the substance of a conversation he has had on the subject with Mr. Blaine, and forwarding a copy of the counter-draft of convention which Mr. Blaine has communicated to him.

* No. 111.

† No. 108.

‡ No. 121.

I am to request that you will move Lord Knutsford to furnish Lord Salisbury with any observations which he may have to offer on these papers.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure 1 in No. 124.

Sir JULIAN PAUNCEFOTE to the MARQUIS OF SALISBURY.

(No. 3.)

MY LORD,

Washington, January 6, 1891.

WITH reference to previous correspondence respecting trade relations between the United States and Newfoundland, and to my telegram No. 98 of the 17th ultimo reporting the departure from Washington of the Honourable R. Bond, the Colonial Secretary of Newfoundland, I have the honour to inform your Lordship that I was this day requested by the Secretary of State to call on him at the State Department to receive a communication from him on the subject.

At this interview Mr. Blaine said that after considering the information supplied to him by Mr. Bond, and the wishes of the Newfoundland Government which I had privately placed before him at his request last October in the form of a draft convention, he was unable to accept the proposed arrangement in its entirety, but that he had framed a counter-draft, of which he delivered a copy to me, showing to what extent, and on what conditions, his Government were disposed to go in the direction of commercial reciprocity with the Colony.

I have the honour to enclose a copy of that document.

Mr. Blaine proceeded to observe that the proposal to include crude minerals in any such arrangement would certainly be rejected by the Senate, and that he had received a letter from the Boston Chamber of Commerce strongly opposing the free admission of copper owing to the injury which it would do to that particular mining industry in the Western States. He said that substantially the reciprocity proposed to be established by his draft was that of "free fish" as against free sale of bait; for, as he pointed out and particularly requested me to explain to your Lordship, the effect of Articles IV and V was only to insure a continuance of the existing Newfoundland Tariff as regards the American imports therein specified, and to give to the United States the benefit of any reduction of duty which might be made on those articles.

The duty on flour in Article IV was put down at 25 cents per barrel, as he had been informed that it was proposed to reduce it immediately to that amount.

He concluded by saying that his Government had no particular desire to enter into the arrangement under consideration, but that they were not unwilling to accept it on the terms indicated in his draft.

I informed Mr. Blaine, in reply, that I would transmit the draft and report the substance of his observations thereon to your Lordship by the first opportunity.

I have, &c.

The Marquis of Salisbury, K.G.,
&c. &c. &c.

(Signed) JULIAN PAUNCEFOTE.

Enclosure 2 in No. 124.

CONVENTION between GREAT BRITAIN and the UNITED STATES OF AMERICA for the IMPROVEMENT OF COMMERCIAL RELATIONS between the UNITED STATES and HER BRITANNIC MAJESTY'S COLONY OF NEWFOUNDLAND.

THE Governments of Great Britain and the United States, desiring to improve the commercial relations between the United States and Her Britannic Majesty's Colony of Newfoundland, have appointed as their respective Plenipotentiaries, and given them full powers to treat of and conclude such convention, that is to say:

Her Britannic Majesty on her part has appointed Sir Julian Pauncefote; and the President of the United States has appointed on the part of the United States James G. Blaine, Secretary of State.

And the said Plenipotentiaries, after having exchanged their full powers, which were found to be in due and proper form, have agreed to and concluded the following Articles :—

ARTICLE I.

United States fishing vessels entering the waters of Newfoundland shall have the privilege of purchasing herring, caplin, squid, and other bait fishes at all times on the same terms and conditions, and subject to the same penalties, in all respects as Newfoundland vessels.

They shall also have the privilege of touching and trading, selling fish and oil, and procuring supplies in Newfoundland, conforming to the harbour regulations, but without other charge than the payment of such light, harbour, and customs dues as are or may be levied on Newfoundland fishing vessels.

ARTICLE II.

Dry codfish, cod oil, seal oil, sealskins, herrings, salmon, trout and salmon trout, lobsters, cod roes, tongues, and sounds, the product of the fisheries of Newfoundland, shall be admitted into the United States free of duty. Also all hogsheads, barrels, kegs, boxes, or tin cans, in which the articles above named may be carried, shall be admitted free of duty. It is understood, however, that "green" codfish are not included in the provisions of this Article.

ARTICLE III.

The officer of the Customs at the Newfoundland port where a vessel laden with the articles named in Article II clears shall give to the master of said vessel a sworn certificate that the fish shipped were taken in the waters of Newfoundland; which certificate shall be countersigned by the Consul or Consular Agent of the United States, and delivered to the proper officer of Customs at the port of destination in the United States.

ARTICLE IV.

When this convention shall come into operation, and during the continuance thereof, the duties to be levied and collected upon the following enumerated merchandize imported into the Colony of Newfoundland from the United States shall not exceed the following amounts, viz. :—

Flour	..	..	..	..	..	..	25 cents per barrel
Pork	..	..	..	..	..	..	1½ cents per lb.
Bacon and hams, tongues, smoked beef and sausage	..	..	..	..	..	..	2½ cents per lb., or 2 dol. 50 c. per 112 lbs.
Beef, pig's heads, hocks, and feet, salted or cured	..	..	..	..	..	..	½ cent per lb.
Indian meal	..	..	..	..	..	..	25 cents per barrel.
Peas	..	..	..	..	..	..	30 cents per barrel.
Oatmeal	..	..	..	..	..	..	30 cents per barrel of 200 lbs.
Bran, Indian corn, and rice	..	..	..	..	..	..	12½ per cent. <i>ad valorem</i> .
Salt	..	..	..	..	..	..	In bulk, 20 cents per ton of 2,240 lbs.
Kerosine oil	..	..	..	..	..	..	6 cents per gallon.

And the following articles imported into the Colony of Newfoundland from the United States shall be admitted free of duty :—

Agricultural implements and machinery imported by agricultural societies for the promotion of agriculture.
Crushing mills for mining purposes.
Raw cotton.
Corn for the manufacture of brooms.
Gas engines when protected by patent
Ploughs and harrows.
Reaping, raking, ploughing, potatoe-digging, and seed-sowing machines to be used in the Colony.
Printing presses and printing types.

ARTICLE V.

It is understood that if any reduction is made by the Colony of Newfoundland, at any time during the term of this convention, in the rates of duty upon the articles named in Article IV of this convention, the said reduction shall apply to the United States.

ARTICLE VI.

The present convention shall take effect as soon as the laws required to carry it into operation shall have been passed by the Congress of the United States on the one hand, and by the Imperial Parliament of Great Britain and the Provincial Legislature of Newfoundland on the other hand. Such assent having been given, the convention shall remain in force for five years from the date at which it may come into operation, and further until the expiration of twelve months after either of the High Contracting Parties shall give notice to the other of its wish to terminate the same; each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said term of five years, or at any time afterwards.

ARTICLE VII.

This convention shall be duly ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty; and the ratifications shall be exchanged at Washington on the 1st day of February, 1891, or as soon thereafter as practicable.

In faith whereof, we, the respective Plenipotentiaries, have signed this convention and have hereunto affixed our seals.

Done in duplicate, at Washington, this day of , in the year of our Lord One thousand eight hundred and

1496.

No. 125.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received January 22, 1891.)

TELEGRAPHIC.

22nd January. Referring to your telegram of 13th January,* the observations of Dominion Government will be sent by mail to-day.

210 SECRET.

No. 126.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received 22nd January, 1891.)

TELEGRAPHIC.

(Paraphrase.)

21st January. Secret. Sir J. A. Macdonald came to me yesterday and asked leave to dissolve the Parliament immediately. It was elected in 1887, and he thinks that a new Parliament would be better able to deal with reciprocity question.

Would Her Majesty's Government, under special circumstances, object to our making public the substance of my recorder, Secret, of the 13th December,† and to our stating authoritatively that it was agreed to on both sides that any treaty of reciprocity of commerce between Canada and United States would, of course, be so framed as not to place imports from United Kingdom at a disadvantage, and that Canada would retain control over her own tariff, so as to be able to extend trade with England and Colonies?

It is of the utmost importance that it should be made public, if possible, before dissolution, which should take place immediately.

* No. 119.

† See No. 89.

1152.

No. 127.

COLONIAL OFFICE to FOREIGN OFFICE.
(Dated January 22, 1891.)

(Confidential.)

[TRANSMITS copy of Sir T. O'Brien's Despatch, Confidential, of 3rd January, 1891.*]

1160.

No. 128.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, January 22, 1891.

WITH reference to previous correspondence, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a telegram† from the Governor of Newfoundland on the subject of the negotiations for an arrangement between that Colony and the United States.

I am to add that a further communication will be made to you as to the answer which should be returned to Sir T. O'Brien's telegram.

I am, &c.

(Signed)

ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

211 SECRET.

No. 129.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received January 22, 1891.)

TELEGRAPHIC.

If possible, please reply by telegraph to my Secret telegram‡ of yesterday's date.

1577.

No. 130.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received 9.5 p.m., January 23, 1891.)

TELEGRAPHIC.

(Paraphrase.)

THE following Minute has been passed by my Ministers:—

The Government of Newfoundland have received authentic information from Washington that if the signature of the convention be postponed it is probable that the United States Government will withdraw. This would be a very grave calamity for this Colony, and my Government urge in the most emphatic manner that Her Majesty's Government immediately return the convention, and cause the same to be signed and ratified.

1160.

No. 131.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

(Paraphrase.)

23rd January, 1891. I have to inform you that Her Majesty's Government have given fullest consideration to the representations of Canada against the proposed Newfoundland convention. As Canadian negotiations with the United States could not, even in the absence of the further delay arising from the dissolution of the

* No. 123.

† No. 122.

‡ No. 126.

Dominion Parliament, be commenced before March, and may not be carried through this year, Newfoundland interests should not be indefinitely postponed. The Newfoundland Government inform me that they are willing to negotiate for an arrangement with Canada on a basis similar to that of the proposed convention with the United States. Her Majesty's Government strongly hope that your Government will, on this understanding, withdraw their opposition to the ratification of the convention between Newfoundland and United States.

24492.

No. 132.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

23rd January, 1891. I request that you will inform your Ministers confidentially that as, after rejection by France of all their proposals, they decline to concur in arbitration, and refuse to legislate for *modus vivendi* while French rights are being ascertained, Her Majesty's Government feel compelled to maintain the position they have taken up, both as regards commencing negotiations with France for arbitration, and as to deferring the ratification of the draft Convention with the United States until its effect on other British interests has been considered. But looking to depressed condition of the Colony and the importance of opening up its resources, they are now prepared to accept in principle Imperial guarantee of a loan for railway construction, as asked by Delegates. They desire further information as to direction, extent, and probable cost of lines, and the probable amount of loan required.

In order to satisfy Imperial Parliament, a previous inquiry by a competent person into the merits of the proposed railway would be necessary, and security afforded perhaps by the creation of an independent Commission that the loan will be expended to the best advantage of the Colony.

210 SECRET.

No. 133.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, January 23, 1891.

I AM directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a telegram* from the Governor-General of Canada, stating that his Government, with a view to an immediate dissolution of Parliament, desire to publish the recorder of Lord Stanley's telegram of the 13th December,† a copy of which accompanied the letter from this Department of the 9th instant.‡

Lord Knutsford is of opinion that the request of the Dominion Government should be acceded to, subject to the important reservation which he understands Lord Salisbury to think essential, namely, that, in compliance with Mr. Blaine's repeated stipulations that secrecy should be maintained, no words should be published committing Mr. Blaine in any way, unless with his previous consent, to an acceptance of the principle of these negotiations; and his Lordship would propose, if Lord Salisbury concurs, to reply to that effect, adding that it is presumed that the expression, "agreed to on both sides," means agreed to as between Her Majesty's Government and the Dominion Government, because, so far as Lord Knutsford is aware, the point in question was never mentioned to the Government of the United States.

I am to enclose, for Lord Salisbury's consideration, a draft telegram§ to the Governor-General.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

P.S.—I am also to enclose a copy of a further telegram|| received last night from Lord Stanley of Preston, expressing the wish of his Ministers for an immediate reply.

R. G. W. H.

* No. 126.

† No. 89.

‡ Not printed.—L. F.

§ See No. 136.

|| No. 129.

1160.

No. 134.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.
(Sent 4.50 p.m., January 23, 1891.)

TELEGRAPHIC.

(Paraphrase.)

I HAVE received your telegram of the 17th instant* respecting the delay in proceeding with the convention. Its tone is not justified. I have already explained that the effect of the convention on Canadian interests must be fully considered, and further examination has shown that the probable effect would be more serious than was at first supposed. The question, therefore, cannot be disposed of as speedily as Her Majesty's Government had originally anticipated and desired. Remembering the pledge given by Newfoundland Government to Canada in 1887 as to the Bait Act, your Ministers should assure Canada that Canadian fishermen will at once be placed in the same position as United States fishermen under the convention, and that, as stated in your telegram of the 3rd January,† your Government are willing to negotiate for an arrangement on a similar basis to that proposed with the United States.

If Canada assents, the difficulty now standing in the way of the ratification of the convention with the United States would be speedily removed.

212 SECRET.

No. 135.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, January 23, 1891.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of this day's date,‡ relative to the desire of the Canadian Government to have an immediate dissolution of Parliament, and to publish before the general election their proposals for negotiations with the United States in regard to matters of commerce and fishery.

I am to state, in reply, that Lord Salisbury concurs in the terms of the telegram which Secretary Lord Knutsford proposes to address to the Governor-General of Canada on the subject.

I am to enclose, for Lord Knutsford's information, the copy of a Secret telegram which Lord Salisbury has addressed to Her Majesty's Minister at Washington informing him of the intended publication.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure in No. 135.

THE MARQUIS OF SALISBURY to Sir J. PAUNCEFOTE.

TELEGRAPHIC.

(No. 7. Very Secret.)

Foreign Office, January 23, 1891, 4 p.m.

DOMINION Government are proposing to dissolve Parliament immediately, and to announce the terms which they have offered to Blaine for a commercial treaty. Great care will be taken not to commit him to any opinion on the subject. Have you any observations to make?

210 SECRET.

No. 136.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.
(Sent 4.40 p.m., January 23, 1891.)

TELEGRAPHIC.

(Paraphrase.)

IN reply to your telegram of the 21st instant,* Her Majesty's Government consent to the publication of the recorder of your message of the 13th December,† provided that the words between "desirous" and "to propose," at the beginning, and the words following "approve," at the end, be omitted:

Without the express consent of Mr. Blaine, Her Majesty's Government cannot commit the United States to any expression of opinion, having regard to Mr. Blaine's strong injunctions as to secrecy.

We understand that the words, "agreed to on both sides," in your telegram of 21st,* mean agreed to between Her Majesty's Government and the Government of the Dominion.

213 SECRET.

No. 137.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received January 24, 1891.)

TELEGRAPHIC.

(Paraphrase.)

24th January. My Government would like to know whether Mr. Blaine would object to its being known that the United States Government were willing to discuss the question of reciprocity fully, though informally, with Her Majesty's Minister at Washington and one or more Canadian delegates. Although we are grateful for your permission, it would not serve any good purpose here to publish our own proposals without any intimation of the general attitude of the United States Government.

In deference to Mr. Blaine's preference for unofficial conference with Dominion Government, we agree to send representatives as soon after the 4th March as our Parliamentary engagements will permit, but it is necessary that Mr. Blaine's proposal should be made known as the basis for the mission.

The question of the dissolution of Parliament is suspended for the moment. It is most important, therefore, that Mr. Blaine's assent should be obtained to publication as proposed.

212 SECRET.

No. 138.

COLONIAL OFFICE to the HIGH COMMISSIONER FOR CANADA.
(Dated January 24, 1891.)

(Secret.)

[TRANSMITS copies of Governor-General's Secret Despatch of 13th December and telegram of 22nd January, and Lord Knutsford's telegrams of 23rd January.‡]

1160.

No. 139.

COLONIAL OFFICE to FOREIGN OFFICE.
(Dated January 24, 1891.)

[TRANSMITS paraphrases of telegrams to Sir T. O'Brien and Lord Stanley of Preston, dated 23rd January, 1891.§]

* No. 126.

† No. 89.

‡ Nos. 89, 125, 131, and 132.

§ Nos. 131, 132, and 134.

1577.

No. 140.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, January 24, 1891.

WITH reference to the letter from this Department of even date,* I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a further telegram† from the Governor of Newfoundland, urging the immediate signature of the Convention with the United States.

Lord Knutsford proposes, with Lord Salisbury's concurrence, to refer the Governor, in reply, to his telegram of the 23rd instant,‡ which accompanied my letter of this date referred to above.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) EDWARD WINGFIELD.

1716.

No. 141.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.

(Received 7.45 p.m., January 26, 1891.)

TELEGRAPHIC.

(Paraphrase.)

26th January. At a Committee meeting of the Cabinet, my Ministers have passed the following Minute in reply to your telegram of the 23rd instant§:—

The Government of Newfoundland desire to state that, if Her Majesty's Government will immediately sign the convention with the United States, they give their assurance to Her Majesty's Government that they will at once negotiate for an arrangement with Canada, on a similar basis to that with the United States, as stated in the Governor's telegram of the 3rd January.¶ As this assurance removes the only reason given for the delay on the part of Her Majesty's Government, Newfoundland Government strongly urge the immediate ratification of the convention. The ratifications are supposed to be exchanged at Washington on the 1st February.

Thinking that the foregoing Minute did not furnish a satisfactory reply to your Lordship's first question, I saw Sir W. Whiteway, who informed me that the assurance given in the Minute is regarded as a reply to the whole question.

214 SECRET.

No. 142.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, January 26, 1891.

WITH reference to your letter of the 22nd instant,¶ I am directed by the Marquis of Salisbury to transmit, for the information of Secretary Lord Knutsford, a paraphrase of a telegram from Sir J. Pauncefote containing his observations on the proposed communication to the Canadian Parliament of the terms which the Dominion Government have offered to the United States Secretary of State for a commercial treaty.

A paraphrase of the telegram addressed to Sir J. Pauncefote on this subject was enclosed in my letter of the 23rd instant.**

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 139.
§ No. 134.

† No. 130.
¶ No. 111.

¶ No. 127.

‡ No. 134.
** No. 135.

Enclosure in No. 142.

PABAPHRASE of TELEGRAM from Sir J. PAUNCEFOTE, No. 13, Secret, of
January 24, 1891.

IN reply to your Lordship's telegram No. 7 of the 23rd instant, with great deference to your Lordship's opinion, I venture to think that I should be authorized to inform Mr. Blaine that his proposal for a preliminary and private exchange of views as to the basis of an arrangement between Canada and the United States is declined, before the proposed announcement is made to the Dominion Parliament of the terms which have been offered by them to Mr. Blaine for a commercial treaty.

I am also of opinion that Mr. Blaine should not be committed by the announcement to more than a refusal of a formal Commission until a reasonable prospect of practical results has been established by a preliminary exchange of views.

213 SECRET.

No. 143.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, January 26, 1891.

WITH reference to the letter from this Department of the 24th instant,* I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a further telegram† from the Governor-General of Canada respecting the proposal of the Dominion Government to publish the recorder‡ of Lord Stanley of Preston's telegram of the 13th December.

Lord Knutsford desires me to suggest, for Lord Salisbury's consideration, that the substance of Lord Stanley's telegram should be telegraphed to Sir J. Pauncefote, with instructions to ascertain confidentially from Mr. Blaine whether he would object to the Dominion Government announcing that the United States Government were willing to discuss the question of reciprocity fully, though informally, with Her Majesty's Minister at Washington and one or more Delegates from Canada

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) R. H. MEADE.

1711.

No. 144.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, January 26, 1891.

WITH reference to the further telegram from the Governor of Newfoundland of the 23rd instant§ (a copy of which was enclosed with your letter of the 24th||), urging the immediate signature of the proposed convention for regulating the commercial relations between that Colony and the United States, I am directed by the Marquis of Salisbury to state that he concurs in Lord Knutsford's proposal to refer the Governor to the telegram already sent to him on the 23rd January on the subject.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 139.

§ No. 130.

† No. 137.

‡ No. 89.
|| No. 140.

1716.

No. 145.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

TELEGRAPHIC.

(Paraphrase.)

27th January, 1891. I am anxious for an early answer to my telegram of the 23rd instant* as to the proposed convention between Newfoundland and the United States.

The Government of Newfoundland have given Her Majesty's Government an assurance that, if the convention is signed, they will at once negotiate for an arrangement on a similar basis with Canada.

I hope that your Ministers will accept this assurance, and at once withdraw their objections.

1946.

No. 146.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received 7.55 p.m., January 28, 1891.)

TELEGRAPHIC.

(Paraphrase.)

28th January. The Privy Council cannot be called before to-morrow, but I desire earnestly to warn Her Majesty's Government of the danger to the unity of the Dominion of Canada if Newfoundland is admitted to, while Canada is excluded from, reciprocity of commerce at the instance of the United States.

The Dominion Government are in no way responsible for the delay in the negotiations, nor would the dissolution of Parliament, should it take place, retard the commencement of them. Meanwhile, can your Lordship reply to my telegram of the 24th instant? †

1716.

No. 147.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, January 28, 1891.

WITH reference to your letter of the 26th instant, ‡ I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a further telegram§ from the Governor of Newfoundland respecting the convention between that Colony and the United States.

I am also to enclose a paraphrase of a telegram|| which has been sent to the Governor-General of Canada, urging an early reply to Lord Knutsford's telegram of the 23rd instant, ¶ which accompanied my letter of the 24th January.

Pending the receipt of a reply from Lord Stanley of Preston, Lord Knutsford proposes to defer returning an answer to Sir T. O'Brien.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

The Under Secretary of State,
Foreign Office.

2105.

No. 147 A.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.

(Received January 29, 1891.)

(Confidential.)

MY LORD,

Government House, St. John's, January 17, 1891.

I HAVE the honour to explain that the telegram sent by me this morning** was only forwarded because I felt that, if it is my duty to submit any Memorial from this Colony that may be presented to me for the purpose of transmission to your Lordship.

* No. 131.

‡ No. 145

† No. 137.

¶ No. 131.

‡ No. 142.

§ No. 141.

** No. 122.

I equally felt bound so to do when it emanated from my Ministers, though I could in no way approve of the message in question.

2. Your Lordship's telegram of the 13th instant* having been, on receipt, communicated to my Ministers, I, on the 15th instant, was requested to forward the message sent this day; this I objected to (*vide* copy of letter to the Colonial Secretary annexed) till I could state my views fully in the matter, which I did yesterday; and for three hours stood alone in supporting my views in vindication of Her Majesty's Government. Mr. Bond, however, who spoke at great length, carried the Council with him, when all (Mr. Harvey, who was absent, excepted) decided that the message should go as it was.

3. I pointed out to them the uselessness of such a communication with its needlessly strong and uncalled-for language, and its repetitions; I dwelt on the fact that, however much Mr. Bond may have been looked upon as an emissary and worthy of consideration, still, as he occupied no diplomatic position, the submission by him of the convention to our Ambassador could not be a recognized official channel or act; neither could the fact of Mr. Blaine in the interim being induced to alter the conditions and strike out the clause relating to minerals be laid to the door of Her Majesty's Government. I further pointed out that Canada could in no way be drawn into this part of the case, especially as, by their own showing, if Mr. Blaine would only negotiate with us in the first instance, because we were independent of Canada, he certainly would be little likely to be influenced by the Dominion in his subsequent action.

4. Mr. Bond's grievance was that, on leaving London, he, on being furnished with certain credentials, was informed that full instructions to act would be sent to our Ambassador at Washington; that, on arrival in America, finding they had not arrived, he had telegraphed to Sir William Whiteway, then in London, who had answered saying that the documents would be sent at once; that he, on the faith of this, had informed Mr. Blaine and others that he was empowered to treat with the United States for a direct convention with this Colony, subject to the primary concurrence of Her Majesty's Ambassador; that he made the arrangement, and, at Mr. Blaine's desire, personally took it to Sir Julian Pauncefote, who then informed him that he had no instructions, and "could not budge an inch" in the matter; that this delay, which he attributed to the malevolent action of the Dominion through its London Commissioner, has given time for pressure from the western and mineral-producing States to be brought to bear on Mr. Blaine, who has consequently struck out the metal clause; the whole culminating in the deduction that it was owing to the British Government not having given, as he stated it had engaged to do, powers of ratification to its American Ambassador, that the failure was due of negotiations on which so much of the future prosperity of the Colony depends, and to the success of which he had devoted so much time and energy.

5. This, supplemented with the usual wail of ill-treatment and neglect with which the Colony has ever been treated by England, and the manner in which now and in all time its interests have been made subservient to those of Canada, made up the sum total of the sitting, except that, as regards the latter part, I begged them to reverse the question and tell me what they would say were Canada making a Treaty with the United States that would be detrimental to this Colony, and Her Majesty's Government turned a deaf ear to their remonstrances; a remark that was received with a smile, for, though our views were expressed very strongly, still a most friendly feeling pervaded the meeting, and in maintaining the views they all expressed their personal regret at having been obliged to differ from me in the matter.

6. There can be no doubt but that this modification is a great disappointment to the Government, notwithstanding that the principal advantage, viz., free fish, still remains, and that it is a still greater disappointment to Mr. Bond, who seems to feel bitterly the loss of prestige and other advantages which the satisfactory termination of such a convention, through his exertions, would have conferred on him.

I have, &c.

(Signed)

T. O'BRIEN, Lieut.-Col.,
Governor.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

Enclosure in No. 147 A.

PRIVATE SECRETARY to COLONIAL SECRETARY.

SIR, Government House, St. John's, January 15, 1891.

I HAVE the honour to acknowledge the receipt of your letter of yesterday's date, covering a Minute passed by Committee of Council, and requesting that it might be forwarded by telegram to the Secretary of State.

2. I immediately submitted your letter to his Excellency, who directs me to inform you, in reply, that he is unable to comply with your request and forward the Minute in its present form. In the first place, he considers it needlessly long, and that it would be improved by cutting out various portions, more especially that relating to Canada, on which point the Executive have already fully expressed their opinion to Her Majesty's Government.

3. With regard to that portion of the Minute which relates to the counter-draft having been submitted by Mr. Bond to Sir Julian Pauncefote, his Excellency considers that this also should not be included in its present form, as this transaction was, on the face of it, a purely informal matter, and it is impossible to consider the presentation of a draft document to Sir Julian Pauncefote by a Newfoundland official as the official reply of a Minister of the United States to a British Plenipotentiary.

4. I need hardly say that his Excellency will be happy to forward to Her Majesty's Government any Memorial that the Executive Council may see fit to address to them; but he considers that a telegraphic message should be strictly confined to the actual necessities of the business portion of the case.

The Hon. Robert Bond, M.H.A.,
Colonial Secretary.

I have, &c.
(Signed) CECIL FANE.

2113.

No. 148.

SIR TERBNCE O'BRIEN to LORD KNUTSFORD.
(Received January 29, 1891, 10 p.m.)

TELEGRAPHIC.

(Paraphrase.)

THE Premier has called upon me and requested me to send a private message from him, earnestly urging the immediate signature of the convention with the United States. He says that there is a bitter feeling of hostility to Her Majesty's Government, which may burst out at any moment, and which he cannot control.

He says further that, unless this convention is signed, all chance of concessions to Canada fails. That Newfoundland can get all she wants without Canadian trade, but that, if the convention is signed, the required concessions to Canada will be made right, and good feeling established.

He desires to remind you that to-morrow will be the last day.

215 SECRET.

No. 149.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received January 31, 1891, 11 a.m.)

TELEGRAPHIC.

30th January. A report from Washington to the "New York Herald" yesterday says that an important conference has been held between Blaine, Hitt, and some prominent members of the Annexationist party here. Pray give me a favourable reply to my telegram of the 24th January,* which is still unanswered.

Until you can do so the hands of the Dominion Government are unfairly tied, while the Annexationist party circulate untrue reports on supposed authority. I sent a confidential Despatch† to you yesterday giving full details of the position here, which is serious.

* No. 137.

† No. 167.

I believe Mr. Blaine's delays to be intentional, and in the hope of strengthening the Annexationist party here.

This telegram should be referred to, in reply, as personal.

2273.

No. 150.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received January 31, 1891.)

TELEGRAPHIC.

(Paraphrase.)

30th January. I received last night the Report of the Council. It recalls the promise of Her Majesty's Government that the Newfoundland convention should be postponed until the negotiations on behalf of Canada could proceed *pari passu*: it states that the Dominion Government agreed to the commencement of negotiations at once. No responsibility for delay rests on them; nor would the negotiations be retarded by the dissolution. Blaine wishes them to be delayed until 4th March, assigning no reason why he is prepared to conclude convention with Newfoundland before entering on even a preliminary discussion with Canada. My Council therefore respectfully insists on the importance of negotiations with Canada being proceeded with *pari passu* with those of Newfoundland. An examination of the proposed convention shows that the treaty rights of British North American fishermen are reduced to a nullity if Newfoundland is admitted to the United States markets under the proposed convention. The Dominion Government have refused to discriminate against the United Kingdom; but if such discrimination be permitted under the Newfoundland convention, the Canadian people cannot continue to believe in the importance of that principle as safeguarding British interests.

The Council strongly urge the necessity that any trade arrangement with the United States should apply equally to all the British North American provinces. The Vth Article of the convention appears to maintain permanent discrimination in favour of the trade of the United States.

1946.

No. 150 A.

COLONIAL OFFICE to FOREIGN OFFICE.

- (Dated January 31, 1891.)

[Transmits copies of Lord Stanley of Preston's telegram of 28th January, and Sir T. O'Brien's telegram of 29th January, 1891.*]

2273.

No. 150 B.

COLONIAL OFFICE to FOREIGN OFFICE.

(Dated January 31, 1891.)

[Transmits copies of Lord Stanley of Preston's telegrams of 30th January, 1891.†]

216 SECRET.

No. 151.

LORD KNUTSFORD to LORD-STANLEY OF PRESTON.

TELEGRAPHIC.

(Paraphrase.)

• 2nd February, 8:40 a.m. With reference to your telegram of the 24th ultimo,† Sir Julian Pauncefote telegraphs that Mr. Blaine considers as confidential his reply to the bases proposed by your Ministers, namely, that it was futile attempting to

* Nos. 146 and 148.

† Nos. 149 and 150.

‡ No. 137.

appoint a formal Commission to consider the question of reciprocal trade, but that he was ready to confer privately with the British Minister at Washington, and one or more delegates from Canada.

It has been stated publicly by Mr. Blaine that there was no negotiation whatever on foot for a reciprocity treaty with Canada.

Under these circumstances you should communicate direct with Sir J. Pauncefote, and tell him exactly the points which your Ministers wish to be permitted to make public.

Inform me what you telegraph to Sir J. Pauncefote.

2412.

No. 152.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 2, 1891, 6.30 p.m.)

TELEGRAPHIC.

(Paraphrase.)

My Government, at my special request, and so as to remove all possible doubt as to their intentions, which they appear to have thought beyond all doubt, give an assurance, on the condition that the convention is at once ratified, that the same privileges shall, immediately on such ratification, be accorded to Canadian fishermen as those conceded to the United States. It is exceedingly desirable that my Speech on the opening of the Legislature should contain an intimation of the ratification, so I should be glad if you would answer immediately.

217 SECRET.

No. 153.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, February 2, 1891.

With reference to your letter of the 26th ultimo,* relative to the wish of the Canadian Government to make public their proposals for a reciprocity arrangement with the United States, and Mr. Blaine's consent to discuss the matter informally and confidentially, I am directed by the Marquis of Salisbury to transmit to you, for Secretary Lord Knutsford's information, paraphrases of the telegraphic instructions addressed to Her Majesty's Minister at Washington on the subject, and of Sir J. Pauncefote's replies reporting the results of his communications with Mr. Blaine.

It appears to Lord Salisbury that the best course under present circumstances will be that the Governor-General should be requested to communicate directly with Sir Julian Pauncefote, and inform him of the exact points which the Canadian Government wish to be allowed to make public.

Lord Salisbury understands that Lord Knutsford concurs in this view, and is sending instructions accordingly to Lord Stanley of Preston. A telegram has therefore been addressed to Sir J. Pauncefote to prepare him for the receipt of Lord Stanley's communication.

I am to inclose a paraphrase of this message for Lord Knutsford's information.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

Enclosure 1 in No. 153.

The MARQUIS OF SALISBURY to Sir J. PAUNCEFOTE.

TELEGRAPHIC.

(No. 9. Paraphrase.)

26th January, 1891. I have to request you to state to Mr. Blaine, confidentially, that the Government of the Dominion of Canada desire to publish the proposals put

forward by them as bases of negotiation for a convention with the United States to regulate fishery and commercial questions, and that they also wish to publish the fact that the Government of the United States expressed their readiness to enter upon a full, though informal, discussion of the question of reciprocity with yourself and one or more Delegates from the Dominion of Canada.

I shall be glad if you will ascertain and inform me whether Mr. Blaine would have any objection to this announcement being made.

The Canadian Government, in deference to Mr. Blaine's preference for an unofficial conference, have expressed their readiness to send Representatives to Washington at as early a date after the 4th March as their Parliamentary duties will allow. As a ground for sending the Delegates it is necessary that Mr. Blaine's proposal should be published.

I have to add, for your own information only, that the question of dissolving the Dominion Parliament has for the present been postponed.

Enclosure 2 in No. 153.

The MARQUIS OF SALISBURY to Sir J. PAUNCEFOTE.

TELEGRAPHIC.

(No. 10. Paraphrase.)

31st January, 1891. The Canadian Government are very urgent for a reply to my telegram No. 9 of the 26th instant, as to the extent to which they can make public Mr. Blaine's consent to discuss the bases of a negotiation for a convention on fishery and commercial questions.

I should be glad to know if you have yet received Mr. Blaine's answer on the subject.

Enclosure 3 in No. 153.

Sir J. PAUNCEFOTE to the MARQUIS OF SALISBURY.
(Received January 31, 1891.)

TELEGRAPHIC.

(No. 19. Paraphrase.)

31st January. I addressed a confidential note to Mr. Blaine making the communication and inquiry directed in your Lordship's telegram No. 9 of the 26th ultimo immediately on its receipt, and I requested that he would send me a reply on the same day.

As Mr. Blaine failed to do this, I again wrote to him this morning, and strongly pressed him to let me have an answer in the course of the day.

Enclosure 4 in No. 153.

Sir J. PAUNCEFOTE to the MARQUIS OF SALISBURY.
(Received February 1, 1891.)

TELEGRAPHIC.

(No. 20. Paraphrase.)

31st January, 1891. In reply to my two notes referred to in my previous telegram of to-day, Mr. Blaine writes, after excusing himself for the delay, as follows:—

"I see no reason for changing the conclusion we reached in our confidential talk of the 22nd ultimo."

Mr. Blaine therefore considers as confidential his reply to the Canadian bases, as reported in my telegram No. 101 of the 22nd December.

In answer to an inquiry from a New York Representative he has stated in a public letter that no negotiations whatever for a reciprocity treaty with Canada are on foot.

Does your Lordship wish that I should press him to give me such a reply to the Canadian proposal as can be published?

Enclosure 5 in No. 153.

- The MARQUIS OF SALISBURY to Sir J. PAUNCEFOTE.

TELEGRAPHIC.

(No. 13. Paraphrase.)

1st February, 1891. I have received your telegram No. 20 of the 31st ultimo relative to the proposed publication of the preliminary proposals for an arrangement on fishery and commercial questions between Canada and the United States.

Instructions will be sent by telegram to the Governor-General of the Dominion to communicate directly to you the exact points which the Dominion Government wish that they may be permitted to publish.

This will enable you to see whether it is possible to come to an arrangement with Mr. Blaine that would meet the wishes of the Canadian Ministers.

218 SECRET.

No. 154.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.
(Received February 3, 1891.)

TELEGRAPHIC.

2nd February. I have received your telegram of the 2nd instant.*

As Mr. Blaine insists upon secrecy being maintained even as to the preliminaries for negotiation, and in view of the unlikelihood of any change in his attitude, I shall act on your Lordship's message of the 23rd January,† and, if necessary, publish the substance of the recorder of my telegram of the 13th December,‡ omitting, as you desired, all words relating to the United States Government.

I have signed the orders for a dissolution of Parliament, but it is possible that it will not take effect for some days. I have kept in touch with Sir J. Pauncefote, but will communicate with him as you desire, and will also take care to keep your Lordship informed.

219 SECRET.

No. 155.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 3, 1891.)

TELEGRAPHIC.

(Paraphrase.)

THE unfortunate difficulties connected with the French treaty rights question, and the consequent non-issue of the loan, have so seriously affected and curtailed the facilities hitherto possessed by this Colony and people that, unless temporary relief is at once afforded, serious financial difficulties are inevitable. My Ministers ask Her Majesty's Government to help Newfoundland at this grave crisis by guaranteeing a loan of 150,000*l.* to the London and Westminster Bank upon its advancing that amount, and my Ministers undertaking to make any arrangement which will satisfy Her Majesty's Government for their indemnification. I urgently solicit an immediate favourable reply, as the crisis cannot be averted for more than a few days.

217 SECRET.

No. 156.

COLONIAL OFFICE to FOREIGN OFFICE.
(Dated February 3, 1891.)

[Transmits copy of telegram to Lord Stanley of Preston of 2nd February, and his reply of 3rd February, 1891.§]

* No. 151.

† No. 136.

‡ No. 89.

§ Nos. 151 and 154.

2412.

No. 157.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, February 3, 1891.

WITH reference to the letter from this Department of even date,* I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a further telegram† from the Governor of Newfoundland respecting the convention between the Colony and the United States.

I am, at the same time, to transmit the draft of a telegram‡ which, with Lord Salisbury's concurrence, Lord Knutsford proposes to send in reply to this telegram and Sir T. O'Brien's previous messages of the 26th and 29th ultimo,§ stating that Her Majesty's Government are unable at present to sign the convention.

I am, &c.

The Under Secretary of State,
Foreign Office.

(Signed) JOHN BRAMSTON.

2602.

No. 157 A.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received February 4, 1891.)

(Confidential.)

MY LORD,

Government House, Ottawa, January 22, 1891.

As I have had the honour to inform your Lordship yesterday by telegram,|| the Prime Minister of the Dominion Government has expressed his desire to dissolve the present Parliament at once.

It was elected in 1887, and the Dominion Government consider that many grave questions, such as those of the commercial and other relations between the United States and Canada, can be best and most satisfactorily dealt with by a body of representatives who have been in immediate and recent touch with the electorate.

Concurring in the views of the Government, I have assented to the dissolution, which will take place in a month or six weeks' time.

I have, &c.

(Signed)

STANLEY OF PRESTON.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

2603.

No. 158.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received February 4, 1891.)

(Secret.)

MY LORD,

Government House, Ottawa, January 22, 1891.

CIRCUMSTANCES have arisen which make it desirable to lay before the Parliament of the Dominion, or otherwise to make public, the substance of the correspondence which has lately passed between myself, on behalf of the Government of this Dominion, and Her Majesty's Ministers.

As nearly all these communications have been "Secret" they cannot be referred to nor quoted in Parliament; and, on the other hand, it is of very great importance that, during the approaching general election, of which I have had the honour to advise your Lordship in my Confidential Despatch of even date,¶ it should be clearly known on authority what has been the attitude of Her Majesty's Ministers and that of the Dominion Government respectively on a question of such grave importance as that of the commercial relations between Canada and the United States.

I have, &c.

(Signed)

STANLEY OF PRESTON.

The Right Honourable Lord Knutsford,
&c. &c. &c.

* No. 156.
§ Nos. 141 and 148.

† No. 152.
|| No. 126.

‡ See No. 162.
¶ No. 157 A.

2607.

No. 159.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, February 4, 1891.

I AM directed by the Marquis of Salisbury to acknowledge the receipt of your letter of yesterday,* inclosing a paraphrase of a telegram from Sir Terence O'Brien, in which he again urges the immediate signature of the convention with the United States, and conveys the assurance, on the part of his Government, that immediately on the ratification taking place they will grant to Canadian fishermen the same privileges as those conceded to the United States.

I am to request that you will state to Lord Knutsford that Lord Salisbury concurs in the proposed reply to this telegram, a draft of which also accompanied your letter.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

219 SECRET.

No. 160.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

5th February, 1891, 3 p.m. I have received your telegram of the 3rd instant.† The Cabinet meets on Saturday. I presume that the arrangements for indemnification include the supervision by an officer of the Imperial Government of the finance, Customs, receipts, and expenditure of the Colony.

Telegraph reply.

221 SECRET.

No. 161.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.

(Received February 6, 1891, 4.45 p.m.)

TELEGRAPHIC.

(Paraphrase.)

6th February. In answer to your telegram of the 5th instant,‡ my Ministers send the following Minute: A commercial crisis is impending, owing to causes already referred to, increased by the stringency of money in England. There are more than ample stocks to meet all liabilities, but parties are prevented from drawing exchange by these causes. The Colonial Government is not straitened nor directly affected, but its coming to the assistance is the only means of averting a crash. My Government are therefore not willing that their financial affairs should be put in charge of outside officials, and hope that this will hardly be asked for, and such a condition would show a want of confidence in their integrity, and would reflect seriously on the credit of the Colony.

The London and Westminster Bank would accept such an exchange if backed by the guarantee of Her Majesty's Government, and it is very improbable that the exchange would be drawn for more than 75,000l. The guarantee is only required for one year, when my Government undertake to pay and cancel the obligation. Should Her Majesty's Government be called upon to pay on the guarantee, my Ministers will assent to supervision or make such other arrangements as may be approved by Her Majesty's Government.

2702.

No. 162.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 6, 1891.)

TELEGRAPHIC.

(Paraphrase.)

6th February. My Ministers consider it most essential to have an immediate reply to my telegram of the 2nd instant,* with a view to my Speech at the opening of Parliament. They state that an explanation in this matter must necessarily be given to the House, as otherwise serious complications are certain to arise.

2412.

No. 163.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

7th February, 1891. I will endeavour to send on Monday full replies to your telegrams of the 2nd and 6th February.

221 SECRET.

No. 164.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

9th February, 1.10 P.M. Her Majesty's Government have no power to guarantee any sum, however small, without the assent of Parliament.

The House of Commons would not accept the grounds stated in your telegram of the 6th instant† as sufficient justification for the guarantee of 150,000*l*.

Her Majesty's Government, however, are willing to act on my telegram of the 23rd January,‡ and, as also pointed out in that message, it will be necessary, in order to justify their action to Parliament, to have a Commission sent out—

1. To inquire into the agricultural, mining, and other resources of the Colony, and the manner in which they may best be developed;

2. To inquire into and report upon the general financial condition of the Colony;

3. To inquire into and report upon the present condition of the population resident on or near the parts of the coast on which the French have rights of fishery, and to ascertain in what particular respects the Treaty obligations of Great Britain and the Colony may have operated to the prejudice of that population; and, further, to report by what remedies consistent with those obligations, and with the rights and interests of other portions of the Empire it may be practicable to remove the disadvantages under which the inhabitants of the Colony labour.

If your Government accepts this Commission, Her Majesty's Government will propose to Parliament the legislation already indicated.

It will be necessary at the same time to satisfy Parliament that proper measures are being taken for adjusting the controversy with France, and that the Colony is co-operating with Her Majesty's Government for that purpose.

221 SECRET.

No. 165.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

9th February, 1891, 1.10 P.M. Confidential. I should hope that the financial crisis anticipated by your Ministers may be averted by the knowledge that Her Majesty's

* No. 152.

† No. 161.

‡ No. 132.

Government are prepared, subject to the acceptance of the Commission proposed in my telegram of this date,* to introduce a Bill empowering a guarantee for the Colonial Railway Loan. It must be understood that financial aid involves previous inquiry, and in case of failure to meet engagements some form of control.

2412.

No. 166.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

9th February, 1891. Her Majesty's Government have carefully considered your telegrams of the 26th and 29th January,† and I regret to inform you that they are still unable to depart from the conclusion announced to you on the 10th December‡ that the proposed Convention cannot be concluded until it has been proved that it would not prejudice other British interests.

Your Ministers are aware that this consideration has always been held to be of vital importance, and that on all previous occasions the interests of Newfoundland have been advocated by Her Majesty's Government in conjunction with those of Canada. Her Majesty's Government are, therefore, not at present in a position to proceed with the proposed Convention. I shall explain further by despatch some points which your Government does not appear correctly to appreciate.

Your telegram of 2nd instant§ does not alter the position, as the undertaking contained in it would only to a very limited extent meet the objections which have to be considered.

222 SECRET.

No. 167.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received February 9, 1891.)

(Confidential.)

Government House,

MY LORD,

Ottawa, January 28, 1891.

WITH reference to previous correspondence, I have the honour to state that on the 23rd instant I received, and without delay submitted to Council, your Lordship's telegram|| in which you informed me that Her Majesty's Government had given the fullest consideration to the representations of Canada against the proposed Newfoundland convention; that, as the Canadian negotiations with the United States could not be commenced before March even in the absence of any further delay arising from the dissolution of the Parliament of the Dominion, Her Majesty's Government felt that Newfoundland interests should not be further postponed. That the Newfoundland Ministers had intimated to your Lordship that they were willing to negotiate with Canada on a basis similar to that of the proposed convention with the United States. That Her Majesty's Government strongly hoped that the Dominion Government would on this understanding withdraw opposition to the convention between Newfoundland and the United States.

Apart from the telegrams which have been interchanged, your Lordship will have before you a Despatch¶ covering a Minute of Council dated the 12th December last, in which the reasons for the objection which the Dominion Government feel it their duty to urge against the proposed negotiations for Newfoundland were very fully and ably stated.

It is there shown that in 1818, in 1819, in 1854, the fishery rights which were conceded to the United States fishermen and the corresponding commercial concessions made by the United States Government had reference to all the British North American provinces which were willing to accept them.

In 1871, though Canada was represented and Newfoundland was not represented among Her Majesty's Plenipotentiaries at Washington, Article XXXII of the treaty expressly provided that the treaty provisions relating to fisheries and commerce which applied to Canada and Prince Edward Island should extend to the Colony of Newfoundland as far as possible. The Washington treaty of 1888 included Canada and

* No. 164.
§ No. 152.

† Nos. 141 and 148.
|| No. 131.

‡ No. 82.
¶ No. 100.

Newfoundland under one provision, although, as before, Newfoundland was not represented among the Plenipotentiaries, and the *modus vivendi* under the draft treaty was common to both Canada and Newfoundland at least until 1890.

It is not too much to say that, up to the present, the policy of Her Majesty's Government has been to treat all the British North American provinces alike, and not to permit any one province to receive advantages or to offer concessions which were not common to all.

I am most earnestly desirous to impress upon your Lordship what I believe to be of vital importance, and never more so than at this time, namely, that the policy of separate dealings of any one Colony or province in British North America with the United States should not be admitted for a moment.

A large proportion of the people of the United States have never abandoned the desire to annex British North America, and many look forward confidently to such an event. Some desire it for political reasons—mainly because it would be, as they suppose, a blow to British power—others for the sake of acquiring the great natural riches and resources which are possessed by the Dominion, and in the hope of extending their home markets.

At this moment I believe that the prevailing feeling in Canada is that of loyalty to the British connection. Canadians have manfully resisted both threats and inducements held out to them by the United States, and while they can feel that the British Government is alive to their interests, I do not believe that they will be unmindful of corresponding obligations; but it would be useless to ignore the fact that there are many persons with whom considerations of trade are paramount. The recent Act of Congress (commonly called the McKinley Bill) was admittedly intended as a measure hostile to foreign trade, and particularly directed against that of the Dominion. It was at once a threat against independence of trade, and a temptation to the closest reciprocal arrangements. Canada has so far ignored the threat and declined the inducement.

Setting aside protectionists pure and simple, it may be said that there are, in the Dominion, three classes or parties whose principles have reference to greater or less commercial relations with the United States:—

1. Those, such as many members of the present Government and their supporters, who are ready for full, though not unrestricted, reciprocity.

2. Those who are in favour of unrestricted reciprocity, which would include, as I understand it, differential duties against the United Kingdom, as a possible condition of trade with the United States.

3. Those who are in favour of commercial union—a question which was ably discussed by my predecessor in a Despatch* which was circulated to the British Cabinet early in the spring of 1888.

Of these last it is not too much to say that most would accept—some would hope for—annexation to the United States as the result of such union. They are not now as favourably looked upon as they were before it became clear that their policy implied entire submission to the commercial policy of the United States.

I have entered into these particulars because I am anxious to draw your Lordship's attention to the effect of the course recommended by the British Government, and to the especial effect which it would have at this moment.

The present Government of the United States are avowedly unfriendly to Canada while she continues in the British connection. Their policy in former years was to endeavour to detach single provinces, such as Prince Edward Island, the maritime provinces, and more recently Manitoba. In the days when Canada was but a collection of isolated Colonies, while her trade was still insignificant, and before her communications had been developed, Americans looked upon it as only a question of time for the Monroe doctrine to prevail. The British North America Act gave by confederation the strength of unity—the trade of the Dominion has increased, its resources are in rapid process of development, while the great railway lines of Canada threaten that monopoly of transcontinental trade which the people of the United States have learnt to look upon as their right. Canada's influence in commercial matters can no longer be ignored, and this it is that has redoubled the unfriendly feeling which is, unfortunately, too prominent a factor in American politics.

The Government of the Dominion are not unaware of the special difficulties which surround the relations of the British Government with that of the Colony of Newfoundland. If no other consideration were involved it could be easily understood why Her Majesty's Government should assent to a commercial treaty even of unusual

* "North American No. 131."

character on the ground that it might be beneficial to the inhabitants of Newfoundland. But when it is shown, as I have endeavoured to show, that the unbroken policy of the Home Government in respect of the British North American Colonies has been that what touches one touches all, and when it is remembered that the policy of the United States has been, if possible, to break up the unity of Canada as expressed in confederation, I venture to believe that the Dominion Government are not to be thought unreasonable in asking for the delay of the draft Newfoundland convention until such time as they can have the opportunity of at least entering into similar arrangements, lest the United States should succeed in setting one province against another, and in producing discontent by special and preferential dealing which will operate severely against Canada, and which would be, nevertheless, authorized by Her Majesty's Government. We have done our best neither to delay nor to offer undue resistance to the wishes of the British Cabinet. On the 22nd October we had the first intimation of Mr. Bond's visit to Washington, and of a suggestion apparently proceeding from the British Minister there that the Canadian Government might wish to negotiate on the same lines as regards the maritime provinces.

On the 30th we asked what Mr. Bond's powers were, and asked to have Canada included in any arrangement.

On the 4th November your Lordship replied that Mr. Bond had no powers nor instructions, but that he went to Washington to see whether Newfoundland could enter into reciprocity with the United States under the McKinley Law. It was added that the wishes of the Canadian Government had been notified to Washington.

On the 15th your Lordship telegraphed the substance of the draft convention, and added that Mr. Blaine was unwilling to include Canada, but was prepared to negotiate for a separate reciprocity treaty on a wider basis, and as to the protection of the mackerel fisheries and inland fisheries. It was suggested from Washington that one or two Canadian Delegates should proceed there unofficially, ostensibly on other business. If the Canadian Government would negotiate, Her Majesty's Government would offer their best assistance.

To this telegram we replied on the 18th. The Dominion Government expressed their alarm at the proposed convention. It would materially aid the United States policy of commercial war against Canada, by placing Canada at a disadvantage with the neighbouring Colony of Newfoundland, and producing discontent here. The Dominion Government were ready to make arrangements for reciprocity, and asked that the United States should be so informed. We objected to Delegates proceeding unofficially, as liable to misunderstanding, but were ready to enter into formal negotiations at once, if Her Majesty's Government approved. Meanwhile, the Dominion Government protested against the convention.

On the 25th November your Lordship stated that Her Majesty's Government regretted our alarm at the Newfoundland arrangement, and that they had offered to endeavour to extend the proposed arrangement to Canada, or, if preferred, to negotiate for Canada with assistance of Canadian Delegates. If Canadian negotiations could be at once opened on lines proposed by Dominion Ministers, Her Majesty's Government would delay Newfoundland convention so that both might proceed *pari passu*. It was added that any treaty for reciprocity between Canada and the United States must not place imports from the United Kingdom at a disadvantage. Canada should retain control over her own Tariff with a view of extension of trade with England and the Colonies.

On the 26th November I replied, thanking for delay of convention, asking that Canadian Representatives at Washington might be Commissioners, not merely Delegates, and stating that we were ready to open negotiations immediately.

On the 28th, by your Lordship's permission, I telegraphed to Sir Julian Pauncefote full information up to that date.

On the 4th December your Lordship assented to our Representatives at Washington being Plenipotentiaries.

On the 7th December Sir Julian Pauncefote telegraphed to me that Mr. Blaine's Government could not assent to a formal Commission unless a basis of arrangement were previously arrived at, and that he was endeavouring to elicit his views as to a scheme of arrangement.

On the 13th December I telegraphed to your Lordship and repeated to Sir Julian Pauncefote full details of heads of proposed arrangement. I also asked that if Her Majesty's Government approved Sir Julian should be instructed to act on my telegram, as it was important not to lose the present opportunity.

On the 2nd instant your Lordship telegraphed that Mr. Blaine had replied to our

communication to the effect that it would be useless to endeavour to obtain appointment of a formal Commission on reciprocity; that he would discuss question privately with the Minister at Washington and with one or more Canadian Delegates, and that he required private discussion before he could satisfy himself that agreement could be effected by means of a Commission. Mr. Blaine added that he would be ready to enter into private negotiations any time after the 4th March (a date, it may be observed, after which the Democrats will govern the House of Representatives).

I may mention here that we had reason to doubt whether the wording of your Lordship's telegram of the 2nd January meant that Mr. Blaine had answered on his own account, or whether he had consulted the President. Sir Julian replied to me by private letter on the 17th that Mr. Blaine's communication had been verbal and official, and that he had mentioned that he had consulted the President, who agreed with his views.

It was about this time that I telegraphed to your Lordship saying that it was possible there would be a dissolution. The Dominion Parliament was elected in 1887, and it was felt that a grave question like that of reciprocity would not be advantageously considered by an expiring Parliament. I further asked that, with a view to remove misunderstanding, I might be empowered to make public the substance of my telegram to your Lordship in which the heads of the draft reference for the Commission were given.

Your Lordship, on the 23rd, consented to the publication asked for, with the omission of certain passages in which the communications with the United States Government were referred to. The effect, however, of the omission of these words would have led to the belief not that this Government had replied to informal overtures from the United States, but that they had applied to the United States for reciprocity, a position contrary to that which they have always maintained. I therefore, asked your Lordship, on the 24th instant, whether Mr. Blaine would extend his wish for secrecy so far as to object to the fact being known that the United States Government were willing to discuss questions of reciprocity fully, though informally. I added that though we thanked you for your permission to publish our own proposals, it would serve no good purpose unless we could intimate also what was the general attitude of the United States Government.

I trust I have shown that no effort has been wanting on the part of the Dominion Government to comply with the desire of Her Majesty's Ministers.

Though we dislike unofficial communications, I have telegraphed to your Lordship that, in deference to Mr. Blaine's wish for an unofficial conference, the Dominion Government will agree to send Representatives to Washington as soon after the 4th March as our Parliamentary engagements will permit. I am also informed by the Dominion Ministers that the dissolution of Parliament, should it take place, will in no way retard the commencement of negotiations if Mr. Blaine himself is ready to begin them after the 4th March.

I would suggest for your Lordship's consideration that it is by no means impossible that Mr. Blaine wishes to force on the conclusion of the Newfoundland treaty with a view to show, before the general elections here, the advantages which may be offered under the provisions of the McKinley Bill. Preferential treatment in favour of Newfoundland would undoubtedly cause grave discontent here. I have some reason to believe that Mr. Blaine's friends are in communication with some of the leading members of the present Opposition here. Sir John Macdonald's Government will not discriminate against England. The Opposition would probably do so, as they are in favour of unrestricted reciprocity, and there is no doubt that such discrimination would be greatly pressed upon them by the United States Government, should there be a change of Government in consequence of the elections, and should they, therefore, have charge of the negotiations.

The McKinley Bill has undoubtedly been a severe blow to the Dominion. We have made the best of the situation; we have looked out for fresh markets; both publicly and privately we have made great efforts to develop new trade. Intended, no doubt, to injure the British connection, the action of the United States Legislature has been faced by Canada in a manly, loyal, and self-reliant spirit. We trust that Her Majesty's Government will spare us the feeling that the policy of the United States Government is prevailing against our best efforts; that it is to the United States, and not to the British Government, that the Dominion must turn for assistance, and that the Newfoundland treaty, which is, as I have shown, a new departure, fraught, possibly, with the gravest consequences to the Dominion, may not be sanctioned until we have had an opportunity of at least commencing the negotiations into which,

with the express advice and proffered assistance of Her Majesty's Government, we are ready to enter at the earliest moment.

I have, &c.

(Signed) STANLEY OF PRESTON.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

2603.

No. 168.

LORD KNUTSFORD to LORD STANLEY OF PRESTON.

(Secret.)

MY LORD,

Downing Street, February 10, 1891.

I HAVE the honour to acknowledge the receipt of your Secret Despatch of the 22nd ultimo,* pointing out the desirability of publishing the substance of the communications which have passed on the subject of the proposed negotiations for a reciprocal trade arrangement with the United States.

I gather from your Lordship's telegram of the 2nd instant† that, for the reasons which appear from the telegraphic communications which have passed on this matter, your Government acquiesce in the non-publication at present of any further correspondence beyond the recorder of your telegram of the 13th December.‡

I have, &c.

Lord Stanley of Preston.

(Signed) KNUTSFORD.

2603.

No. 169.

COLONIAL OFFICE to FOREIGN OFFICE.

(Dated February 10, 1891.)

[Transmits copies of Lord Stanley of Preston's Despatch, Secret, of 22nd January, and Lord Knutsford's Despatch, Secret, of 10th February, 1891.§]

3005.

No. 170.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.

(Received February 10, 1891, 4.15 p.m.)

TELEGRAPHIC.

(Paraphrase.)

10th February. In reply to your Lordship's telegram of the 9th instant,|| Ministers earnestly desire to know what proofs are required, as they cannot understand where the convention with the United States is prejudicial to British interests.

They are not aware that Her Majesty's Government have, with advantage to Newfoundland, advocated her interests in conjunction with those of Canada, but they are aware that Newfoundland has in the past suffered from being connected with Canadian proposals.

Her Majesty's Government were informed, when the Delegates asked for separate negotiations and convention, that the interests of Newfoundland and Canada were not identical, and acquiesced with full knowledge. Since then every request which has been made has been assented to, and my Government cannot comprehend the withdrawal of Her Majesty's Government from a distinct and positive understanding.

Her Majesty's Government in making the interests of Newfoundland subservient to Canadian politics are ruining the future prospects of the Colony.

By delay the convention will be lost, and my Government request an answer, yes or no, that the fate of the Colony may be known and action taken accordingly.

* No. 158.

† No. 151.

‡ No. 89.

§ Nos. 158 and 168.

|| No. 166.

3005.

No. 171.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

11th February. I have received your telegram of 10th February.* The meaning of my telegram of the 9th instant† is that Her Majesty's Government have definitively decided not to proceed at this moment with the proposed convention between Newfoundland and the United States, although they do not refuse to consider whether such a convention may be practicable at a later date.

My Despatch giving explanations goes by to-morrow's mail, and it seems undesirable to discuss the matter further by telegraph. That Despatch will show that your Government are under an entire misapprehension as to any distinct understanding that the terms of the convention should be confirmed. Her Majesty's Government have observed with much regret the language in which your Ministers have thought fit to address them in your telegram under reply.

I request that you will keep me fully informed as to the course which your Government propose to take.

2412.

No. 171 A.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

*(Confidential.)

SIR,

Downing Street, February 12, 1891.

IN my telegram of the 9th instant† I have informed you that Her Majesty's Government regret to find themselves still unable to sanction the conclusion of the proposed Convention between Newfoundland and the United States. This decision has not been arrived at without very full consideration of the wishes and arguments repeatedly pressed upon Her Majesty's Government by your advisers and yourself, nor without a strong endeavour to find some means of bringing the interests of Newfoundland into compatibility with other Imperial interests. Up to the present time, however, that has proved impracticable, and the Convention, as to the feasibility of which Mr. Bond was, in September last, permitted to consult informally with Her Majesty's Minister at Washington, cannot at the present time be concluded.

There would appear to be some misapprehension in Newfoundland as to the circumstances in which Mr. Bond's visit to Washington was sanctioned by Her Majesty's Government, and I think it desirable to state briefly the general conditions under which all negotiations for separate commercial arrangements between individual Colonies and foreign States are necessarily conducted, and the limitations within which it was consequently possible for the present negotiation on behalf of Newfoundland to proceed.

Her Majesty's Government have raised no objection in principle to a separate negotiation with a foreign Power on behalf of one Colony only. It may be in some cases possible so to define the limits of the proposed commercial arrangement as to procure what the particular Colony desires without prejudicing the interests of those other portions of the Empire which are not included in the arrangement. It will be within your recollection that this subject was discussed with much attention at the Colonial Conference held in London in 1887; and, although the balance of opinion in the Conference was against such separate arrangements, it was admitted that Her Majesty's Government could not, having regard to the precedents which had been established, refuse to consider the merits of a commercial arrangement desired by one Colony only, and the effect which it might have on other British and Colonial interests.

That course was taken when it was desired in 1886 to conclude a trade arrangement as between the British West Indian Colonies and the United States; and in that case, as in the present case of Newfoundland, it was after much examination found that the Convention could not, in the form in which it would be acceptable to the United States and the Colonies, be negotiated consistently with Imperial obligations and policy.

It was therefore under such well-recognized conditions and reservations that

Her Majesty's Government readily consented in September of last year to the informal and unofficial visit of Mr. Bond to Washington, for the purpose of communicating to Sir Julian Pauncefote the views and wishes of the Newfoundland Government.

The wish of the Newfoundland Government for a separate trade and fishery arrangement with the United States had been brought before Her Majesty's Government in February 1890. They promised to consider the question with Sir W. Whiteway after his arrival in England, and after explanations had been received from him, a letter introducing Mr. Bond was addressed to Her Majesty's Minister at Washington on the 8th August, 1890, in which Sir Julian Pauncefote was informed that Mr. Bond had been commissioned by the Newfoundland Government to communicate to him their views and wishes with regard to the desired arrangement.

After conferring with Mr. Bond, Sir J. Pauncefote introduced him to Mr. Blaine, and also submitted informally to Mr. Blaine, at his request, the draft of a Convention which would meet the views of the Newfoundland Government.

The time had then arrived for considering how far that Convention might affect other interests than those of Newfoundland; and the Government of Canada, as being, of course, principally interested, was consulted. As you are aware, the Dominion Government at once pointed out the injury to Canadian interests which would result from the conclusion of a distinct arrangement, whereby the United States would secure an important advantage in consideration of which Canada as well as Newfoundland had on previous occasions obtained material concessions from the United States; and it also became apparent that the United States Government was not disposed to extend to Canada the same limited arrangement as it might be willing to adopt in the case of Newfoundland alone.

It was therefore determined to consider whether, *pari passu* with the Newfoundland negotiation, an arrangement for reciprocity on a broader basis between Canada and the United States, could be negotiated; and until it has been more definitely ascertained whether this latter negotiation can now proceed, the Newfoundland Convention must remain in abeyance.

I greatly regret that your Ministers should have resented the action taken by Her Majesty's Government in guarding the interests of other portions of the Empire, while endeavouring to give effect to the wishes of Newfoundland; but I trust that I have made it clear to them that, while Her Majesty's Government are willing to assist a Colony in negotiating a separate Commercial Arrangement, they cannot conclude such an Arrangement as long as it is not compatible with those other Imperial interests and obligations which it is their duty to regard.

I may, in conclusion, remind you that in the past, when Treaties have been negotiated with the United States on behalf of Canada, the interests and wishes of Newfoundland have always been borne in mind.

Sir Terence O'Brien.

I have, &c.
(Signed) KNUTSFORD.

2105.

No. 172.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

(Confidential.)

SIR, Downing Street, February 12, 1891.

I HAVE the honour to acknowledge the receipt of your Confidential Despatch of the 17th January,* reporting the proceedings at the meeting of your Executive Council when the reply to my telegram of the 13th January,† on the subject of the convention with the United States, was under discussion.

My Confidential Despatch of even date,‡ conveying to you the decision of Her Majesty's Government with regard to the Convention, fully explains the position occupied by Mr. Bond in connection with the negotiations at Washington, and justifies the action of Her Majesty's Government in the matter.

I need only, therefore, refer you to that Despatch, and at the same time convey to you my approval of the firm tone maintained by you throughout the discussion with your Ministers.

Sir Terence O'Brien,
&c. &c. &c.

I have, &c.
(Signed) KNUTSFORD.

* No. 147 A.

† No. 118.

‡ No. 171 A.

3005.

No. 173.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, February 13, 1891.

WITH reference to the letter from this Department of the 3rd instant, and to your reply of the 4th,* I am directed by Lord Knutsford to transmit to you, for the information of the Marquis of Salisbury, paraphrases of a further telegraphic correspondence† which has passed with the Governor of Newfoundland relating to the proposed convention with the United States. The telegram sent to the Governor on the 11th instant‡ received the concurrence of Lord Salisbury before it was dispatched.

I am also to inclose a copy of a despatch§ which Lord Knutsford has, with the approval of Lord Salisbury, addressed to the Governor of Newfoundland on this subject.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

2105.

No. 173 A.

COLONIAL OFFICE to FOREIGN OFFICE.

(Dated February 13, 1891.)

[Transmits copies of Sir T. O'Brien's Despatch, Confidential, of 17th January, and Lord Knutsford's Despatch, Confidential, of 12th February, 1891.]]

3187.

No. 174.

LORD STANLEY OF PRESTON to LORD KNUTSFORD.

(Received February 13, 1891.)

(Confidential.)

MY LORD,

Government House, Ottawa, January 31, 1891.

WITH reference to previous correspondence on the subject of the proposed convention between Great Britain and the United States for the improvement of the trade relations between the latter country and the Colony of Newfoundland, I have the honour to enclose copy of an approved Minute of the Privy Council of Canada, containing an expression of the views of the Canadian Government in regard to the convention in question.

I have, &c.
(Signed) STANLEY OF PRESTON.

The Right Honourable the Lord Knutsford, G.C.M.G.,
&c. &c. &c.

Enclosure in No. 174.

Certified Copy of a REPORT of a COMMITTEE of the HONOURABLE the PRIVY COUNCIL, approved by his Excellency the GOVERNOR-GENERAL IN COUNCIL on the 29th January, 1891.

THE Committee of the Privy Council have had under consideration a Despatch dated the 15th January, 1891, from Her Majesty's Minister at Washington, accompanied by the copy of a proposed convention between Great Britain and the United States for the improvement of commercial relations between the United States and the Colony of Newfoundland, and also the telegram from the Right Honourable the Secretary of State for the Colonies to your Excellency dated the 23rd January instant.

* Nos. 157 and 159.

† Nos. 161, 164, 170, and 171.

‡ No. 171.

§ No. 171 A.

|| Nos. 147 A and 171 A.

The Sub-Committee of Council, to whom the Despatch and enclosures were referred, report as follows :—

The reasons advanced in the Minute of Council, approved on the 12th December, 1890, referring to the negotiations for a trade and fishery arrangement between the United States and Newfoundland, appear to your Excellency's Government to be fully as important and pressing now as they were at the date of that Minute, and to be as applicable to the present draft convention as to the draft which had then been under consideration.

While those reasons have doubtless been considered by Her Majesty's Government, they do not appear to have had attached to them the weight which, in the opinion of your Excellency's advisers, they are entitled to, for the Despatch of Lord Knutsford dated the 23rd January instant merely intimates the inconvenience of delay with regard to the convention proposed for Newfoundland, as though only delay had been asked, and as though objections in point of principle had not been advanced.

Her Majesty's Government will doubtless remember that when the protest of your Excellency's Government against the draft convention which was considered in December last was made known to the Principal Secretary of State for the Colonies, his Lordship intimated that if Canada were willing to commence negotiations at once, the Newfoundland convention would not be concluded immediately, but that negotiations on behalf of Canada could go on *pari passu* with those regarding Newfoundland.

Your Excellency's Government at once assented to the propriety of this course, and announced their willingness to commence negotiations at once, with the sanction of Her Majesty's Government, only expressing a preference for a formal and official conference under Commission, rather than a private and unofficial discussion.

When the United States Secretary of State finally insisted that the Conference should be preceded by a private discussion, it was from him alone that the suggestion came that even that must be deferred until after the 4th March. He has offered no reason, of which your Excellency's Government is aware, why he should be ready at once to carry to a conclusion the proposed convention for Newfoundland, but should be unprepared, until after the 4th March, even to enter on a private and preliminary discussion concerning an arrangement of a like kind with Canada.

No responsibility for delay rests on your Excellency's Government. Even the dissolution of Parliament, which has been referred to as possible, would not retard negotiations.

The Sub-Committee feel bound, therefore, to recommend that the Government of Canada insist on the importance of the negotiations concerning trade relations with Canada proceeding *pari passu* with those affecting Newfoundland.

The Sub-Committee observe that an examination of the proposed convention will show that while, as was stated in the Minute of Council approved in December last, the advantages afforded to the British North American fishermen under the Treaty of 1818 would be reduced almost to a nullity, the fishery products of Newfoundland would be admitted to the markets of the United States under such a convention, on such terms as to displace very largely the like products exported by the fishermen of Canada to that country.

That the Canadian Government has declared its policy to be that no commercial arrangements with a foreign country should be acceded to by Canada which would involve tariff discrimination against the mother country, and this principle has had the approval of Her Majesty's Government; but it will be difficult to induce the people of Canada to continue to believe in the importance of that principle as a safeguard to the interests of the Empire if Great Britain now makes a convention for Newfoundland under which the United States is able to discriminate directly against Canada.

The Sub-Committee are of opinion that your Excellency's Government should press the importance of permitting no discrimination, at least as against any part of British North America, to be made in any trade arrangement with the United States, and should continue to urge the necessity of insistence that in any such arrangement all Her Majesty's provinces in North America shall participate equally.

The Sub-Committee submit that it seems necessary further to invite close attention to the Vth Article of the draft convention. That Article seems fairly open to the construction that if the existing rates of duty in Newfoundland on the articles mentioned in Article IV shall be reduced as regards importations from other countries than the United States, the United States shall have a further reduction below that which the convention fixes as the maximum duties on United States goods of that description. If this is the construction intended the convention is open to the further

objection that it stipulates for a continued preference in the markets of Newfoundland for United States products over those of every other country, involving therefore not only discrimination by the United States in favour of Newfoundland, but by Newfoundland in favour of the United States, and such discrimination would be against Canada and the mother country as well.

The Committee concur in the said Report of the Sub-Committee, and request that your Excellency be pleased to transmit this Minute, if approved, to the Right Honourable the Principal Secretary of State for the Colonies.

(Signed) JOHN J. MCGEE, Clerk,
Privy Council.

3190.

No. 175.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 13, 1891, 5.15 p.m.)

TELEGRAPHIC.

(Paraphrase.)

13th February. The House of Assembly, which was opened yesterday, passed resolutions condemning the action of the Imperial Government with regard to the convention with the United States, couched in very strong and objectionable language, and have asked me to furnish them with all the correspondence on this subject and on the question of the French treaties.

221 SECRET.

No. 176.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, February 13, 1891.

WITH reference to the letter from this Department of the 24th January last,* inclosing paraphrase of a telegram addressed to the Governor of Newfoundland respecting the proposed Imperial guarantee of a loan for railway construction in the Colony, I am directed by Lord Knutsford to transmit to you, for the information of the Marquis of Salisbury, paraphrases of a telegraphic correspondence† which has recently passed with the Governor of Newfoundland relating to the application of the Colonial Government for the guarantee of a loan for 150,000*l.* in consequence of apprehended financial difficulties in the Colony.

The telegrams sent to the Governor on the 9th instant‡ were previously approved informally by Lord Salisbury.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

3261.

No. 176 A.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, February 13, 1891.

WITH reference to previous correspondence, I am directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before Her Majesty's Secretary of State for the Colonies, copies of a Despatch from Her Majesty's Minister at Washington, on the subject of the negotiations for a Convention between the United States and Newfoundland.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 139.

† Nos. 155, 160, 161, 164, and 165.

‡ Nos. 164 and 165.

Enclosure in No. 176 A.

Sir J. PAUNCEFOTE to the MARQUIS OF SALISBURY.
(Received February 5, 1891.)

(No. 23. Confidential.)

MY LORD,

Washington, January 26, 1891.

WITH reference to previous correspondence on the subject of the proposed Convention for improving trade relations between the United States and Newfoundland, I have the honour to inclose copy of a Despatch from his Excellency the Governor-General of Canada, dated the 22nd January, 1891, forwarding a copy of a Report of the Privy Council of Canada, dated the 12th December, 1890, which, according to the terms of his Excellency's Despatch, "deals with the recent negotiations between a Delegate of the Government of Newfoundland and the Administration of the United States" in relation to the proposed Convention.

I have likewise the honour to inclose a copy of my reply, from which his Excellency will perceive that the negotiation was carried on by myself with the assistance of the Colonial Secretary of Newfoundland.

I have, &c.

(Signed)

JULIAN PAUNCEFOTE.

The Right Hon. the Marquis of Salisbury, K.G.,
&c. &c. &c.

LORD STANLEY OF PRESTON to Sir J. PAUNCEFOTE.

SIR,

Government House, Ottawa, January 22, 1891.

I HAVE the honour to inclose herewith a certified copy of an approved Report of the Privy Council of the Dominion which deals with the recent negotiations between a Delegate from the Government of Newfoundland and the Administration of the United States for the establishment of a Convention relating to the fisheries and commerce of Newfoundland between that Colony and the United States.

I have, &c.

(Signed)

STANLEY OF PRESTON.

Sir J. Pauncefote, G.C.M.G.,
&c. &c. &c.

Sir J. PAUNCEFOTE to LORD STANLEY OF PRESTON.

MY LORD,

Washington, January 26, 1891.

I HAVE the honour to acknowledge the receipt of your Excellency's Despatch No. 8, Confidential, of the 22nd instant, containing an approved Report of the Privy Council of Canada, dated the 9th December, 1890, on the subject of the negotiation carried on by me, with the assistance of the Colonial Secretary of Newfoundland, for improving the trade relations between that Colony and the United States.

I have, &c.

(Signed)

JULIAN PAUNCEFOTE.

Lord Stanley of Preston, G.C.M.G.,
&c. &c. &c.

222 SECRET.

No. 177.

COLONIAL OFFICE to FOREIGN OFFICE.

(Confidential.)

SIR,

Downing Street, February 13, 1891.

WITH reference to previous correspondence, I am directed by Lord Knutsford to transmit to you, for the information of the Marquis of Salisbury, a copy of a Despatch* from the Governor-General of Canada, stating the grounds upon which the Dominion Government object to the immediate signature of the proposed convention between Newfoundland and the United States.

* No. 167.

Lord Stanley of Preston has stated that a corrected copy of this Despatch will be sent by next mail, and a revise will be sent to you as soon as it has been received.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

3190.

No. 178.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

14th February, 1891, 5.45 p.m. I have received your telegram of the 13th February.* Telegrams in the press report repetition in Mr. Bond's resolution of incorrect statement that Her Majesty's Government had authorized conclusion of convention. You should present my Despatch of the 12th February† to both Houses as soon as received.

Were proposals of Her Majesty's Government respecting railway loan guarantee before Assembly when resolutions were adopted? No papers beyond those presented to Parliament here may without special authority be given. The papers respecting French fishery rights sent to you by mail of the 29th January have not yet been presented here, and should not be made public yet.

3315.

No. 179.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, February 14, 1891.

WITH reference to my letter of the 18th December last,‡ I am directed by the Marquis of Salisbury to transmit to you, to be laid before Lord Knutsford, a copy of a Despatch from Her Majesty's Minister at Washington, reporting the proceedings of Mr. Bond during his visit to Washington in November and December, and enclosing copy of a revised draft for the regulation of fishery and trade between Newfoundland and the United States, which was handed to Sir J. Pouncefote by that gentleman before his departure, with the assurance that it had been virtually agreed upon between Mr. Blaine and himself, and that Mr. Blaine would communicate it as his counter-proposal.

The draft actually communicated by Mr. Blaine on the 6th January was forwarded in my letter of the 17th of that month.§

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

Enclosure in No. 179.

Sir J. PAUNCEFOTE to the MARQUIS OF SALISBURY.

(No. 173A.)

MY LORD,

Washington, December 26, 1890.

IN my telegram No. 98 of the 17th instant I reported the departure from Washington of Mr. Bond, the Colonial Secretary of Newfoundland. The first interview with Mr. Blaine took place on the 29th ultimo. I was present, at the request of Mr. Blaine, and the conversation was confined to statistical information supplied by Mr. Bond.

On taking our leave Mr. Blaine said he would be glad to see us in a day or two, and would make an appointment for the purpose. But although I twice reminded him of his promise, we heard no more from him for a fortnight, after which time Mr. Bond became impatient, and, with his approval, I asked Mr. Blaine whether he thought it necessary to detain him any longer.

* No. 175.

† No. 171 A.

‡ No. 94.

§ No. 124.

Mr. Blaine replied in the negative, but begged me to ask Mr. Bond to call on him at his house before his departure, and appointed Monday morning, the 15th. Mr. Blaine said nothing about my coming also, and I understood that the object of the visit was only to wish Mr. Bond good-bye.

Mr. Bond called on me on the 16th and informed me, somewhat to my surprise, that he had had several long interviews with Mr. Blaine, which had resulted in the remodelling of the draft convention originally prepared by me, and he handed me a copy of a new draft, which he said would be most acceptable to Newfoundland, and which Mr. Blaine was prepared to accept also.

He was not sure, however, whether the words interpolated in Article II of the draft, namely, "and crude copper ores the product of Newfoundland mines," would be allowed to stand, but he was to see some members of the Chamber of Commerce of Boston on his way home, and would communicate with me further by telegram on the subject. I told Mr. Bond that I would keep the draft for reference in case Mr. Blaine should make any proposal to me founded upon it, but that I could take no cognizance of anything that might have passed between him and Mr. Blaine by way of negotiation in my absence. This Mr. Bond readily admitted, but said he had no doubt that Mr. Blaine would communicate the draft to me as a counter-proposal. I replied that in that case all I could do would be to transmit Mr. Blaine's communication to your Lordship. Mr. Bond dwelt very much on the hardship that would be inflicted on the Colony by any delay in accepting Mr. Blaine's proposal, and on the exasperation which would be produced there by the refusal of Her Majesty's Government to grant this measure of relief to the sorely tried colonists.

I explained to him that I had no power to move further in the matter, and he left for Halifax, on his way back to Newfoundland, on the same evening.

On the 18th Mr. Bond telegraphed to me from Boston as follows: "Please insert copper clause in Article II."

Mr. Blaine mentioned incidentally a few days ago that he would be glad to have a talk with me by-and-bye about Newfoundland, but that is all I have heard from him up to this date on the subject.

I enclose a copy of the draft handed to me by Mr. Bond, and which he stated had been virtually agreed to between Mr. Blaine and himself.

I have, &c.
(Signed) JULIAN PAUNCEFOTE.

The Marquis of Salisbury, K.G.,
&c. &c. &c.

DRAFT CONVENTION between GREAT BRITAIN and the UNITED STATES OF AMERICA for
the Improvement of COMMERCIAL RELATIONS between the UNITED STATES and
HER BRITANNIC MAJESTY'S COLONY OF NEWFOUNDLAND.—(Received at the
Foreign Office through Sir J. Pauncefote, January 7.)

THE Governments of Great Britain and of the United States, desiring to improve the commercial relations between the United States and Her Britannic Majesty's Colony of Newfoundland, have appointed as their respective plenipotentiaries, and given them full powers to treat of and conclude such convention, that is to say:

Her Britannic Majesty on her part has appointed Sir Julian Pauncefote, and the President of the United States has appointed, on the part of the United States, James G. Blaine, Secretary of State.

And the said plenipotentiaries, after having exchanged their full powers, which were found to be in due and proper form, have agreed to and concluded the following Articles:—

ARTICLE I.

United States fishing-vessels entering the waters of Newfoundland shall have the privilege of purchasing herring, caplin, squid, and other bait fishes at all times, on the same terms and conditions, and subject to the same penalties, in all respects, as Newfoundland vessels.

They shall also have the privilege of touching and trading, selling fish and oil, and procuring supplies, in Newfoundland, conforming to the Harbour Regulations, but without other charge than the payment of such light, harbour, and customs dues as are or may be levied on Newfoundland fishing-vessels.

ARTICLE II.

Dry codfish, cod oil, seal oil, sealskins, herrings, salmon, trout, and salmon trout, lobsters, cod roes, tongues, and sounds, the product of the fisheries of Newfoundland, and crude copper ores, the product of Newfoundland mines, shall be admitted into the United States free of duty. Also all packages in which the said fish may be exported shall be admitted free of duty. It is understood, however, that "green" codfish are not included in the provisions of this Article.

ARTICLE III.

The officer of Customs at the Newfoundland port where the vessel clears shall give to the master of the vessel a sworn certificate that the fish shipped were taken in the waters of Newfoundland, which certificate shall be countersigned by the Consul or Consular Agent of the United States.

ARTICLE IV.

When this convention shall come into operation, and during the continuance thereof, the duties to be levied and collected upon the following enumerated merchandize imported into the Colony of Newfoundland from the United States shall not exceed the following amounts, viz. :—

Flour, 25 c. per barrel.

Pork, 1 dol. 50 c. per barrel of 200 lbs.

Bacon and hams, tongues, smoked beef, and sausages, 2½ c. per lb., or 2 dol. 50 c. per 112 lbs.

Beef, pigs' heads, hocks, and feet, salted and cured, 1 dollar per barrel of 200 lbs.

Indian meal, 25 cents per barrel

Peas, 30 cents per barrel.

Oatmeal, 30 cents per barrel of 200 lbs.

Bran, Indian corn, and rice, 12½ per cent. *ad valorem*.

Salt, in bulk, 20 cents per ton of 2,240 lbs.

Kerosine oil, 6 cents per gallon.

And the following articles imported into the Colony of Newfoundland from the United States shall be admitted free of duty :—

Agricultural implements and machinery imported by Agricultural Societies for the promotion of agriculture.

Crushing mills for mining purposes.

Raw cotton.

Corn for the manufacture of brooms.

Gas engines, when protected by patent.

Ploughs and harrows.

Reaping, raking, ploughing, potato-digging, and seed-sowing machines to be used in the Colony.

Printing presses and printing types.

ARTICLE V.

It is understood that if any reduction is made by the Colony of Newfoundland, at any time during the term of this convention, in the rates of duty upon the articles named in Article IV of this convention, the said reduction shall apply to the United States.

ARTICLE VI.

The present convention shall be duly ratified by Her Britannic Majesty and by the President of the United States of America, by and with the advice and consent of the Senate thereof, and the ratifications shall be exchanged at Washington on the 1st day of February, 1891, or as soon thereafter as practicable.

Its provisions shall go into effect thirty days after the exchange of ratifications, and shall continue and remain in full force for the term of five years from the date at which it may come into operation, and further until the expiration of twelve months after either of the Contracting Parties shall give notice to the other of its wish to

terminate the same, each of the Contracting Parties being at liberty to give such notice to the other at the end of the said term of five years, or at any time afterwards.

In faith whereof we, the respective Plenipotentiaries, have signed this Convention, and have hereunto affixed our seals.

Done in duplicate at Washington, this day of in the year of our Lord 1890.

3332.

No. 180.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 14, 1891.)

TELEGRAPHIC.

HAVING been requested by both Houses of Legislature to communicate to you by telegram resolution passed by them, I have no option but to do so:—

“Whereas the Legislature has been informed by his Excellency the Governor, in the Speech with which his Excellency has been pleased to open the present Session, that Her Majesty’s Government has up to this date declined to sign the convention for reciprocal trade between this Colony and the United States of America; and whereas the Legislature has been informed that on the 8th day of July, 1890, the Delegates appointed by the Government of this Colony to proceed to England to consult and advise with Her Majesty’s Government in relation to the interests of this Colony proposed to Her Majesty’s Government that this Colony should be permitted to negotiate through Her Majesty’s Representative at Washington a convention for reciprocal trade with the United States of America; and whereas the Legislature has been informed that after lengthy consideration of this proposal Her Majesty’s Government did on the 8th day of September last intimate to the said Delegates the acquiescence of Her Majesty’s Government therein, and did consent to one of the said Delegates proceeding to Washington to lay before Her Majesty’s Plenipotentiary and Envoy Extraordinary the views of the Government of this Colony upon this question, and to aid in said negotiations; and whereas the Legislature has been informed that on the 18th day of November last Her Majesty’s Government advised the immediate return of the Colonial Secretary to Washington with a view to concluding the said negotiation; and whereas the Legislature has been informed that on the 16th day of December a convention satisfactory to the Government of this Colony, and in accordance with that proposed by the said Delegates to and accepted by Her Majesty’s Government, was agreed to by the United States Secretary of State on behalf of his Government, and Her Majesty’s Government has not assented to the ratification, although most strongly urged thereto by the Government of this Colony; and whereas it is deemed of paramount importance that the said convention should be ratified without further delay:

“Be it resolved, that the consideration of his Excellency’s Speech be deferred until there be an expression of opinion to be communicated to Her Majesty in relation thereto.

“Resolved, that the Legislature views with profound disappointment and alarm the failure of Her Majesty’s Government to carry out its solemn obligations to this Colony. They are aware of the interference of Canada in relation to this matter, and they cannot fail to appreciate the same as a menace to the independence of the Colony; they emphatically protest against the interests of this Colony being made subservient to those of the Dominion of Canada, and they regard the delay that has occurred in the ratification of the said convention as entirely unjustifiable, and as evidencing an utter disregard for the prosperity and well-being of this Colony.

“Resolved, that the delay occasioned by Her Majesty’s Government in ratifying the said convention is regarded by this Legislature as unfriendly and hostile, and as calculated to permanently disturb the loyalty for which this Colony has in the past been remarkable.

“Resolved, that the Legislature most strongly urges Her Majesty’s Government to immediately fulfil its pledge to this Colony by ratifying the said convention.”

223 SECRET.

No. 181.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 15, 1891.)

TELEGRAPHIC.

(Paraphrase.)

REFERRING to your Lordship's telegram of the 14th instant,* the proposal as to the railway loan guarantee has not been laid before the House, as all your telegrams were cyphered, and were therefore considered confidential, and my Ministers consider that without the consent of both Governments none can be published.

224 SECRET.

No. 182.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 15, 1891.)

TELEGRAPHIC.

(Paraphrase.)

ALL communications on both sides which in any way refer to the financial difficulties in the Colony should, it is absolutely necessary, be kept secret, as negotiations with other parties now pending to obtain the accommodation of the necessary sum, of which Her Majesty's Government are already aware, would be imperilled by any publicity. Secondly, publicity would bring on the crisis, which may be avoided, and would certainly be avoided if an Imperial guarantee is given immediately to the London and Westminster Bank. Colonial Government is not straitened, but is willing to take on itself every responsibility to enable the community to tide over present embarrassments.

3190.

No. 182 A.

COLONIAL OFFICE to FOREIGN OFFICE.
(Dated February 16, 1891.)

[Transmits paraphrases of Sir T. O'Brien's telegram of 13th February, and Lord Knutsford's telegram of 14th February, 1891.†]

3332.

No. 183.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

17th February, 1891. My Despatch of the 12th February‡ contains answer to resolution of both Houses of Legislature, but does not refer to return of Mr. Bond to Washington, which is incorrectly referred to in resolution.

Mr. Bond was not invited to return with a view to concluding the negotiation as stated in resolution, but to furnish information as to certain statistics and explanations.

Present this telegram with the Despatch.

224 SECRET.

No. 184.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, February 17, 1891.

WITH reference to the letter from this Department of the 13th instant,* I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a telegram† from the Governor of Newfoundland respecting the commercial crisis in that Colony.

Lord Knutsford is of opinion that no reply need be sent to this message at present.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

223 SECRET.

No. 185.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, February 17, 1891.

WITH reference to the letter from this Department of even date,‡ I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a paraphrase of a telegram§ from the Governor of Newfoundland, reporting that the proposals of Her Majesty's Government with regard to the proposed railway loan guarantee had not been communicated to the Legislature.

Lord Knutsford is disposed to think that Her Majesty's Government are placed in a false position through the Colonial Legislature being kept in ignorance of the fact that when the inability of Her Majesty's Government to sanction the proposed convention at the present time was announced, an important and liberal proposal in respect of the desired loan guarantee was made at the same time; and he would propose, if Lord Salisbury concurs, to telegraph to Sir T. O'Brien desiring him to present to the Legislature at once Lord Knutsford's telegrams to him of the 23rd January and the 9th February,|| omitting from the latter telegram all words relating to the immediate guarantee asked for with a view to the commercial crisis.

The Under Secretary of State,
Foreign Office.

I am, &c.
(Signed) JOHN BRAMSTON.

3587.

No. 186.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, February 18, 1891.

I AM directed by the Marquis of Salisbury to inform you, with reference to your letter of the 17th instant,‡ marked (A), that his Lordship concurs in Lord Knutsford's opinion that Sir T. O'Brien's telegram of the 15th instant,§ respecting the railway loan guarantee, requires no answer for the present.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. H. SANDERSON.

* No. 176.

† No. 182.

‡ No. 184.

§ No. 181.

|| Nos. 192 and 164.

3586.

No. 187.

FOREIGN OFFICE to COLONIAL OFFICE.

(Confidential.)

SIR,

Foreign Office, February 18, 1891.

IN reply to your letter of the 17th instant,* marked (B), I am directed by the Marquis of Salisbury to state to you, for the information of Lord Knutsford, that his Lordship concurs in the proposal that the Governor of Newfoundland should be instructed, by telegraph, to present at once to the Legislature Lord Knutsford's telegrams to him of the 23rd January last and 9th instant† respectively, omitting from the latter telegram all words relating to the immediate guarantee asked for with a view to the commercial crisis in the Colony.

I am to add that the Chancellor of the Exchequer, to whom the papers have been forwarded to save time, has also expressed his concurrence in the course proposed.

I am, &c.

The Under Secretary of State,
Colonial Office.

(Signed) T. H. SANDERSON.

223 SECRET.

No. 188.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

(Paraphrase.)

19th February. Referring to your telegram of the 15th February‡ as to the railway loan guarantee, you should present to the Legislature paraphrases of my telegrams on this subject dated the 23rd January and the 9th February,† omitting from the latter telegram the first sentence, ending "grounds stated in your telegram."

3332.

No. 189.

COLONIAL OFFICE to FOREIGN OFFICE.

SIR,

Downing Street, February 19, 1891.

WITH reference to previous correspondence respecting the proposed Convention between Newfoundland and the United States, I am directed by Lord Knutsford to transmit to you, to be laid before the Marquis of Salisbury, a copy of a telegram§ from the Governor of Newfoundland, forwarding resolutions, passed by both Houses of the Legislature, protesting against the action of Her Majesty's Government in delaying the signature of the Convention, with a copy of the telegram,|| which, with Lord Salisbury's informal concurrence, Lord Knutsford has sent in reply.

Lord Knutsford is disposed to think that it would be well to observe, in further reply to these resolutions, that it was a very unusual course for a member of the Colonial Government to invite the Legislature to pass resolutions condemning in strong terms the action of Her Majesty's Government in regard to the Convention, without having before it full information as to the reasons which had induced Her Majesty's Government to adopt the action objected to, and to refer them to the Despatch which the Governor has been instructed to present to them.

I am, &c.

The Under Secretary of State,
Foreign Office.

(Signed) JOHN BRAMSTON.

* No. 185.

† Nos. 132 and 164.

‡ No. 181.

§ No. 180.

|| No. 183.

3691.

No. 190.

SIR TERENCE O'BRIEN to LORD KNUTSFORD.
(Received February 19, 1891, 3.30 p.m.)

TELEGRAPHIC.

REFERRING to your telegram of to-day,* am I to submit to Houses of Legislature the whole of your Lordship's telegrams of the 23rd January and the 9th February,† or that part only referring to Railway Loan?

3691.

No. 191.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

20th February, 1891. Your telegram of 19th February.‡ Present whole of that telegram of 23rd January§ which begins with words "Inform Ministers," and ends with word "Colony;" and also my long telegram of 9th February,|| omitting all words preceding the words "Her Majesty's Government are willing."

3688.

No. 192.

FOREIGN OFFICE to COLONIAL OFFICE.

SIR,

Foreign Office, February 20, 1891.

I HAVE laid before the Marquis of Salisbury your letter of the 19th instant,¶ forwarding copies of telegraphic correspondence with the Governor of Newfoundland respecting the resolutions passed by the Colonial Legislature protesting against the action of Her Majesty's Government in delaying the signature of the Reciprocity Convention with the United States.

Lord Salisbury concurs in the further reply which Lord Knutsford proposes to return to these resolutions in the sense suggested in your letter.

The Under Secretary of State,
Colonial Office.

I am, &c.
(Signed) T. V. LISTER.

3688.

No. 193.

LORD KNUTSFORD to SIR TERENCE O'BRIEN.

TELEGRAPHIC.

21st February, 1891. Referring to my telegram of 17th February,** in further reply to resolutions of Houses of Legislature, I have to observe that it was very unusual course for member of Colonial Government to propose to Legislature resolutions condemning in strong terms proceedings of Her Majesty's Government with regard to convention, without placing before it full information as to the reasons which had induced Her Majesty's Government to take steps objected to. Communicate this to Ministers with reference to my Despatch and telegram.

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* No. 191.

† Nos. 132 and 164.

‡ No. 190.

§ No. 132.

|| No. 164.

¶ No. 189.

** No. 183.