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NEWFOUNDLAND.

FURTHER CORRESPONDENCE

RELATIVE TO THE

FINANCIAL CRISIS IN NEWFOUNDLAND.

(In continuation of [H.C.—104] March 1895.)

**Presented to both Houses of Parliament by Command of Her Majesty.
28th March 1895.**



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HODGES, FIGGIS, & Co., LIMITED, 104, GRAFTON STREET, DUBLIN.

1895.

[C.—7686.] Price 1d.

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NEWFOUNDLAND.

FURTHER CORRESPONDENCE

RELATIVE TO THE

FINANCIAL CRISIS IN NEWFOUNDLAND.

No. 1.

SIR F. H. EVANS M.P. to COLONIAL OFFICE.

(Received March 8, 1895.)

[Answered by No. 8.]

MY LORD,

23, Grosvenor Place, S.W., March 7, 1895.

I AM in receipt of a communication* from the Colonial Office in answer to my letter to your Lordship of the 25th ultimo,* and I must express my regret that Her Majesty's Government have not seen fit to render to Newfoundland the slightest aid in this moment of her grave and serious trouble—a trouble which, in my opinion, has been caused indirectly, but mainly, by the action of Her Majesty's Government.

I have advised the Government of Newfoundland of this refusal.

I think it right, however, to point out to Her Majesty's Government that the analogy between Newfoundland and the other Colonies of the Empire—to which reference is made in the reply which I have received to my request on behalf of the Newfoundland Government—is not one which can be seriously maintained. The Imperial Government would not readily have interfered in a Treaty of vital importance to the Australian Colonies as they did in the case of Newfoundland, or, if they had, and serious financial trouble had resulted, the Imperial Government would have had to bear the responsibility and their share of the cost, which they decline to do in the case of Newfoundland, which is infinitely less able to bear such a strain and where the rigour of the climate makes suffering so hard to bear.

With respect to the offer of Her Majesty's Government to meet the more pressing needs of the people by sending out a Commissioner to inquire and report on what assistance is absolutely necessary, I beg to mention that at this season of the year three weeks or a month may elapse before the arrival of such a Commissioner in St. John's, and that this cannot be unknown to Her Majesty's Government. Further, that if there were any real desire on the part of this Government to help the distress of the people of Newfoundland it would be more readily shown if they would instruct the Governor to tender immediate relief pending the arrival of the Commissioner, in case the Government of Newfoundland accept this offer of charity, when their request has met with such absolute refusal of all aid asked on behalf of the Colony.

I am, &c.,

FRANCIS EVANS,

Special Commissioner of the
Government of Newfoundland.

No. 2.

SIR TERENCE O'BRIEN to the MARQUESS OF RIPON.

(Received March 8, 1895.)

TELEGRAPHIC.

[Answered by No. 10.]

(Extract.)

Am requested to forward following:

My Ministers appreciate the careful consideration given by Her Majesty's Government to the application of the Special Commissioner, but, judging from your Despatch of 5th

* Nos. 21 and 22 in [H.C. 104] March 1895.

instant,* Her Majesty's Government evidently fail to appreciate the condition of the Colony. Referring to former Despatches it will be seen that no loans were asked for or contemplated being made to mercantile firms or banks nor eleemosynary aid solicited. The failure of very many mercantile firms and the only two banks in the Colony, with the exception of the Savings Bank, has embarrassed the Government and the community. In the insolvent banks were deposited 200,000*l.* of the Savings Bank funds wanted for current requirements. The insolvent banks were also the Government depositories, and from them the Government drew such funds as they required. The funds of the Savings Bank deposited in the insolvent banks, being preferential, are perfectly safe, though unavailable for many months. By this failure and the discredit attaching to the Colony thereby the Government are temporarily deprived of the means of meeting promptly the claims of depositors in Savings Bank, which by law are guaranteed by Government, and Government's own requirements for some time to come without a loan, which can only be obtained on its unaided credit, at the moment, at exorbitant rate of interest. If my Government can place the Savings Bank in a position to meet all the probable demands of depositors immediately, the probability of further distress will be materially lessened.

As Her Majesty's Government have decided on sending Commissioner for the purposes expressed in your Despatch of 5th instant,* my Ministers, desiring a disinterested report and distribution of the funds placed at his disposal, respectfully request that a stranger wholly unconnected at any time, either officially or commercially, with the Colony, should be appointed. My Ministers desire that copy of this message be forwarded to Evans, Special Commissioner, to save cost second message, and they most respectfully solicit early reply, as prompt action necessary.

No. 3.

THE MARQUESS OF RIPON to SIR TERENCE O'BRIEN.
(Sent March 9, 1895.)

TELEGRAPHIC.

[Answered by No. 4.]

(Extract.)

Can you inform me how much the Colonial Government was indebted to the banks when they failed? Also how much the banks were indebted to Savings Bank at that time, and how much at the present time?

No. 4.

SIR TERENCE O'BRIEN to the MARQUESS OF RIPON.
(Received March 11, 1895.)

TELEGRAPHIC.

(Extract.)

In reply to your telegram of the 9th March,† on 15th December Colonial Government was indebted to the Union Bank 868,000 dollars, Union Bank was indebted to Savings Bank 969,000, Commercial Bank was indebted to Savings Bank 430,000; at present time, Government to Union Bank 635,000, Union Bank to Savings Bank 650,000, Commercial Bank to Savings Bank 391,000, Savings Bank to the Bank of Montreal 100,000.

No. 5.

SIR TERENCE O'BRIEN to the MARQUESS OF RIPON.
(Received March 14, 1895.)

TELEGRAPHIC.

(Extract.)

The Savings Bank have now borrowed another 100,000 dollars at 6 per cent. payable on demand from the Bank of Montreal, against preferential claim on the Commercial Bank for the same sum and double the amount in Colonial bonds.

* No. 23 in [H.C. 104] March 1895.

† No. 3.

No. 6.

THE MARQUESS OF RIPON to SIR TERENCE O'BRIEN.
(Sent March 15, 1895.)

TELEGRAPHIC.

Sir Herbert Murray, K.C.B., formerly Chairman Board of Customs, has been appointed Relief Commissioner, and will sail by mail steamer on 21st March. Meantime you may draw upon Her Majesty's Government through Bank of Montreal at St. John's up to 5,000*l.* for temporary relief to urgent cases which private relief agencies cannot meet, until arrival of Commissioner, to whom you should give accounts of expenditure, which should be made on your own responsibility.

No. 7.

SIR TERENCE O'BRIEN to the MARQUESS OF RIPON.
(Received March 15, 1895.)

TELEGRAPHIC.

Referring to your telegram of 15th March,* have seen Bishop of Newfoundland, President of Clergy Relief Committee, and hope to be able with aid available and expected to keep down distress till Murray arrives. I shall therefore only draw in case of emergency.

No. 8.

COLONIAL OFFICE to SIR F. H. EVANS, M.P.

SIR,

Downing Street, March 15, 1895.

I AM directed by the Marquess of Ripon to acknowledge the receipt of your letter of the 7th instant,† commenting on the refusal of Her Majesty's Government to guarantee the interest on a loan to be raised by the Government of Newfoundland.

I am to state, in reply, that Her Majesty's Government cannot admit that there is any foundation for the statement in your letter that the present trouble in that Colony has been caused indirectly, but mainly, by the action of Her Majesty's Government.

The causes of the present deplorable crisis in the affairs of the Colony must be sought elsewhere than in any action of the Imperial Government.

I am to add that his Lordship is glad to inform you that the Lords Commissioners of the Treasury have, on his recommendation, adopted your suggestion that the Governor should be authorized to tender immediate relief in any urgent cases pending the arrival of the Commissioner in the Colony.

The duty of distributing the relief which Parliament will be asked to vote has been accepted by Sir Herbert Murray, K.C.B., late Chairman of the Board of Customs, who will sail for Newfoundland by the first mail steamer, on the 21st instant.

I am, &c.,

R. H. MEADE.

No. 9.

COLONIAL OFFICE to SIR HERBERT H. MURRAY.

SIR,

Downing Street, March 20, 1895.

1. I AM directed by the Marquess of Ripon to acquaint you that, with the concurrence of the Lords Commissioners of the Treasury, he has appointed you Special Commissioner to proceed to Newfoundland, to inquire into and report on the distress prevalent in that Colony owing to the commercial crisis through which it is passing.

2. His Lordship understands that you are prepared to proceed St. John's, viâ Halifax, by the steamer of the 21st instant, and on your arrival at that place you should consult with the Governor and his Ministers as to the arrangements connected with your mission and the mode of procedure, but you will, of course, understand that in all questions

affecting the application of the funds placed at your disposal you are to decide on your own responsibility and your decision will be final.

3. As far as practicable you should endeavour to visit the various centres of distress, and as there are believed to be relief committees at work both in St. John's and the outports, you will no doubt find it convenient to place yourself in communication with them, and satisfy yourself as to how far, if at all, they might be trusted with the distribution of relief, and you will, of course, be careful to avoid anything calculated to discourage or diminish the efforts of such committees in obtaining and distributing relief from private sources.

4. Should you think it undesirable to avail yourself of the services of those committees or any of them, you may appoint other committees or agents, for the distribution of relief in their several districts, and as far as possible you will control and supervise their action, and will determine the classes of persons to be relieved, the limits of relief in individual cases, and the form of relief, whether in food, clothes, stores, or money.

5. The relief should be confined to cases of actual distress, and, in the case of able-bodied men, should be directed as far as possible to enable them to get work, to maintain themselves and their families while engaged in the fishery, and to provide themselves with stores and implements required for the fishery.

6. In many cases the assistance required may be an immediate advance of money or stores rather than charity, and you will in such cases make general arrangements for the repayment of such advances and for obtaining security for them, should you think that this could usefully be required.

7. In case any of the stores which you may find it desirable to have at your disposal are such as could be obtained from Naval or Military stores, you may find it convenient to arrange for obtaining them from the depôt at Halifax, with the understanding that the cost of replacing them will be charged to the relief vote.

8. You will at your discretion make advances of money or stores to the several committees or agents from time to time; and in the case of existing committees their receipts will be a sufficient discharge for you as it is contemplated that the Vote will be taken, as far as possible, as a grant in aid of other funds locally raised with the same object, but in the event of your making a purchase of stores you should, of course, obtain receipts in the usual form.

9. In the case of any local committee or agent appointed by you, they should also be required to forward to you weekly an account of their disbursements, whether in money or stores, with such vouchers as it may be possible to procure, and these accounts and vouchers should be transmitted by you with your account to the Accounting Officer of this Department.

10. You will report your proceedings to this Department from time to time, sending requisitions by telegraph as to the amount of your pecuniary requirements, which will be met through the branch of the Bank of Montreal at St. John's.

11. While engaged on this mission you will receive your actual travelling expenses and an allowance of 30s. a night (while on the mail steamer, 10s. a night) and a sum of 50% for such outfit as may be required by the severity of the climate, and you will also be allowed such sum as you may consider necessary for clerical assistance and the examination of accounts.

12. You will probably be unable to visit the various parts of the Treaty Shore and the Labrador Coast, but the Commodore of the Fishery Squadron, Captain The Honourable A. G. Curzon-Howe, will be instructed to place himself in communication with you, and you will probably be able to make satisfactory arrangements for the distribution of relief in these districts through the agency of him and his officers.

13. A collection of printed papers relating to the financial crisis is enclosed, and you will see from it that the Colonial Government has applied to Her Majesty's Government for assistance to the Government Savings Bank upon which there has been for some time a continuous run.

14. Her Majesty's Government have felt unable to entertain this application, but, should the institution be unfortunately compelled to close its doors during your stay in the Island, you will be at liberty to consider how far it may be practicable and advisable to make advances to necessitous depositors on the security of their deposits, and it may be of assistance to you in the discharge of your mission to obtain a list of the depositors and the sums standing to their credit from the Colonial Government, who control, and are responsible for, the Savings Bank.

15. The Governor was informed that, pending your arrival, a sum of 5,000*l.* had been placed to his credit at the Bank of Montreal, but he has intimated in reply that he does not think it will be necessary for him to make use of any part of it.

16. Should he, however, find it necessary to do so, he will furnish you with an account of its distribution.

I am, &c.,
R. H. MEADE.

No. 10.

THE MARQUESS OF RIPON to SIR TERENCE O'BRIEN.
(Sent March 22, 1895.)

TELEGRAPHIC.

Referring to your telegram of 8th March,* reasons which precluded Her Majesty's Government from acceding to application for guarantee for Colonial bonds apply equally to application on behalf of Savings Bank; therefore Her Majesty's Government cannot undertake to give assistance to it.

No. 11.

THE MARQUESS OF RIPON to SIR TERENCE O'BRIEN.

SIR,

Downing Street, March 22, 1895.

IN my telegram of the 15th instant,† I informed you that Her Majesty's Government had placed at your credit at the Branch of the Bank of Montreal at St. John's a sum of 5,000*l.* to enable you to provide for the temporary relief of urgent cases of distress, and in your reply of the 16th instant,‡ you informed me that you hoped that the funds already available would be sufficient for dealing with the distress until Sir H. Murray's arrival, and that you would not draw upon the fund unless in case of emergency.

Sir H. Murray has now left for the Colony, and if, on his arrival, you have not found it necessary to draw the whole of the sum placed to your credit, you should arrange for the transfer of any balance to his account, so that the whole amount expended may be accounted for in one account by him.

I enclose, for your information, a copy of the instructions§ given to Sir H. Murray.

I have, &c.,
RIPON.

No. 12.

THE MARQUESS OF RIPON to SIR TERENCE O'BRIEN.

SIR,

Downing Street, March 23, 1895.

WITH reference to my Despatch of the 22nd instant,|| forwarding a copy of the instructions issued to Sir Herbert Murray, as Special Commissioner for the Relief of Distress in Newfoundland, I have the honour to transmit to you, for your information, and for communication to him, copies of correspondence¶ that has passed with the Bank of Montreal respecting a sum of 15,000*l.*, which has been advanced to his credit here, in addition to the sum of 5,000*l.*, which was remitted to you for the same service through the Treasury Chest Officer at Halifax.

I have, &c.,
RIPON.

* No. 2.

† No. 6.

‡ No. 7.

§ No. 9.

|| No. 11.

¶ Not printed.