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CONFIDENTIAL.

CORRESPONDENCE

RESPECTING THE

BRITISH NORTH AMERICAN FISHERIES,

AND THE

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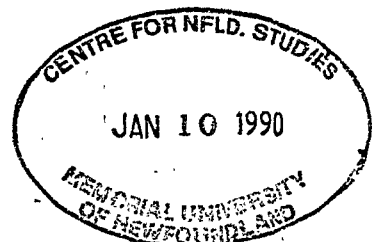
FOR THE

RENEWAL OF THE RECIPROCITY TREATY

BETWEEN

CANADA AND THE UNITED STATES.

1873-74.



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CONFIDENTIAL.

Correspondence respecting the North American Fisheries, and the
Negotiations for the Renewal of the Reciprocity Treaty
between Canada and the United States: 1873-74.

No. 1.

Earl Granville to Mr. Rothery.

(No. 1.)

Sir,

Foreign Office, July 11, 1873.

THE Queen having been graciously pleased to appoint you to be Her Majesty's Agent to attend the Commission on the Fisheries about to be appointed to meet at Halifax, Nova Scotia, under the provisions of the XXIInd and XXIIIrd Articles of the Treaty between Great Britain and the United States of the 8th May, 1871, I transmit to you herewith Her Majesty's commission to that effect.

I also transmit to you a copy of the Treaty, from which you will see the object of the Commission and the nature of your duties in attendance upon it.

The date at which the Commission will meet is at present uncertain; but in order that you may possess a full knowledge of the subject, to which Her Majesty's Government believe that you have already previously directed your attention, it will be desirable that you should at once place yourself in communication with the proper Departments of this office, and of the Colonial Office, who will have directions to afford you access to all the information and correspondence with which it may be useful to you to be made acquainted.

The XXIVth Article of the Treaty states that the proceedings shall be conducted in such order as the Commissioners shall determine, and contemplates that either Government may offer oral or written testimony, and also present a case for the consideration of the Commissioners.

The case on the part of Her Majesty's Government is now being drafted in Canada, and will be forwarded to Her Majesty's Government for approval. When it is finally settled it will be given to you for presentation; and should the Commission not then have been summoned, it may probably be found advisable that, before entering on your duties at Halifax, you should visit Canada, so as to confer preliminarily with the Government of the Dominion.

Her Majesty's Government, relying upon the judgment and ability which you have shown in the discharge of your functions in the High Court of Admiralty, and on all other occasions when your services have been called for, do not consider it necessary to give you more specific instructions at present; and have only to add that it is their desire, as they feel confident it will be your wish, that you should co-operate in all matters connected with the Commission in the most cordial manner with the Government of the Dominion, and with all the Colonial authorities with whom you may be brought in contact.

I am, &c.

(Signed) GRANVILLE.

No. 2.

Earl Granville to Mr. Rothery.

(No. 2.)

Sir,

Foreign Office, July 11, 1873.

I HAVE to inform you that you will receive a sum of 1,000*l.* for your services as Her Majesty's Agent, to be paid to you on the termination of your duties.

Your expenses, not exceeding 1l. 10s. a-day, will also be allowed to you, on your furnishing quarterly accounts, supported by the usual vouchers.

This allowance is not to include your travelling expenses, which will also be allowed to you, and which you will charge separately in your accounts.

I am, &c.
(Signed) GRANVILLE.

No. 3.

Earl Granville to Mr. Rothery.

(No. 3.)

Sir,

Foreign Office, July 11, 1873.

YOU will correspond, as Her Majesty's Agent, with the Secretary of State for Foreign Affairs, in a series of despatches numbered consecutively and docketed in the form observed in the official correspondence with this office.

I am, &c.
(Signed) GRANVILLE.

No. 4.

Earl Granville to Mr. Rothery.

(No. 4. Confidential.)

Sir,

Foreign Office, July 11, 1873.

THE purpose of the Commission, as stated in the XXIInd Article of the Treaty, is to determine the amount of any compensation which ought to be paid by the Government of the United States to the Government of Her Britannic Majesty, in return for the fishing privileges accorded to citizens of the United States under Article XVIII of the Treaty. The primary subject of discussion at the Commission will consequently be the money value of those fishing privileges; but as it may happen that in the course of the proceedings, the boundary rights of the British fisheries may be called in question, Her Majesty's Government have considered that Her Majesty's Agent should be prepared with arguments upon that subject also, and, with this view, they have requested Dr. Deane to prepare a confidential Memorandum on the headlands question. Dr. Deane has reported that he has drafted the Memorandum, but that he delays forwarding it until he can have the advantage of the assistance of Her Majesty's Agent in its final preparation. He will now be asked to place himself in communication with you upon it.

This Memorandum is not necessarily to be submitted to the Commissioners, but only should occasion arise which may require it.

You will, of course, not submit this or any other paper of importance to the Commissioners without direct authority from Her Majesty's Government.

I am, &c.
(Signed) GRANVILLE.

No. 5.

Earl Granville to Mr. Rothery.

(No. 5.)

Sir,

Foreign Office, July 11, 1873.

I SEND you herewith, for your information, a copy, which I have received from the Colonial Office, of the Annual Report of the Department of Marine and Fisheries of the Dominion of Canada for the year ending June 30th, 1872, printed by order of the Canadian Parliament.

I am, &c.
(Signed) GRANVILLE.

No. 6.

Mr. Rothery to Earl Granville.—(Received July 12.)

(No. 1.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 12, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 1 of the 11th instant, informing me that the Queen has been graciously pleased to appoint me to be Her Majesty's Agent to attend the Commission about to be appointed to meet at Halifax, Nova Scotia, under the provisions of the XXIInd and XXIIIrd Articles of the Treaty between Great Britain and the United States of the 8th of May, 1871, and inclosing a copy of the Treaty. I am also informed that my commission will be forwarded to me, as soon as it has received Her Majesty's signature.

In acknowledging the receipt of your Lordship's gracious communication, I beg to say that it will be my object, as it is my desire, to carry to a successful issue the important duties with which I have been honoured; and that I shall be prepared to leave for Halifax, or if it is deemed more expedient for Canada, whenever your Lordship may be pleased to direct me.

I have only to add that I will at once place myself in communication with the proper Departments of the Foreign Office and the Colonial Office, for the purpose of obtaining all the information that may be required on the subject; and that in carrying out the duties which have been entrusted to me, I will endeavour in all matters connected with the Commission to co-operate in the most cordial manner with the Government of the Dominion, and with all the Colonial authorities with whom I may be brought in contact.

I have, &c.

(Signed) H. C. ROTHERY.

No. 7.

Mr. Rothery to Earl Granville.—(Received July 12.)

(No. 2.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 12, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 2 of the 11th instant, informing me that I shall receive a sum of 1,000*l.* for my services as Her Majesty's Agent in connection with the Fisheries Commission, and which will be paid to me on the termination of my duties; also that my expenses, not exceeding 1*l.* 10*s.* a day, will be allowed to me on furnishing quarterly accounts supported by the usual vouchers.

I am also informed that this allowance will not include travelling expenses, nor, I presume, any other necessary expenses connected with the business of the Commission, which must be charged separately in my accounts.

I have, &c.

(Signed) H. C. ROTHERY.

No. 8.

Mr. Rothery to Earl Granville.—(Received July 12.)

(No. 3.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 12, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 3 of the 11th instant, informing me that in all matters connected with the Fisheries Commission I should correspond with your Lordship in a series of despatches numbered consecutively, and docketed in the form observed in the official correspondence with the Foreign Office; and, in reply, I beg to acquaint you that your Lordship's instructions shall be strictly complied with.

I have, &c.

(Signed) H. C. ROTHERY.

No. 9.

Mr. Rothery to Earl Granville.—(Received July 12.)

(No. 4.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 12, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch, marked Confidential, No. 4, of the 11th instant, informing me that, although the primary subject of discussion at the Commission will be the money value of the fishing privileges accorded to citizens of the United States under the XVIIIth Article of the Treaty of Washington, yet that, as the boundary rights of the British fisheries may be called in question, it would be well to be prepared with arguments on that subject also; and that Dr. Deane had been instructed to prepare a confidential Memorandum on the headlands question, but that he had delayed forwarding it to your Lordship until he could have an opportunity of conferring with me, as Her Majesty's Agent, on the subject.

In reply I beg to acquaint you that, since the receipt of your Lordship's despatch, I have communicated with Dr. Deane, and that it has been agreed that we shall meet on Monday next to discuss the Memorandum, which, it would seem, he has already drafted.

I shall, in accordance with your Lordship's directions, consider that Memorandum to be confidential, and not necessarily to be submitted to the Commissioners unless any occasion should arise which might require it. I shall also, of course, not submit this or any other paper of importance to the Commissioners without direct authority from Her Majesty's Government.

I have, &c.
(Signed) H. C. ROTHERY.

No. 10.

Mr. Rothery to Earl Granville.—(Received July 12.)

(No. 5.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 12, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 5 of the 11th instant, forwarding for my information a copy, which had been received from the Colonial Office, of the Annual Report of the Department of Marine and Fisheries of the Dominion of Canada for the year ending the 30th of June, 1872, printed by order of the Canadian Parliament. I will at once make myself acquainted with the contents of this work.

I have, &c.
(Signed) H. C. ROTHERY.

No. 11.

Mr. Rothery to Earl Granville.—(Received July 18.)

(No. 6.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 18, 1873.

I HAVE the honour to acknowledge the receipt of the Royal Commission appointing me to be Her Majesty's Agent to attend the Fisheries Commission about to meet at Halifax, Nova Scotia, and which was referred to in your Lordship's letter of the 11th instant.

I have, &c.
(Signed) H. C. ROTHERY.

No. 12.

Mr. Rothery to Earl Granville.—(Received July 26.)

(No. 7.)

My Lord,

94, Gloucester Terrace, Hyde Park, July 25, 1873.

I HAVE the honour to inclose, for your Lordship's information, copy of a correspondence which I have lately had with the Treasury, relative to the arrangements which it is proposed to make for the discharge of my official duties during my absence as Her Majesty's Agent in attendance on the Commission about to assemble at Halifax, Nova Scotia, for the settlement of the Fisheries question with the United States.

I beg further to acquaint your Lordship that, understanding that it might be necessary for me to leave England towards the end of August, I caused inquiries to be made for a passage in one of the Cunard steamers at about that time, and I was informed, in reply, that all the places had been engaged up to the end of August, and for some time afterwards. Since then, however, Mr. M'Iver, the Manager of the Company, has placed at my disposal two cabins, which had been unexpectedly given up, in the "Scotia," which leaves Liverpool on the 6th of September; and as it seemed very doubtful whether, in the event of my refusing these places, I should be able to obtain a passage when it was necessary for me to leave, I have thought it better to secure these two cabins, one for myself and the other for the gentleman who may be selected to accompany me as Secretary. Unless, therefore, anything which cannot at present be foreseen should occur in the meantime, I shall be prepared to leave England for New York on the 6th of September next.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 12.

Mr. Law to Mr. Rothery.

Sir,

Treasury Chambers, July 14, 1873.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to forward to you the inclosed copy of a letter from the Foreign Office dated the 10th instant, informing my Lords that you have been appointed to be Her Majesty's Agent to attend the Fishery Commission about to meet at Halifax, Nova Scotia.

My Lords presume that this appointment has the concurrence of the Judge of the Court of Admiralty, and of the Lords of the Judicial Committee of the Privy Council.

My Lords request that you will report to them what measures you propose should be taken to provide for the performance, during your absence, of such of your duties as relate to their own service, and also whether my Lords are to expect any communications to the like effect from the Judicial Committee of the Privy Council or from the Judge of the High Court of Admiralty.

My Lords desire to have before them a statement embracing all the arrangements to be made in consequence of your temporary withdrawal.

I am, &c.
(Signed) WILLIAM LAW.

Inclosure 2 in No. 12.

Mr. Hammond to Mr. Lingen.

Sir,

Foreign Office, July 10, 1873.

WITH reference to my letter of the 22nd of May, I am directed by Earl Granville to request that you will state to the Lords of the Treasury that Mr. H. C. Rothery, Registrar of the High Court of Admiralty, has been appointed to be Her Majesty's Agent to attend the Fishery Commission about to meet at Halifax, Nova Scotia: and, as it is very desirable that he should at once proceed to prepare the necessary Memoranda in support of the British Case, I am to request that you will move their Lordships to make arrangements at their earliest convenience for relieving him of his ordinary official duties.

I am, &c.
(Signed) E. HAMMOND.

Inclosure 3 in No. 12.

Mr. Rothery to Mr. Law.

Sir, 94, Gloucester Terrace, Hyde Park, July 16, 1873.
I HAVE to acknowledge the receipt of your letter of the 14th instant, forwarding to me copy of one from the Foreign Office dated the 10th, relative to my appointment as

Her Majesty's Agent to attend the Fisheries Commission about to meet at Halifax, Nova Scotia, stating that the Lords Commissioners of Her Majesty's Treasury presume that the appointment has the concurrence of the Judge of the High Court of Admiralty, and of the Lords of the Judicial Committee of the Privy Council, and requesting to know what arrangements it is proposed to make for the transaction of my official duties during my absence from this country.

In reply I have the honour to inform you that, in regard to my duties as Adviser to the Treasury on all matters relating to the Slave Trade, I propose, with their Lordships' sanction, that Mr. John George Smith, one of the first-class clerks in the Admiralty Registry, should undertake these duties during my absence. Mr. Smith was educated and took honours in classics at Oxford, is a barrister, and a gentleman in whose ability and discretion I place the greatest reliance; and, as he has for some time past assisted me in the preparation of my reports on the various questions relating to the Slave Trade which have been referred to me, I have every confidence that he will discharge these duties to their Lordships' entire satisfaction. As, however, the performance of these duties will necessarily throw upon Mr. Smith a great deal of extra labour and responsibility, I venture to think that it would be proper that some addition should be made to his salary during my absence. At present he is in the receipt of 500*l.* a year, and I would suggest that this addition should be at the rate of 200*l.* per annum.

With regard to my duties as Registrar of the High Court of Admiralty of England, and Registrar of Her Majesty in Ecclesiastical and Maritime causes, I should state that it is with the entire approval of the Judge of the High Court of Admiralty and of the Lords of the Judicial Committee of the Privy Council, that I have accepted the appointment. It is thought that, as the time when I shall have to take my departure from this country will be quite at the beginning of the long vacation, my presence could be better spared than at any other period of the year.

As regards their Lordships' further inquiry what arrangements it is proposed to make for the conduct of the business during my absence, I beg to state that Mr. Bathurst, the Assistant-Registrar, has most kindly undertaken to discharge the duties which ordinarily devolve upon me, namely, the hearing of References, the management of the accounts in connection with the Fee Fund, the Suitors' Fund, and the Parliamentary Grant, the conduct of the correspondence with the Government Offices and others, and the general control of the business of the office. As regards the sittings in Court, Mr. Bathurst will be assisted by Mr. Smith, who, as a barrister, is legally qualified to act as assistant to the Registrars; so that, when Mr. Bathurst is hearing References or discharging other duties, Mr. Smith will, with the permission of the Judge, sit in Court. Mr. Bathurst will also, with the sanction of the Lords of the Judicial Committee, sit for me at the Privy Council, and at those times Mr. Smith will attend the Judge in the Court of Admiralty. Mr. Bathurst will also dispose of the motions in Chambers, and the numerous Interlocutory Orders, which the Registrars are called upon to make when the Judge is not sitting. For the discharge of the other duties of the office, such as taxation of costs and other matters, Mr. Bathurst proposes to transfer such of them as he can without inconvenience to the superior clerks, retaining, of course, in his own hands the general management and control. Mr. Bathurst does not desire any remuneration for the additional duties which will be thrown upon him. I should add that all these arrangements have the entire approval of the Judge of the Court of Admiralty and of the Lords of the Judicial Committee of the Privy Council.

I have now stated all the arrangements which it is proposed to make in consequence of my temporary absence from this country; I am, however, desired by the Judge of the Court of Admiralty to say that, should any unforeseen circumstance arise which would render some additional assistance necessary for the proper performance of the duties of the office, he trusts that their Lordships will not refuse to allow the requisite funds for that purpose.

In conclusion, I trust that I may be permitted to observe that, although I am deeply sensible of the very high honour which has been done me in selecting me for so high a post, yet, looking at the very great labour and responsibility which must attend the discharge of these duties, and the many inconveniences of a private nature which so long an absence from this country must entail, I should have hesitated to accept the appointment had I not understood that it was the wish of Her Majesty's Government that I should do so. As, too, Lord Granville informs me that my appointment has the sanction of the Lord Chancellor, I trust that in any legal changes which may be made during my absence, owing to the passing of the Judicature Bill, my position as a permanent officer of the Court of Admiralty and of the Court of Appeal will not be injuriously affected.

Had I not every confidence that this would be so, I should, of course, not accept the present temporary appointment.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 4 in No. 12.

Mr. Law to Mr. Rothery.

Sir, *Treasury Chambers, July 19, 1873.*
THE Lords Commissioners of Her Majesty's Treasury are pleased to approve of the proposals enumerated in your letter of the 16th instant, for supplying your place as Adviser to this Department on matters relating to the Slave Trade, as Registrar of the High Court of Admiralty, and as Registrar of Her Majesty in Ecclesiastical and Maritime causes, during your absence, whilst holding the appointment of Her Majesty's Agent to attend the Fisheries Commission about to meet at Halifax, and further to approve of Mr. John George Smith, a First Class Clerk in the Admiralty Registry, receiving in addition to his salary at the rate of 200*l.* per annum from such date as you may report that he undertakes the duties you propose to confide to him until such date as they may be otherwise provided for.

My Lords have pleasure in acknowledging the readiness which Mr. Bathurst, the Assistant Registrar, has shown to charge himself with additional duties during your absence, and if he finds further assistance to be necessary, they will be ready to consider favourably the proposals which he may make.

Their Lordships also take notice of the circumstances under which you proceed upon this mission, and they have every reason to believe, from their own experience of your services, that you will discharge it with credit to yourself, and with advantage to the country.

I am, &c.
(Signed) WILLIAM LAW.

No. 13.

Mr. Rothery to Earl Granville.—(Received August 8.)

(No. 8.)

My Lord, *94, Gloucester Terrace, Hyde Park, August 7, 1873.*

I HAVE heard with much pleasure that Mr. G. E. Dallas, of the Foreign Office, has been appointed by your Lordship to be the Secretary to the Agency about to be established at Halifax for the settlement of the Fisheries Question with the United States of North America. Mr. Dallas' knowledge and experience of the Foreign Office will, I feel sure, be of the greatest service to me, and I shall confidently rely upon his assistance in the discharge of the more important duties of the Agency. In order, however, that he may be able to devote more time to the discharge of those duties, it seems desirable that he should in a measure be relieved of some of the ordinary Secretariat work, of which there will necessarily be a very large amount to be done. I venture, therefore, to think that it will be proper that a second Secretary or Attaché should be appointed, whose duty it would be to assist in copying the numerous confidential documents and despatches which have to be drawn up.

Should the view which I have ventured to express meet with your Lordship's approval, I beg respectfully to recommend Mr. Robert Russell, of Newton House, Bedale, Yorkshire, for the appointment. Mr. Russell, who is 24 years of age, is most anxious to accompany me in some official capacity, and having, by the death of his elder brother, recently come into a considerable property in Yorkshire, he would be prepared to pay his own expenses. I have known Mr. Russell from his childhood, and have a high opinion of his abilities, and I feel sure that, if your Lordship would be pleased to appoint him as Attaché to the Agency, he will do justice to the appointment. Mr. Russell has some knowledge of the country, having during the past year travelled for several months in Canada and Newfoundland. I should add that he is a nephew of Lord Normanby, and a grandson of Dr. Lushington, the late Judge of the High Court of Admiralty, whose eminent abilities and high character are so well known to your Lordship.

I have, &c.
(Signed) H. C. ROTHERY.

No. 14.

Mr. Hammond to Mr. Herbert.

Sir,

Foreign Office, August 8, 1873.

WITH reference to your letter of the 5th instant, inclosing a copy of the Case prepared in Canada for presentation to the Fishery Commission at Halifax, I am directed by Earl Granville to request that you will state to the Earl of Kimberley that it appears to his Lordship to be of great importance that Mr. Rothery, Her Majesty's Agent, should be in possession of the fullest information and evidence procurable with regard to all the details of the subject; and his Lordship proposes, therefore, to instruct him to proceed by way of the United States to Canada as soon as he has finished the business upon which he is now engaged in preparation for the Commission, and place himself in communication with the Government of the Dominion with this object.

It would also be desirable that he should visit Her Majesty's Minister at Washington on his way, and probably also the Consulates at Boston and Portland and other places in the States of the Union most interested in the Fisheries.

I am to add that Lord Granville understands that Mr. Rothery expects to be ready to leave England on the 6th proximo.

I am, &c.
(Signed) E. HAMMOND.

No. 15.

Earl Granville to Mr. Rothery.

(No. 6.)

Sir,

Foreign Office, August 11, 1873.

I HAVE to acquaint you that I have appointed Mr. G. E. Dallas of this office, to be Secretary to Her Majesty's Agency at Halifax, and to assist you generally in any business connected with the Fishery Commission in which you may think proper to employ his services.

I am, &c.
(Signed) GRANVILLE.

No. 16.

Earl Granville to Mr. Rothery.

(No. 7.)

Sir,

Foreign Office, August 11, 1873.

IN compliance with the recommendation contained in your despatch No. 8 of the 7th instant, I appoint Mr. Robert Russell to be Attaché to Her Majesty's Agency at Halifax.

Mr. Russell's expenses will not be borne by the public.

I am, &c.
(Signed) GRANVILLE.

No. 17.

Earl Granville to Mr. Rothery.

(No. 8.)

Sir,

Foreign Office, August 11, 1873.

I TRANSMIT to you herewith, for your information, a copy, which I have received from the Colonial Office, of a statement of the British claim under the Fishery Articles of the Treaty of Washington, which have been received from the Department of Marine and Fisheries in Canada.

It is of great importance that you should be in possession of the fullest information and evidence procurable with regard to all the details of the subject; and I have accordingly to instruct you to proceed in the first instance to Canada, as soon as you have finished the business upon which you are now engaged in preparation for the

Commission, and place yourself in communication with the Government of the Dominion with this object.

It will also be desirable that you should afterwards visit Her Majesty's Minister at Washington, and probably also the Consulates at Boston and Portland, and other places in the States of the Union most interested in the Fisheries.

You will then be able to settle with the Dominion Government a definitive draft Case for the approval of Her Majesty's Government, and to prepare any documentary evidence in support of it which it may be useful to lay before the Commissioners.

I am, &c.
(Signed) GRANVILLE.

No. 18.

Earl Granville to Mr. Rothery.

(No. 9.)

Sir, *Foreign Office, August 11, 1873.*
I HAVE to acquaint you that I have been informed by the Lords Commissioners of Her Majesty's Treasury, that they have appointed Mr. John George Smith, a First Class Clerk in the Admiralty Registrar, to act as Adviser to their Board on matters relating to the Slave Trade, during your absence as Her Majesty's Agent to the Fisheries Commission to be held at Halifax.

I am, &c.
(Signed) GRANVILLE.

No. 19.

Earl Granville to Mr. Rothery.

(No. 10.)

Sir, *Foreign Office, August 11, 1873.*
I TRANSMIT to you herewith, for your information, copies of a letter and its inclosures which have been received from the Colonial Office respecting the Newfoundland Fisheries; and I have to add that I have informed Lord Kimberley of my concurrence in the despatch which he proposes to address to Governor Hill upon this subject.

I am, &c.
(Signed) GRANVILLE.

No. 20.

Earl Granville to Mr. Rothery.

(No. 11.)

Sir, *Foreign Office, August 15, 1873.*
WITH reference to my despatch No. 8 of the 11th instant, I transmit to you herewith, for your information, a copy of a letter from the Colonial Office, inclosing a copy of a despatch from the Governor-General of Canada, respecting the Canadian Case on the Fisheries Question, and requesting that it may be modified if necessary in its form and style before being submitted to the Commission.

I am, &c.
(Signed) GRANVILLE.

No. 21.

Earl Granville to Mr. Rothery.

(No. 12.)

Sir, *Foreign Office, August 20, 1873.*
WITH reference to my despatch No. 10 of the 11th instant, inclosing copies of a letter and of its inclosures from the Colonial Office, showing the amount at which the claim of Newfoundland as regards the Fishery Question is estimated, I have to observe that in the event of these estimates being presented to the Commissioners, it would be

advisable that you should word the British Case in a way to show that the estimates have been based on evidence which will be submitted to the Commissioners.

I am, &c.
(Signed) GRANVILLE.

No. 22.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, August 22, 1873, 2.20 P.M.

WITH reference to my telegram of the 17th instant, Lord Dufferin says that the Government of the Dominion strongly object to the appointment of any Minister resident at Washington, and prefer to resort to the alternative provided by the Treaty, that is, to leave the nomination to Austrian Ambassador.

No. 23.

Sir E. Thornton to Earl Granville.—(Received August 28.)

(No. 333. Confidential.)

My Lord,

Catskill Station, August 11, 1873.

ON the 4th instant I received a telegram from the Governor-General of Canada, to the effect that the Government of the Dominion would prefer the Belgian Minister at Washington as Third Commissioner on the Fisheries Commission which is to sit at Halifax.

Although I feared for several reasons that the United States' Government would not acquiesce in that appointment, I called upon Mr. Fish on his return to Washington the next day, and thought it expedient not to allude to the telegram which I had received from Lord Dufferin, but to ask him, as from myself, why in his note to me proposing several of my colleagues amongst whom a third Commissioner might be selected he had omitted to mention the Belgian Minister, for it appeared to me that he was more fitted than any of the others for the position. He understood English extremely well, having been in London for several years, was a very intelligent man, and having but little official business at Washington connected with his Legation could more easily absent himself for a time than almost any of his colleagues. Mr. Fish replied that the Belgian Minister was one of those foreign Ministers to whom he had alluded in his note as not being to be taken into consideration for political reasons. Belgium was so completely under the control and protection of Great Britain that the American people would never be persuaded that her Representative could be anything but partial towards England; indeed, Belgium was looked upon in the United States as a Province of Great Britain.

Mr. Fish further stated to me confidentially that Mr. Delfosse was not personally agreeable to the United States' Government; that he had been known to have made many observations disrespectful to the President, and hostile to the political institutions of the United States; and that under these circumstances it would be very difficult for the President to acquiesce in his appointment as Third Commissioner on the Fisheries Commission.

Mr. Fish's language on this occasion was so positive that, on the receipt of your Lordship's telegram of the 9th instant, I did not think it expedient to make any further communication to him upon the subject.

I have, &c.
(Signed) EDWD. THORNTON.

No. 24.

Earl Granville to Sir E. Thornton.

(No. 248.)

Sir,

Foreign Office, August 29, 1873.

I HAVE received your Confidential despatch No. 333 of the 11th August, reporting the objections entertained by Mr. Fish to the appointment of the Belgian Minister at

Washington as Third Fishery Commissioner, and his observations on the position of Belgium in regard to Great Britain.

You will take an opportunity of reminding Mr. Fish that in the last case referred to the late King of the Belgians, namely, the dispute between Great Britain and Brazil as to the treatment of the officers of the "Forte," the decision was given against Her Majesty's Government, although they believed their case to be a very strong one.

I am, &c.

(Signed) GRANVILLE.

No. 25.

Sir E. Thornton to Earl Granville.—(Received August 31.)

(No. 341.)

My Lord,

Catskill Station, August 18, 1873.

I HAVE the honour to inclose a Memorandum, which has been prepared in accordance with your Lordship's wish, relative to the rights of jurisdiction for fishery and other purposes claimed by the Maritime States of the United States against each other in bays.

I am afraid that it is not so full as your Lordship would have desired; but I hope that it may still be of value. Mr. Carlisle is at present at Newport, is much occupied with the business of the Mixed Commission, and has not probably access to all the books of State laws which might have been of use.

I have at the same time the honour to inclose a copy of some extracts which I have made from the laws of the different States relative to maritime jurisdiction at the time of the negotiation of the Treaty which was signed on the 8th May, 1871, thinking that they might prove useful during the discussion of the Fishery Question.

I have, &c.

(Signed) EDWD. THORNTON.

Inclosure 1 in No. 25.

Memorandum as to the rights of Jurisdiction for Fishery and other purposes claimed by the Maritime States of the United States against each other in Bays.

1. The shores of navigable waters (including the waters of the coasts and bays) and the soils under them, belong to the several States within whose limits they lie, subject only to the rights of navigation and commerce surrendered to the General Government by the Federal Constitution. A leading case on this subject is that of *Pollard's Lessee v. Hagan, et al.* (3 Howard p. 212), in which the Court says:—

"The shores of navigable waters and the soils under them were not granted by the Constitution to the United States, but were reserved to the States respectively" (p. 230). See also the case of *Marten v. Waddell* (16 Peters, p. 410), in which the Court, speaking of the power of the King, since *Magna Charta*, to dispose of the fisheries, said:—

"And we more willingly forbear to express an opinion upon this subject, because it has ceased to be a matter of much interest in the United States. For when the revolution took place the people of each State became themselves sovereign, and in that character hold the absolute right to all their navigable waters and the soils under them for their own common use, subject only to the rights since surrendered by the Constitution to the General Government."

2. The limits of the States bordering upon the ocean are generally held to extend to one marine league from the mainland, according to the accepted rule of the international law, and to include the ports, harbours, bays, mouths of rivers, and adjacent parts of the sea inclosed by headlands belonging to the same State.

3. The only rights possessed by the United States over the navigable waters within the limits of States are—(a) to regulate commerce and navigation thereupon, and (b) to exercise, by the Federal Courts, Admiralty, and maritime jurisdiction. It does not appear that the United States have the power to interfere with the fisheries further than is necessary to the exercise of the right above specified.

4. Each State has the right to grant to private persons the exclusive right to take fish in designated places within its limits.

5. The several States, as distinguished from the Federal Union, have claimed

and exercised the right of regulating the Fisheries in their waters respectively; for example:—

(a.) New Jersey confines the right of fishing to her own citizens. (Statutes of 1847, tit. 16, ch. 1.)

(b.) Origen confines that right to citizens of the United States. (General Laws, 1864. Constitution of 1857, art. XVI.)

(c.) Delaware and Rhode Island prohibit the catching of fish for exportation by non-residents of these States respectively. (Delaware Revised Code, 1852, chap. 55, sec. 10; Rhode Island Public Laws, 1844, p. 541.)

(d.) Maine, Maryland, and Florida discriminate against non-residents, and in favour of their own citizens respectively. (Maine—Revised Statutes of 1857, chap. 40, secs. 18 and 19; Maryland—Code of 1860, art. XLI, sec. 1; art. XXX, sec. 90 Laws of 1868; Florida—Thompson's Digest 1847, tit. 7, chap. 6, sec. 1.)

6. In no case does it appear that the validity of any such State law regulating or restricting the right to take floating fish, has been questioned in the Federal Courts; on the contrary, it seems to have been tacitly admitted.

7. The right of the State to protect shell-fish, by laws regulating the mode of taking them, and imposing penalties upon vessels taking them in violation of such law, has been sustained by the Supreme Court in the case of *Smith v. Maryland*, 18 Howard, p. . In that case the Court held that a proceeding *in rem*, under a State statute, for the confiscation of a vessel violating the laws for the protection of shell-fish, was not in violation of the Constitution of the United States, either in respect of commerce and navigation or admiralty or marine jurisdiction.

8. In the same case, however, the Court says, speaking of the law in question (page 75):—

“Its avowed, and unquestionably its real, object is to prevent the destruction of oysters within the waters of the State, by the use of particular instruments in taking them. It does not touch the subject of the common liberty of taking oysters, save for the purposes of guarding it from injury, to whomsoever it may belong and by whomsoever it may be enjoyed. Whether this liberty belongs exclusively to the citizens of the State of Maryland, or may be lawfully enjoyed in common by all citizens of the United States; whether the National Government, by a Treaty or Act of Congress, can grant to foreigners the right to participate therein; or what in general are the limits of the trust upon which the State holds this soil, or its power to define and control that trust, are matters wholly without the scope of this case, and upon which we give no opinion.”

(Signed) J. M. CARLISLE.

Newport, R. I., August 9, 1873.

Inclosure 2 in No. 25.

Notes relative to Maritime Jurisdiction in the United States.

Revised Statutes of, 1857, chap. 40, secs. 18 and 19. *Maine.*—No person, not a resident of the State, shall set or use any net, &c., in any of the waters of the State. Permits to take shell-fish may be granted by municipal officers to non-residents.

(“Waters of the State” are nowhere defined),

New Hampshire.—No regulation as to fisheries, except as to inspection of fish.

General Statutes of, 1860, Part I, tit. 1, chap. 1, sec. 1. *Massachusetts.*—“The territorial limits of this commonwealth extend one marine league from its sea shore at low-water mark. When an inlet or arm of the sea does not exceed two marine leagues in width between its headlands, a straight line from one headland to the other, is equivalent to the shore line.”

Public Laws of, 1844, p. 541. *Rhode Island.*—No person living without the State, shall take any fish within the harbours, rivers, or waters of the State, for the purpose of carrying them from thence in vessels or smacks.

General Statutes of, 1866, tit. 23, chap. 1, sec. 7. *Connecticut.*—No limitation as to non-residents. The use of nets in Long Island Sound is prohibited within three miles, easterly, southerly, and westerly, of a line drawn across the mouth of the Connecticut River due east; from Laybrook Lighthouse,

Revised Statutes of, 1846, Part I, chap. 1, tit. 1, sec. 1. *New York.*—The boundaries of the State are described as commencing at the mouth of Byram River, where it falls into Long Island Sound, running thence inland, &c., to Sandy Hook, and then to the place of beginning, “in such manner as to include Staten Island, and the Island of Meadow, on the west side thereof, Shooter’s Island,

Long Island, the Isle of Wight, now called Gardiner's Island, Fisher's Island, Shelter Island, Plumb Island, Robin's Island, Ram Island, the Gull Islands, and all the islands and waters in the Bay of New York, and within the boundaries above described."

No limitation as to non-residents.

New Jersey.—None but resident citizens of New Jersey may fish in "any of the bays, flats, rivers, or waters of the State," except owners or tenants. Statutes of, 1847, tit. 16, chap. 1.

Delaware.—The limits of the State are . . . "lower water-mark on the eastern side of the River Delaware, within the twelve-mile circle from New Castle; and the middle of the bay below said circle." Laws of Revised Code, 1852, tit. 1, chap. 1, sec. 2.

Non-residents prohibited from fishing for exportation, in waters of the same. Any boat or vessel used for such purpose, shall be forfeited. Chap. 55, sec. 10.

Maryland.—None but resident citizens of the State; shell-fish, herrings, or shad, from March 1 to June 1, in Chesapeake Bay; heavy penalties. Tribunals have jurisdiction over waters of Chesapeake Bay, within limits of State. Maryland Code, 1860, Article 41, sec. 1; Article 30, sec. 90.

None but resident citizens shall fish, unless by permission of neighbouring land-owners, in waters of Chesapeake Bay, within boundaries of Cecil, Kent, and Hertford counties. Laws of Maryland, 1868.

(N.B.—These three counties surround the most northerly portion of the bay, where it is little more than five miles across).

Virginia.—Rights of owners of land extend to low-water mark, but no further. Tribunals have jurisdiction over Chesapeake Bay, except against citizens of Maryland. Fishing in the Potomac common to both States. Code 1860, tit. 19, chap. 42, sec. 2; tit. 1, chap. 1, sec. 7.

North Carolina.—Section 25 of the Declaration of Rights, claims as the right and property of the people of the State "all the territories, seas, waters, and harbours, with their appurtenances," lying between the north and south boundaries, which are described as beginning "on the seaside." Revised Code, 1855.

Non-residents forbidden to fish for sale in the waters of the State.

Chap. 81, sec. 5.

South Carolina.—No restrictions as to non-residents. Boundary simply described as running along the sea coast.

Florida.—Persons who are not *bonâ fide* resident citizens of the State, are forbidden (under fine of 1,000 dollars, and forfeiture of vessel and tackle), to catch fish or turtle "on the coast, or in any of the seas, bays, rivers, creeks, or harbours, or adjacent to any of the islands or keys of this State," without a license, on which license foreigners are charged much higher than citizens of the United States. Thompson's Digest, 1847, tit. 7, chap. 6, sec. 1.

"The jurisdiction of the State of Florida shall extend over the territories of East and West Florida, which, by the Treaty of 1819, were ceded by Spain to the United States. This Treaty (Article III), merely speaks of the boundary as commencing on the Gulf of Mexico, and extending to the South Sea." Tit. 1, ch. 2, sec. 1.

Alabama.—The boundaries of the State, as defined by the Act of Congress admitting her into the Union, include, on the Gulf of Mexico, all islands within six leagues of the shore. Code of 1852, tit. 2, chap. 1, Art. 1, sec. 15.

The only fishery laws relate to inspection.

Mississippi.—The boundaries of the State along the Gulf of Mexico are described as including all islands within six leagues of the shore. Revised Code 1857, chap. 2, sec. 2, Art. 1.

No fishery regulations.

Sea-board only 80 miles.

Louisiana.—No acts relative to fisheries.

The Constitution of 1812 defines the boundary along the Gulf of Mexico as bounded by the said gulf, including all islands within three leagues of the coast. Revised Statutes, 1856.

Texas.—No fishery regulations.

Article V of the Treaty of Guadalupe Hidalgo defines the boundary between the two Republics as commencing in the Gulf of Mexico, three leagues from land, opposite the mouth of the Rio Grande. General Laws, 1866, United States' Statutes at Large, vol. ix, p. 926.

Oregon.—The boundaries of the State are described as extending to a distance of one marine league from the line of the coast, including all islands within the jurisdiction of the United States. General Laws, 1864; Constitution of, 1857, Art. 16.

Natural oyster beds in the waters of the State are free to all citizens thereof. No person, not a citizen of the United States, shall gather oysters in natural beds or own artificial beds.

California.—By Article 12 of the Constitution of California, the boundary of the State along the Pacific Ocean is described as extending therein three English miles, and as including the islands, harbours, and bays, along and adjacent to the coast. Wood's Digest, 1858, p. 37.

No restrictions as to residence or citizenship of persons engaged in fisheries.

Sir E. Thornton to Earl Granville.—(Received August 31.)

(No. 343.)

My Lord,

Catskill Station, August 19, 1873.

YOUR Lordship is probably aware that the Honourable F. B. T. Carter, Q.C., of Newfoundland, has recently been sent to this country by the Chamber of Commerce of St. John's, for the purpose of endeavouring to remove the difficulty which has arisen from the wording of the Act of that Colony relative to the Treaty of Washington.

I have seen and corresponded with Mr. Carter upon this subject, and he has conferred with Mr. Fish. At Mr. Carter's suggestion the Governor of Newfoundland forwarded to me in a despatch, of which I have the honour to inclose a copy, the draft of a Proclamation, of which a copy is also inclosed, and which Mr. Fish had promised to take into consideration.

I yesterday submitted the draft to Mr. Fish, but regret to say that I failed to persuade him to recommend the President to issue a similar Proclamation. The reasons which Mr. Fish assigns for declining to do so are contained in the despatch which I have this day addressed to the Governor of Newfoundland, and a copy of which is inclosed.

Your Lordship will, however, perceive that Mr. Fish has authorized me to say that, if Her Majesty's Government will guarantee that the suspension of all the laws which operate to prevent the Articles of the Treaty from taking full effect shall, notwithstanding the wording of the Act of Newfoundland, be real and effective, he cannot doubt that the President will issue the necessary Proclamation.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 26.

Governor Hill to Sir E. Thornton.

Sir,

Government House, Newfoundland, August 5, 1873.

WITH reference to the correspondence which has passed with your Excellency in relation to the Treaty of Washington, I have the honour to transmit copy of the Proclamation which, at the instance of my responsible adviser, I am prepared to issue in order to extend to this Colony the provisions of the Treaty of the 8th May, 1871, so far as they relate to Newfoundland, should the Cabinet of the United States accept our Local Act, 36 Victoria cap. 3.

I have, &c.
(Signed) STEPHEN J. HILL.

Inclosure 2 in No. 26.

BY his Excellency Stephen J. Hill, Esq., Companion of the Most Honourable Order of the Bath, Governor and Commander-in-chief in and over the Island of Newfoundland and its Dependencies.

Whereas a Treaty between Her Britannic Majesty and the United States of America, was signed at Washington on the eighth day of May, one thousand eight hundred and seventy-one, and was duly ratified on the seventeenth day of June in that year, which, amongst other things, contained the following Article:—

“It is further agreed that the provisions and stipulations of Articles Eighteen to Twenty-five of this Treaty inclusive, shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Article into effect, then this Article shall be of no effect, but the omission to make provision by law to give it effect, by either of the Legislative bodies aforesaid, shall not in any way impair any other Articles of this Treaty.”

And whereas on the fifth day of May, Anno Domini one thousand eight hundred and seventy-three, the Legislature of Newfoundland did embrace the Colony of Newfoundland in a law enacted for carrying the foregoing Articles into effect, in terms following, that is to say, after reciting as is above recited:—

And whereas it is expedient to provide for giving effect, as regards the Island of Newfoundland and its Dependencies, to said Articles Eighteen to Twenty-five of said Treaty, inclusive, so far as they are applicable to this Colony:—

Be it therefore enacted by the Governor, Legislative Council, and Assembly, in Legislative session convened, as follows:—

I. As soon as the law required to carry into operation, on the part of the United States of America, the Articles set out in the schedule to this Act, has been passed by the Congress of the United States, and come into force, all laws of this Colony which operate to prevent the said Articles from taking full effect, shall, so far as they so operate, be suspended and have no effect during the period mentioned in the Article numbered Thirty-three in the schedule to this Act: Provided that such laws, rules, and regulations, relating to the time and manner of prosecuting the fisheries on the coasts of this island, shall not be in any way affected by such suspension.

II. The Governor in Council, by any order or orders to be made for that purpose, may do anything further, in accordance with the spirit and intention of the Treaty, which shall be found necessary to be done on the part of this island to give full effect to the Treaty; and any such order shall have the same effect as if the object thereof were expressly provided for by this Act.

III. This Act shall not come in force until Her Majesty's assent thereto shall have been given, and until the issuing of a Proclamation under provisions of section Two of the Act of the Imperial Parliament, entitled "The Treaty of Washington Act, one thousand eight hundred and seventy-two," and shall remain in force during the term of years mentioned in Article Thirty-three in the schedule to this Act.

And whereas Her Majesty's assent has been given to the said Act; and whereas, by an Act of the Congress of the United States of America, entitled, "An Act to carry into effect the provisions of the Treaty between the United States and Great Britain, signed in the city of Washington the eighth day of May, one thousand eight hundred and seventy-one, relating to the Fisheries;" it is, amongst other things, provided:—

Section 2.—That whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles Eighteenth to Twenty-fifth of said Treaty, inclusive, to that Colony, and the Legislature thereof, and the Imperial Parliament shall pass the necessary laws for that purpose, the above enumerated Articles, being the produce of the Fisheries of the Colony of Newfoundland, shall be admitted into the United States free of duty, from and after the date of a Proclamation by the President of the United States, declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles, Eighteenth to Twenty-fifth inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty so long as the said Articles Eighteen to Twenty-fifth inclusive, and Articles Thirtieth of the said Treaty, shall remain in force according to the terms and conditions of Article Thirty-third of said Treaty.

And whereas by the hereinbefore-mentioned Act of the Imperial Parliament, entitled "The Treaty of Washington Act, one thousand eight hundred and seventy-two," it is provided:—

2. Whenever the necessary laws have been passed by the Legislature of Newfoundland and approved by Her Majesty for carrying into operation the Articles in the schedule to this Act so far as they relate to Newfoundland, it shall be lawful for the officer administering the Government of Newfoundland, at any time during the suspension, in pursuance of this Act, of the above-mentioned Acts of Parliament and laws, by his Proclamation, to declare that, after a time fixed in such Proclamation for that purpose, this Act and the Articles in the schedule to this Act shall extend, and the same accordingly shall extend, to Newfoundland, so far as they are applicable thereto.

And whereas, in faith of the Articles of the said Treaty, and of their extension to this Colony by the United States of America on the part of the United States, the Government of this Colony has admitted the subjects of the United States to the enjoyment and exercise of the provisions of the said Treaty, in and with regard to this Colony, since the first of July in the present year; and the citizens of the United States have entered upon the enjoyment and exercise aforesaid:

I do hereby, on behalf of Her Majesty, and by virtue of the powers in me vested by the said Act of the Imperial Parliament, and by the Act of the Legislature of Newfoundland aforesaid, declare to all Her Majesty's subjects in our said Colony and elsewhere, and to the subjects of the United States of America, and all Powers and persons whomsoever, that, so soon as on the part of the United States of America the Articles of the said Treaty shall, so far as they are applicable, come into force in regard to, and be

made to extend to this Colony, by virtue of a Proclamation of the President of the United States under the said recited Act of Congress, the said hereinbefore mentioned provisions and stipulations of Articles Eighteen to Twenty-five of the said Treaty, inclusive, shall come into force in this Colony; and all Laws of this Colony which operate to prevent the said Articles from taking full effect shall, so far as they so operate, be suspended, and have no effect during the period mentioned in Article Thirty-three of the said Treaty; and in accordance with the power in me vested by the second section of the said Act of the Legislature of this Colony relating to the Treaty of Washington, 1873. I declare that all laws, rules, and regulations inconsistent with the Articles of the said Treaty shall, in relation to the same and to the rights of the subjects of the United States under the same be of no force or effect; and I declare that after the Proclamation of the President of the United States hereinbefore mentioned shall have issued, and from the time that by such Proclamation the said provisions and stipulations of Articles Eighteenth to Twenty-fifth, inclusive, shall be declared to extend to this Colony, the said Treaty shall have full effect in this Colony, and the United States shall be allowed the full benefits of all the stipulations therein contained.

Given under my hand and seal and the great seal of this Island, at Government House at St. John's, in the colony of Newfoundland, this day of , A.D., One Thousand Eight Hundred and Seventy-three.

(By his Excellency's Command),

Colonial Secretary.

Inclosure 3 in No. 26.

Sir E. Thornton to Governor Hill.

Sir,

Washington, August 19, 1873.

I HAVE the honour to acknowledge the receipt of your Excellency's despatch of the 5th instant, in which you are good enough to transmit copies of a Proclamation, which, at the instance of your responsible advisers, your Excellency is prepared to issue.

I have lost no time in submitting this document to the Secretary of State of the United States for his consideration, and visited him yesterday for that purpose at his country-house.

I did my best to persuade Mr. Fish to recommend the President to accept your Excellency's proposed Proclamation, and to issue a similar one on his side, but I am sorry to say without success.

Mr. Fish argues that the 1st section of the Newfoundland Act provides that certain laws shall be suspended, provided that those same laws shall not be in any way affected by such suspension; for he observes that the proviso does not speak of such laws so far as they relate, &c., or such parts of the laws as relate to, &c., but simply such laws, meaning the same laws as are mentioned in the first part of the section, "relating to the time," &c.

Mr. Fish points out that, by the Act of Congress, the President is bound to satisfy himself that the Legislature of Newfoundland has enacted the necessary laws, giving its consent to the application of the stipulations of the Treaty. The law, however, which has been passed by the Legislature of Newfoundland he cannot consider as giving consent to the stipulations of the Treaty, because it does not really suspend the laws which prevent the Articles of the Treaty from coming into force. He does not see why under that 1st section an American fisherman may not be arrested for fishing in the previously close waters of Newfoundland; and, if so, the Act only would be taken into consideration by the Courts, and not your Excellency's Proclamation, for he maintains that the word "further," in the 2nd section of the Act, prohibits your Excellency from, in any way, changing the enactments of the 1st section.

Mr. Fish has expressed to me his extreme regret that he does not feel justified in recommending the President to issue the necessary Proclamation, especially as he is convinced that the difficulty has arisen from an error in the wording of the Act. He has, however, authorized me to state to your Excellency that if Her Majesty's Government will guarantee that the suspension of all the laws which operate to prevent the Articles of the Treaty from taking full effect, shall, notwithstanding the wording of the Act, be real and effective, he cannot doubt that the President will issue the necessary Proclamation.

Your Excellency will consider whether it will be desirable to solicit from the Imperial Government such a guarantee.

I have, &c.
(Signed) EDWD. THORNTON.

No. 27.

Earl Granville to Mr. Rothery.

(No. 13.)

Sir,

Foreign Office, September 3, 1873.

I TRANSMIT to you herewith, for your information, a copy of a despatch from Her Majesty's Minister at Washington, inclosing a Memorandum that has been prepared upon the subject of the rights of jurisdiction for fishery and other purposes claimed by the maritime States of the United States against each other in bays.

I am, &c.
(Signed) GRANVILLE

No. 28.

Mr. Herbert to Mr. Hammond.—(Received September 3.)

Sir,

Downing Street, September 2, 1873.

WITH reference to previous correspondence respecting the objection taken by the United States' Government to the Act of the Legislature of Newfoundland relating to the Treaty of Washington. I am directed by the Earl of Kimberley to transmit to you to be laid before Earl Granville, a copy of a despatch from the Governor of that island together with a telegram received from him on the 21st instant, on this subject.

Lord Kimberley has caused a reference to be made to the Law Officers for their opinion whether Her Majesty's Government may properly give the guarantee required.

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

Inclosure 1 in No. 28.

Governor Hill to the Earl of Kimberley.

My Lord,

Government House, Newfoundland, August 13, 1873.

HAVING learned that Sir Edward Thornton expressed a wish to see a copy of the Proclamation which this Government would be prepared to issue in the event of the Cabinet of the United States accepting the recent Act of this Legislature in relation to the Treaty of Washington, I have the honour to inform your Lordship that I have transmitted the document in question to the British Ambassador at Washington.

2. I now beg to inclose, for your Lordship's information, copy of the despatch which I addressed to Sir E. Thornton on the 5th instant, together with six printed copies of the Proclamation referred to.

I have, &c.
(Signed) STEPHEN J. HILL.

Inclosure 2 in No. 28.

Governor Hill to Sir E. Thornton.

Sir,

Government House, Newfoundland, August 5, 1873.

WITH reference to the correspondence which has passed with your Excellency in relation to the Treaty of Washington, I have the honour to transmit copy of the Proclamation which, at the instance of my responsible advisers, I am prepared to issue in order to extend to this Colony the provisions of the Treaty of 8th May, 1871, should the Cabinet of the United States accept our Local Act 36 Vict., cap. 3.

I have, &c.
(Signed) STEPHEN J. HILL.

Inclosure 3 in No. 28.

DRAFT Proclamation by Governor Hill, Companion of the Most Honourable Order of the Bath, Governor and Commander-in-chief in and over the Island of Newfoundland and its Dependencies.

Whereas a Treaty between Her Britannic Majesty and the United States of America, was signed at Washington on the 8th day of May, one thousand eight hundred and seventy-one, and was duly ratified on the Seventeenth Day of June in that year, which, amongst other things, contained the following Article :—

“It is further agreed that the provisions and stipulations of Articles Eighteen to Twenty-five of this Treaty inclusive, shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their Laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect, but the omission to make provision by law to give it effect, by either of the Legislative Bodies aforesaid, shall not in any way impair any other Articles of this Treaty.”

And whereas on the Fifth day of May, Anno Domini One thousand eight hundred and seventy-three, the Legislature of Newfoundland did embrace the Colony of Newfoundland in a law enacted for carrying the foregoing Articles into effect, in terms following, that is to say, after reciting as is above recited :

And whereas it is expedient to provide for giving effect, as regards the Island of Newfoundland and its Dependencies, to said Articles, Eighteen to Twenty-five of said Treaty, inclusive, so far as they are applicable to this Colony :

Be it therefore enacted by the Governor, Legislative Council and Assembly, in Legislative Session convened, as follows :—

I. As soon as the Law required to carry into operation, on the part of the United States of America, the Articles set out in the Schedule to this Act, has been passed by the Congress of the United States, and come into force, all Laws of this Colony which operate to prevent the said Articles from taking full effect, shall, so far as they so operate, be suspended and have no effect during the period mentioned in the Article numbered Thirty-three in the Schedule to this Act : Provided that such laws, rules, and regulations, relating to the time and manner of prosecuting the Fisheries on the coasts of this Island, shall not be in any way affected by such suspension.

II. The Governor in Council, by any order or orders to be made for that purpose, may do anything further, in accordance with the spirit and intention of the Treaty, which shall be found necessary to be done on the part of this Island to give full effect to the Treaty; and any such order shall have the same effect as if the object thereof were expressly provided for by this Act.

III. This Act shall not come in force until Her Majesty's assent thereto shall have been given, and until the issuing of a Proclamation under provisions of Section Two of the Act of the Imperial Parliament, entitled “The Treaty of Washington Act, One thousand eight hundred and seventy-two,” and shall remain in force during the term of years mentioned in Article Thirty-three in the Schedule to this Act.

And whereas Her Majesty's assent has been given to the said Act : and whereas by an Act of the Congress of the United States of America, entitled, “An Act to carry into effect the Provisions of the Treaty between the United States and Great Britain, signed in the City of Washington, the 8th day of May, 1871, relating to the Fisheries.” It is amongst other things provided—

Section 2.—That whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles Eighteenth to Twenty-fifth of said Treaty, inclusive, to that Colony, and the Legislature thereof, and the Imperial Parliament, shall pass the necessary laws for that purpose, the above enumerated articles, being the produce of the fisheries of the Colony of Newfoundland, shall be admitted into the United States free of duty, from and after the date of a Proclamation by the President of the United States, declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles, Eighteenth to Twenty-fifth, inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty so long as the said Articles Eighteenth and Twenty-fifth, inclusive, and Article Thirtieth of said Treaty, shall remain in force according to the terms and conditions of Article Thirty-third of said Treaty.

And whereas by the hereinbefore mentioned Act of the Imperial Parliament, entitled

“The Treaty of Washington Act, One thousand eight hundred and seventy-two,” it is provided—

2.—Whenever the necessary laws have been passed by the Legislature of Newfoundland and approved by Her Majesty for carrying into operation the Articles in the Schedule to this Act so far as they relate to Newfoundland, it shall be lawful for the Officer administering the Government of Newfoundland, at any time during the suspension, in pursuance of this Act, of the above-mentioned Acts of Parliament and laws, by his Proclamation, to declare that, after a time fixed in such Proclamation for that purpose, this Act and the Articles in the Schedule to this Act shall extend, and the same accordingly shall extend to Newfoundland, so far as they are applicable thereto.

And whereas in faith of the Articles of the said Treaty, and of their extension to this Colony by the United States of America on the part of the United States, the Government of this Colony has admitted the subjects of the United States to the enjoyment and exercise of the provisions of the said Treaty, in and with regard to this Colony, since the First of July in the present year; and the Citizens of the United States have entered upon the enjoyment and exercise aforesaid:

I do hereby, on behalf of Her Majesty and by virtue of the powers in me vested by the said Act of the Imperial Parliament, and by the Act of the Legislature of Newfoundland aforesaid, declare to all Her Majesty's subjects in our said Colony and elsewhere, and to the subjects of the United States of America and all powers and persons whomsoever, that so soon as on the part of the United States of America the Articles of the said Treaty shall, so far as they are applicable, come into force in regard to and be made to extend to this Colony by virtue of a Proclamation of the President of the United States under the said recited Act of Congress, the said hereinbefore mentioned provisions and stipulations of Articles Eighteen to Twenty-five of the said Treaty, inclusive, shall come into force in this Colony; and all Laws of this Colony which operate to prevent the said Articles from taking full effect shall, so far as they so operate, be suspended and have no effect during the period mentioned in Article Thirty-three of the said Treaty; and in accordance with the power in me vested by the Second Section of the said Act of the Legislature of this Colony relating to the Treaty of Washington, 1873, I declare that all Laws, Rules, and Regulations, inconsistent with the Articles of the said Treaty shall, in relation to the same, and to the rights of the subjects of the United States under the same, be of no force or effect; and I declare that after the Proclamation of the President of the United States hereinbefore mentioned shall have issued, and from the time that by such Proclamation the said provisions and stipulations of Articles Eighteenth to Twenty-fifth, inclusive, shall be declared to extend to this Colony—the said Treaty shall have full effect in this Colony, and the United States shall be allowed the full benefits of all the stipulations therein contained.

Given under my hand and seal and the Great Seal of this Island, at Government House, at St. John's, in the Colony of Newfoundland, this _____ day of _____, A. D., one thousand eight hundred and seventy-three.
(By his Excellency's Command),

Colonial Secretary.

Inclosure 4 in No. 28.

Governor Hill to the Earl of Kimberley.

(Telegraphic.)

St. John's, August 21, 1873.

TOUCHING Proclamation transmitted in despatch 13th instant, Mr. Fish will not accept Proclamation unless Her Majesty's Government guarantees the suspension of the laws shall be real and effective. Will your Lordship give this guarantee, and, if so, telegraph the same to Sir E. Thornton?

No. 29.

Sir E. Thornton to Earl Granville.—(Received September 7.)

(No. 350.)
My Lord,

Washington, August 25, 1873.

YOUR Lordship's telegram of the 17th instant instructed me that, as the United States' Government would not accept the Belgian Minister, whom the Government of the

Dominion prefers, as third Commissioner on the Fisheries Commission to meet at Halifax, I was to inform Mr. Fish that, as it does not seem that the two Governments can come to an agreement between themselves, there appears to be nothing for it but to leave the selection to the Austrian Ambassador in England, in accordance with the terms of the Treaty.

As, however, I had never asked Mr. Fish, in the name of Her Majesty's Government, to consent to the appointment of the Belgian Minister, but had only sounded him upon the subject as from myself, I thought it better to address to him on the following day a private letter informing him of the desire of Her Majesty's Government that the Belgian Minister should be agreed upon.

On the 22nd instant I had the honour to receive your Lordship's telegram of that day informing me of the objection made by the Government of the Dominion to the appointment of any Minister resident at Washington. As, however, I have not yet received any answer from Mr. Fish to my private letter of the 19th instant, and as I think it highly probable that Mr. Fish will refuse to accept the Belgian Minister as third Commissioner, it has seemed to me expedient to defer any action upon your Lordship's telegram of the 22nd instant, until I shall receive his answer.

I have, &c.
(Signed) EDWD. THORNTON.

No. 30.

Sir E. Thornton to Earl Granville.—(Received September 7.)

(No. 354. Confidential.)

My Lord,

Washington, August 26, 1873.

I HAVE the honour to inclose copy of a letter which I have received from Mr. Fish, in reply to one which I had addressed to him on the 19th instant, in consequence of your Lordship's telegram of the 17th instant, asking that the Government of the United States would agree to the appointment of the Belgian Minister at Washington as third Commissioner on the Commission which is to meet at Halifax. Mr. Fish's letter, though dated the 21st instant, did not reach me till this morning, because he addressed it to a country house at which I had been staying for a few days.

Your Lordship will perceive that Mr. Fish gives reasons for declining the Belgian Minister as third Commissioner, and, at the same time, shows a little susceptibility because the official note in which he proposed several of my colleagues amongst whom the third Commissioner might be selected, has not yet been answered.

Under the present circumstances, I think it will be well that I should answer that note without delay, and I intend to do so to-day, in the terms of your Lordship's telegram of the 22nd instant.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 30.

Mr. Fish to Sir E. Thornton.

My dear Sir Edward,

Department of State, Washington, August 21, 1873.

RETURNING last evening from New York, whither I had been called to attend the funeral of a dear and aged friend, I found your letter of the 19th.

You state that subsequent to a conversation we had had in Washington, on 5th instant, on the subject of the third Commissioner on the Commission, which is to sit in Halifax, wherein you had suggested the Belgian Minister as such Commissioner, and I had mentioned that this Government could not assent to his selection, you had received a telegram from Lord Granville desiring you to ascertain whether that Minister would be agreeable to the Government of the United States as such Commissioner, and that you had replied that, having already conversed with me upon the subject, you had come to the conclusion that he would not be acceptable; that, returning home on the day preceding the date of your letter, you found a telegram awaiting you, in which Lord Granville desired you to ask, in his name, that this Government would consent to the appointment of the Belgian Minister.

I cannot persuade myself but that the telegraph must have made some grave

mistake, either in the transmission of your communication to Lord Granville of the inability of this Government to assent to the selection of the Belgian Minister, or in that to you from his Lordship proposing that gentleman after being informed of the views of this Government with regard to his selection.

The probability of the occurrence of such mistake seems to be the greater, in view of what you will excuse me in reminding you of, that some weeks since I had the honour to address you a note, submitting the names of several gentlemen Representatives of foreign Powers, either of whom this Government expressed itself ready to agree upon—each of whom was believed to be peculiarly competent and suitable for the position—and to neither of whom was it suspected that the British Government would have objection. To that note and its proposition no reply has been received.

The habitual courtesy and delicate observance of diplomatic etiquette and propriety on the part of the British Government do not allow me to believe that with the proposition of this Government unanswered, and with the knowledge that it could not accept a certain person as Commissioner, Her Majesty's Government has intended to present the name of that person, and strengthen the conviction that there has been some misconveyance of information or of instruction for which the telegraph must be responsible.

In the interview with you in Washington on the 5th instant, I mentioned that, while entertaining a high personal regard for the character and abilities of the Belgian Minister to this Government, there were reasons in the political relations between his Government and that of Great Britain why the Representative of the former could not be regarded as an independent and indifferent Arbitrator on questions between the Governments of Her Majesty and the United States.

When the Joint High Commission was in Session in Washington, during a discussion concerning a proposed reference to one or more Heads of Foreign States, Earl de Grey, while proposing several, stated that he would not name Belgium because of the relation of that Power to Great Britain, which he supposed might make it unacceptable to the United States as a referee. There was no dissent expressed by either of the Joint High Commissions to the very considerate reason assigned by the Earl de Grey for withholding the suggestion of that State in that connection. On the part of the American Commissioner we felt the delicacy of the conclusion, and the propriety and justness of the reason assigned. I am not aware that the relations to which Lord de Grey referred have been materially changed.

We are very desirous to agree with your Government in the selection of the third Commissioner without recourse to the Austrian Ambassador in London, and with that view submitted a list of several names, to none of whom did we suppose there could be any objection, and invited Lord Granville's selection of one. Allow me to recall attention to that proposal of the President.

If Lord Granville objects to all of the gentlemen named in the proposition, I hope that some other name or names may be suggested which may not be known in advance of their suggestion to be incapable of acceptance by one of the parties.

Believe me, &c.
(Signed) HAMILTON FISH.

No. 31.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, September 10, 1873.

MR. ROTHERY will not leave England till end of this month, and will proceed to Canada before going to Washington.

No. 32.

Sir E. Thornton to Earl Granville.—(Received September 11, night.)

(Telegraphic.)

Washington, September 11, 1873.

MR. FISH says that if Her Majesty's Government has finally decided not to accept any of the persons whom the United States' Government has proposed as third Commissioner, he hopes that you will still suggest some one upon whom the two Governments may agree, as this is so much more desirable than the alternative.

No. 33.

Sir E. Thornton to Earl Granville.—(Received September 13.)

(No. 364.)

My Lord,

Washington, September 1, 1873.

WITH reference to your Lordship's despatches No. 230 of the 14th and No. 232 of the 15th ultimo, I have already had the honour to report in my despatch No. 343 of the 19th ultimo the steps which I had taken, in concert with Mr. Carter of Newfoundland, to induce Mr. Fish to accede to the desire of the Government of that Colony, that it should enjoy the advantages of the stipulations with regard to the Fisheries contained in the Treaty of May 8, 1871. I also informed your Lordship, as likewise the Governor of Newfoundland, of the only condition on which Mr. Fish would consent to recommend the President to issue the necessary Proclamation upon the subject.

This proposal was the result of many conversations and of some correspondence with Mr. Fish, during which he expressed himself anxious to meet the views of the Government of Newfoundland, but repeated that the wording of the Act of its Legislature had put it out of his power to do so.

It was after my having put forward all the arguments that I could think of, and his expressing surprise at my pertinacity, that he at length stated the condition on which he would recommend the President to issue his Proclamation.

Until, therefore, I shall receive your Lordship's instructions upon this proposal, which may probably soon be transmitted to me by telegraph, I think it would be inexpedient to renew my endeavours to induce Mr. Fish to yield the point unconditionally.

I have, &c.

(Signed) EDWD. THORNTON.

No. 34.

Sir E. Thornton to Earl Granville.—(Received September 13.)

(No. 365.)

My Lord,

Washington, September 1, 1873.

WITH reference to my Confidential despatch No. 354 of the 26th ultimo, I have the honour to inclose copy of a note which I addressed to Mr. Fish on the 26th ultimo, communicating to him the contents of your Lordship's telegram of the 22nd ultimo, relative to the appointment of a third Commissioner on the Fisheries' Commission which is to meet at Halifax.

I have, &c.

(Signed) EDWD. THORNTON.

Inclosure in No. 34.

Sir E. Thornton to Mr. Bancroft Davis.

Sir,

Washington, August 26, 1873.

I HAVE the honour to refer to your note of the 7th ultimo which I received on the 11th of that month, and a copy of which I transmitted to Earl Granville on the 15th.

In it you suggested, for the consideration of Her Majesty's Government, the names of several of my colleagues at Washington, and informed me that the President would concur in the nomination of either of those gentlemen as third Commissioner on the Commission which is to meet at Halifax under Articles XXII, XXIII, XXIV, and XXV, of the Treaty of May 8, 1871.

As the matters which are to be considered by this Commission deeply concern the people of Canada, it was necessary to consult the Government of the Dominion upon a point of so much importance as the appointment of a third Commissioner, and some delay was therefore unavoidable. I have now, however, the honour to inform you that Her Majesty's Government has received a communication from his Excellency the Governor-General of Canada to the effect that the Government of the Dominion strongly objects to the appointment of any of the foreign Ministers residing at Washington as third Commissioner on the above-mentioned Commission, and prefers to resort to the alternative provided by the Treaty, namely, to leave the nomination to the Austrian Ambassador at London.

I have, &c.

(Signed) EDWD. THORNTON.

No. 35.

Mr. Hammond to Mr. Herbert.

Sir,

Foreign Office, September 15, 1873.

WITH reference to your letter of the 21st ultimo, I am directed by Lord Granville to transmit to you a copy of a telegram which has been received from Sir E. Thornton, stating that Mr. Fish is unwilling that the Austrian Ambassador should be asked to select the third Fishery Commissioner, and hopes that Her Majesty's Government will suggest some one whom the two Governments may agree to, and I am to request that you will move Lord Kimberley to inform Lord Granville whether he can suggest any one who would be likely to be acceptable to the United States' Government.

I am, &c.

(Signed) E. HAMMOND.

No. 36.

Mr. Holland to Mr. Hammond.—(Received September 16.)

Sir,

Downing Street, September 15, 1873.

WITH reference to my letter of the 2nd instant, and to yours of the 3rd, on the subject of the Act of the Newfoundland legislature relating to the Treaty of Washington, I am directed by the Earl of Kimberley to transmit to you, to be laid before Earl Granville, the inclosed copies of three opinions of the Law Officers of the Crown on the question of giving the Imperial guarantee suggested in the telegram from the Governor of Newfoundland of the 21st ultimo.

Lord Kimberley concludes that Lord Granville will agree with him in thinking that it would not be proper, with these opinions from the Law Officers, to give this guarantee.

If Lord Granville concurs in this view his Lordship will so inform Governor Hill.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure 1 in No. 36.

The Law Officers of the Crown to the Earl of Kimberley.

My Lord,

Temple September 10, 1873.

WE are honoured with your Lordship's commands signified in Mr. Meade's letter of the 2nd instant, stating that, with reference to our opinions recently given to Earl Granville respecting the Act of the Newfoundland Legislature relating to the Treaty of Washington, he (Mr. Meade) was directed by your Lordship to transmit to us a copy of a despatch from the Governor of that Island together with a telegram received from him on the 21st instant.

That he (Mr. Meade) was also to inclose some previous correspondence relating to the question, and he was to request us to favour your Lordship with our opinion whether Her Majesty's Government might properly give the guarantee requested in the telegram from Governor Hill.

In obedience to your Lordship's commands we have the honour to report—

That, in our opinion, the Imperial Government should not have been called upon to guarantee that the suspension of the laws of a Colony, which suspension has been legally proclaimed by the Governor of the Colony shall be "real and effective."

To call for such a guarantee seems to us very like a suggestion of bad faith on the part of the Imperial Government; to give the guarantee would, we respectfully suggest for your Lordship's consideration, be contrary to the honour and dignity of Her Majesty's Government.

And we are of opinion that Her Majesty's Government cannot properly give the guarantee required by Mr. Fish.

We have, &c.
(Signed) J. D. COLERIDGE,
J. PARKER DEANE.

Inclosure 2 in No. 36.

The Law Officers of the Crown to Mr. Meade.

Sir,

Temple, September 12, 1873.

IN drafting our former Report of the 10th instant, we have confined ourselves entirely to the question asked by the Colonial Office.

But in reading the papers we have thought that Mr. Fish must have some private reason for objecting to the proviso as to a close time, which the Act of Newfoundland contains, and for asking a guarantee from the Imperial Government that the suspension of the laws shall be "real and effective."

If the United States are ready to admit a close time as binding upon the fishermen of the two countries under the Articles XVIII and XIX of the Treaty, the words of the proviso are mere surplusage; and it is not easy to see why the proviso should be objected to, and the suspension of the proviso require the guarantee of the Imperial Government.

Further, the proviso having been made, if the effect is now suspended or the proviso be withdrawn, will not the United States be able to argue with some force, when it suits their purpose, that a close time was never a restriction within the terms of the Treaty?

In point of fact Mr. Fish comes very near if not quite up to that contention now.

The effect of that construction would be that the Newfoundland and other British North American Fisheries would be ruined by the fishery being open all the year round.

Nor could the English retaliate with any effect by continuing their fishery on the coast of the United States to the 39th degree looking to the relative value of the two fishing grounds.

For these reasons we should have advised against the framing of the Proclamation, had that question arisen.

With reference to the required guarantee, it may be, but we doubt it, that Mr. Fish only means to put some further pressure upon Her Majesty's Government; but we are not aware of any precedent for a similar guarantee, and we think the Imperial Government may not, consistently with its own dignity, guarantee to a foreign Government the observance of the laws of a Colony.

If those laws are not observed, the Imperial Government may properly be required to enforce their observance.

To require a guarantee is to suppose beforehand that the Imperial Government may allow the laws to become unreal and ineffective.

We have, &c.
(Signed) J. D. COLERIDGE.
J. PARKER DEANE.

Inclosure 3 in No. 36.

The Law Officers of the Crown to the Earl of Kimberley.

My Lord, *Temple, September 12, 1873.*
WE are honoured with your Lordship's commands signified in Mr. Herbert's letter of the 3rd instant, stating that, with reference to his letter of the 2nd instant, on the subject of the objection taken by the United States' Government to the Act of the Legislature of Newfoundland relating to the Treaty of Washington, he was directed by your Lordship to transmit to us, for our consideration in connection with the question submitted in that letter, copies of two despatches from Sir J. Thornton, which had been received that day through the Foreign Office.

In obedience to your Lordship's commands, we have the honour to report—
That the additional papers forwarded to us by Mr. Herbert do not lead us in any way to modify the Report we have already had the honour to address to your Lordship on the papers forwarded to us by Mr. Meade.

We have, &c.
(Signed) J. D. COLERIDGE.
J. PARKER DEANE.

No. 37.

Mr. Holland to Mr. Hammond.—(Received September 19.)

Sir, *Downing Street, September 18, 1873.*
I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 15th instant, and to request that you will inform Earl Granville that his Lordship is unable to suggest any one who would be likely to be acceptable to the United States' Government as third Commissioner under the XXIIIrd Article of the Treaty of Washington.

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

No. 38.

Mr. Hammond to Mr. Holland.

Sir, *Foreign Office, September 22, 1873.*
I HAVE laid before Earl Granville your letter of the 15th instant, forwarding copies of three opinions of the Law Officers on the question of the Imperial guarantee suggested by the Government of Newfoundland, and I am directed by his Lordship to request you to state to the Earl of Kimberley that he concurs in the opinion that, in view of these opinions, it would not be proper to give the guarantee.

I am, &c.
(Signed) E. HAMMOND.

No. 39.

Mr. Rothery to Earl Granville.—(Received September 23.)

(No. 9.)
My Lord, *Foreign Office, September 23, 1873.*
BEFORE proceeding to Canada, I think it right to report to your Lordship the steps that I have taken in regard to printing the Foreign Office correspondence bearing on the subject of the British North American Fisheries.

Upon examining the archives of this office, I found that only the correspondence from June 1852 to April 1854, and the papers relative to the termination of the Reciprocity Treaty in 1865, and to the proceedings of the Joint High Commission in 1871, had as yet been printed.

A part of the correspondence for other periods had been printed at the Colonial Office, but the printed correspondence was in fact neither so complete nor in such a convenient form as to be readily available for use.

I have, therefore, caused the whole of the correspondence to be printed, with the exception of the papers contained in the volume for 1852-54, some copies of which are still extant, and a reprint of which would be an easy matter should more copies be required.

For the convenience of reference, the printed correspondence has been divided into the following volumes, embracing certain well-defined periods:—

Volume I, 1803 to 1852.

Volume II, 1852 to 1854. This is the volume already printed.

Volume III, 1854 to 1865, being the period during which the Reciprocity Treaty was in force.

Volume IV, 1865 to 1870, extending from the termination of the Reciprocity Treaty to the end of the Washington negotiations.

Volume V. Proceedings, &c., of the Joint High Commission.

Volume VI. From 1871.

I have likewise caused to be collected and printed various separate papers, as specified in the inclosed list.

Orders have been given for striking off 100 copies both of the general correspondence and of the separate papers above alluded to, and I propose to take with me ten copies of each paper for the use of the Agency, the remainder being left here for the use of the Foreign and Colonial Departments.

In reporting to your Lordship the preliminary steps which I have thus taken, and which will, I trust, meet with your Lordship's approval, I beg to add that I have been much influenced by the consideration that, inasmuch as the Fishery clauses of the Treaty of 1871 may be denounced by either of the Contracting Powers at the expiration of ten years from the date at which they came into operation, it is possible that the question of the Fisheries may hereafter again come into discussion, and in that case printed copies of the whole correspondence may be found very useful.

I propose to leave in the "Scandinavian" on the 25th instant, and will, as soon as possible after my arrival, inform your Lordship of my proceedings, and of the time when the Commission will probably open.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure in No. 39.

List of Papers printed for use of Agent at Fishery Commission.

1. Treaties with the United States, 1783-1871.
 2. Board of Trade Memorandum on Headlands. Questions, and three-mile limit.
 3. Cases of "Washington" and "Argus."
 4. France, 1824-25 Convention.
 5. Ditto, 1839 Convention.
 6. Spain, Maritime Jurisdiction.
 7. Germany, ditto.
 8. Sweden and Norway, ditto.
 9. Denmark, ditto.
 10. United States. Case of "Grange," and Maritime Jurisdiction.
 11. United States and England, ditto ditto and Russia. Question of Maritime Jurisdiction in the Pacific.
 12. Perley Commission.
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No. 40.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, September 24, 1873, 3.55 P.M.

REPEAT officially the proposal which, by my telegram of the 25th of June, you were instructed to make to Mr. Fish, that the British and American Ministers at the Hague should be authorized to see if they could not agree upon some Dutchman to act as third Commissioner who would be acceptable to both Governments.

No. 41.

Sir E. Thornton to Earl Granville.—(Received September 25.)

(No. 382.)

My Lord,

Washington, September 12, 1873.

I HAVE the honour to inclose copy of a note from Mr. Fish, which, though dated the 6th instant, did not reach me till the evening of the 10th.

It refers to his note of the 7th of July last, in which, by direction of the President, he proposed several of my colleagues at Washington amongst whom a third Commissioner might be selected for the Commission which is to meet at Halifax, and Mr. Fish comments upon the delay which, as he thinks, occurred in answering that note.

In my acknowledgment of its receipt, copy of which is also inclosed, I have pointed out that there does not seem to be any ground for complaining of delay.

Mr. Fish goes on to observe that Her Majesty's Government has not yet distinctly stated that it has decided to relinquish the effort to select the third Commissioner conjointly with the President; and whilst he conveys the regret of the President that Her Majesty's Government has not been able to accept one of the persons proposed by him, he expresses his hope that Her Majesty's Government may still find it consistent with its views, if not to choose one of them, to propose some one or some others for the President's consideration.

Your Lordship will observe that in the course of the note Mr. Fish remarks upon what he calls a practical transfer of the nomination to the Dominion of Canada, and makes a detractory though ridiculous comparison with the fishermen of Gloucester, whilst I am at the same time convinced that the fishing interests of New England have been consulted in every step that has been taken since the beginning of the discussion upon the Fisheries Question.

For my part I am of opinion that outside of the Diplomatic body at Washington, it will be difficult to find either in Canada or the United States any person who will be considered entirely impartial. The foreigners who reside in them are all men of business, and are so much engaged in the interests of the respective country and so desirous of gaining the goodwill of its natives and authorities, that it will not be supposed that they have any independence of opinion.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 41.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, September 6, 1873.

I HAVE the honour to acknowledge the reception of your note, bearing date the 26th day of August, addressed to Mr. Davis, in which an acknowledgement is made of a note addressed by him as Acting-Secretary to you on the 7th of the preceding month of July; you mention that you had transmitted a copy to Earl Granville on the 15th July, that it suggested for the consideration of Her Majesty's Government the names of several of your colleagues at Washington, and informed you that the President would concur in the nomination of either of those gentlemen as third Commissioner on the Commission which is to meet at Halifax under Articles XXII, XXIII, XXIV, and XXV of the Treaty of the 8th May, 1871; that as the matters which are to be considered by the Commission deeply concern the people of Canada, it was deemed necessary to consult the Government of the Dominion upon a point of so much importance as the appointment of a third Com-

missioner, and some delay had therefore been unavoidable. You then inform me that Her Majesty's Government has received a communication from his Excellency the Governor-General of Canada, to the effect that the Government of the Dominion strongly objects to the appointment of any of the foreign Ministers residing in Washington as third Commissioner on the above-mentioned Commission, and prefers to resort to the alternative provided by the Treaty, namely, to leave the nomination to the Austrian Ambassador in London.

It is not distinctly stated in your note that Her Majesty's Government had decided to relinquish the effort to select the third Commissioner conjointly with the President of the United States, and to abandon the mode pointed out by the Treaty for the appointment of the third Commissioner, when less than two-thirds of the time which the Treaty had provided for their joint action had expired.

Article XXIII of the Treaty provides that the Commissioners shall be appointed in the following manner:—"that is to say, one Commissioner shall be named by the President of the United States, one by Her Britannic Majesty, and a third by the President of the United States and Her Britannic Majesty conjointly; and in case the third Commissioner shall not have been so named within a period of three months from the date when this Article shall take effect, then the third Commissioner shall be named by the Representative at London of His Majesty the Emperor of Austria and King of Hungary."

The Article took effect on the 1st day of July last, the three months within which the two Governments were to make their effort for a conjoint appointment will consequently not expire until the last day of September.

There had been several informal communications between you and myself in anticipation of the time when the Article took effect as to the selection of the third Commissioner in pursuance of the terms of the Treaty, but reaching no conclusion. On the 7th of July, the Acting Secretary of State addressed you the note of which no acknowledgment was received until the note of the 26th of August, which I now have the honour to acknowledge.

The President learns with regret that in the list of names presented in the note of July 7 for the consideration of Her Majesty, no one was found in whom Her Majesty's Government was willing to confide. The President, nevertheless, retains the fullest confidence in the impartiality, independence, intelligence, and integrity of each of the gentlemen named.

The reference in your Note to the people and the Dominion of Canada seems to imply a practical transfer to that Province of the right of nomination which the Treaty gives to Her Majesty.

The President is of opinion that a refusal on his part to make a nomination, or abstinence on his part from effort to concur in the conjoint nomination contemplated by the Treaty, on the ground that some local interest (that, for instance, of the fishermen of Gloucester), objected to the primary mode of filling the Commission intended by the Treaty, might well be regarded by Her Majesty's Government as a departure from the letter and spirit of the Treaty, and might justify it in remonstrating and possibly in hesitating as to its future relations to a Commission, with respect to which he, as the head of the Government, and to whom, in conjunction with its own sovereign, Great Britain had committed the right of selecting a member, had delegated that right to interested parties, and had thereafter abstained from effort at agreement in the mode of appointment prescribed by the Treaty.

It is noticed, however, with much satisfaction that Her Majesty's Government has not expressed a determination to abandon the joint right of nomination which the Treaty reposes in Her Majesty, and the reference in your Note to the expressed wishes of the Province of Canada is understood to be in explanation of the fact that, so long a period of the three months within which the conjoint nomination was to be made, had elapsed between the date and the acknowledgment of the note of 7th July.

The President is extremely anxious for the organization of the Commission as contemplated by the Treaty; and it is earnestly hoped that within the remaining part of the three months allowed for a conjoint nomination, Her Majesty's Government may find it consistent with their views, if not to make choice of one of the gentlemen proposed by the President, to propose some one or some others for his consideration.

I have, &c.

(Signed) HAMILTON FISH.

Inclosure 2 in No. 41.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, September 12, 1873.

I HAVE the honour to acknowledge the receipt, on the 10th instant, of your note of the 6th instant, on the subject of the appointment of a third Commissioner in accordance with Article XXIII of the Treaty of 8th May, 1871, and to inform you that I am this day forwarding a copy of it to Earl Granville.

In it you refer to the delay which had taken place in answering Mr. Baneroff Davis' note of the 7th of July last upon the same subject. With regard to this point I take the liberty of observing that Mr. Davis' note did not reach me until the 11th of July; that I forwarded a copy of it to Earl Granville on the 15th of that month, which was the first opportunity, and that the time which intervened between that date and the 26th of August, the date of my answer, does not seem excessive for its conveyance to England, its consideration by Her Majesty's Government, and the subsequent transmission of instructions to me.

I have, &c.
(Signed) EDWD. THORNTON.

No. 42.

Earl Granville to Sir E. Thornton.

(No. 280.)

Sir,

Foreign Office, September 27, 1873.

I HAVE received your telegram of the 11th instant reporting that Mr. Fish considers that it would be more desirable that Her Majesty's Government and the United States' Government should agree upon a person who should act as the Third Fisheries Commissioner, than that the Austrian Ambassador in London should be asked to select one, and I have to instruct you to state to Mr. Fish that Her Majesty's Government are perfectly willing to abide by the proposal which you were instructed in my telegram of the 25th of June to make to him, namely, that the British and American Ministers at the Hague should be authorized to confer and see if they could agree to some Dutchman who would be acceptable to both Governments.

I am, &c.
(Signed) GRANVILLE.

o. 42A.

Mr. Hammond to Mr. Herbert.

Sir,

Foreign Office, September 29, 1873.

I AM directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a copy of a despatch from Her Majesty's Minister at Washington,* inclosing one from Mr. Fish, commenting upon the delay that has occurred in the choice of the third Fisheries Commissioner.

I am, &c.
(Signed) E. HAMMOND.

No. 42 B.

Mr. Holland to Mr. Hammond.—(Received October 1.)

Sir,

Downing Street, September 30, 1873.

WITH reference to your letter of the 22nd instant, I am directed by the Earl of Kimberley to acquaint you, for the information of Earl Granville, that the following telegram has this day been sent to the Governor of Newfoundland in answer to his

telegram, a copy of which was communicated to you in my letter of the 2nd of this month :—

“Her Majesty’s Government cannot give the guarantee required by the United States’ Government referred to in your telegram of the 21st of August.”

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

No. 43.

Sir E. Thornton to Earl Granville.—(Received October 1, night.)

(Telegraphic.)

Washington, October 1, 1873.

Mr. Fish states officially that the President cannot accept the proposal contained in your telegram of the 24th ultimo, because it varies from provisions of Treaty, and would require a new Treaty.

Mr. Fish expresses hope that, although the three months expired yesterday, the two Governments may still agree upon a third Commissioner.

No. 44.

Mr. Howard to Earl Granville.—(Received October 2.)

(No. 38.)

My Lord,

Newport, September 19, 1873.

WITH reference to your telegrams of the 17th and 18th instant, and to mine of the 17th instant, I beg to inform your Lordship that no dispute has arisen before this Commission, as either Her Majesty’s Consul, the United States’ Agent, or I understand, as to the right of jurisdiction over the marine league from shore, nor as to the method of computation of such jurisdiction, whether by following the windings of the shore or from headland to headland.

The question has been raised in the case of the “Adela” whether she was within the three-miles limit when captured; and again in the case of the “Sir William Peel,” whether Great Britain had a right to prefer a claim for a ship captured in Mexican waters, Mexico not having complained, but the United States have always conceded the general rule that territorial jurisdiction extends over the sea one marine league.

On the receipt of your Lordship’s telegram I consulted both Mr. Gurney and Mr. Carlisle before sending my reply, and I also asked the United States’ Agent his opinion, without telling him why I wanted it.

I forward to your Lordship a complete set of papers in the case of the “Adela,” and when I return to Washington I will also send you the papers in the case of the “Sir William Peel.” I have not got them here, for the reasons that the case was decided before coming here, and because we have so few copies of the same left now.

I will hand over to Mr. Rothery the papers I received from the Foreign Office in the case of the “Margaret and Jessie.” Your Lordship is aware that no claim has been preferred for said ship before this tribunal.

I have, &c.
(Signed) H. HOWARD.

No. 45.

Mr. Herbert to Mr. Hammond.—(Received October 4.)

Sir,

Downing Street, October 4, 1873.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 29th ultimo, inclosing a copy of a despatch from Her Majesty’s Minister at Washington with a note from Mr. Fish on the subject of the appointment of the third Fishery Commissioner under the XXIIIrd Article of the Treaty of Washington.

Lord Kimberley concludes that Earl Granville will consider that the time has arrived for calling upon the Austrian Ambassador to appoint the third Commissioner under the terms of the Treaty, and that the United States’ Government will be so informed.

Lord Kimberley would suggest that it might be stated to Mr. Fish, in reply to the

observations made in his note, that Her Majesty's Government would not have been disposed to examine into any reasons for which the United States' Government might have exercised their right to decline to concur in the appointment of any person suggested by Her Majesty's Government, nor would it have appeared to them that the United States' Government, in determining whether they should exercise that right, was not justified in having regard to any local feeling on the part of citizens of the United States specially interested in the Fisheries.

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

No. 46.

Mr. Hammond to Mr. Herbert.

Sir, *Foreign Office, October 4, 1873.*
I AM directed by Earl Granville to acquaint you, for the information of the Earl of Kimberley, that he received on the 1st instant a telegram from Her Majesty's Minister at Washington, reporting that Mr. Fish had stated officially that the President could not accept the proposal made by Her Majesty's Government that the British and American Ministers at the Hague should be authorized to select some Dutchman to act as third Commissioner on the Fisheries' Commission, because it varies from the provisions of the Treaty, and would require a new Treaty; but that Mr. Fish had expressed a hope that, although the term of three months expired on the 30th ultimo, the two Governments might still agree upon a third Commissioner.

I am, &c.
(Signed) E. HAMMOND.

No. 47.

Earl Granville to Mr. Rothery.

(No. 14.)
Sir, *Foreign Office, October 4, 1873.*
I HAVE received your despatch No. 9 of the 23rd ultimo, respecting the steps you had taken for the printing of the correspondence for your use as Her Majesty's Agent of the Fishery Commission, and I approve your proceedings in this matter.

I am, &c.
(Signed) GRANVILLE.

No. 48.

Mr. Holland to Mr. Hammond.—(Received October 6.)

Sir, *Downing Street, October 6, 1873.*
I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 4th instant, on the subject of a telegram received from Sir E. Thornton in regard to the appointment of a third Commissioner on the Fisheries' Commission.

I am to request that you will state to Earl Granville, with reference to the hope expressed by Mr. Fish, that Lord Kimberley is disposed to think that it would be contrary to the terms of Article XXIII of the Treaty of Washington that any such agreement should be come to after the expiration of the period limited for that purpose.

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

No. 49.

Earl Granville to Sir E. Thornton.

(No. 284.)
Sir, *Foreign Office, October 7, 1873.*
I HAVE received your telegram of the 1st of October, reporting that Mr. Fish had stated to you officially that the proposal which by my telegram of the 24th of September

you were again instructed to make to him, that the British and American Ministers at the Hague should be authorized to see if they could not agree upon some Dutchman who would be acceptable to both Governments to act as third Commissioner under the XXIIIrd Article of the Treaty of Washington, could not be accepted, because it varied from the provisions of the Treaty, and would require a new Treaty.

You will state to Mr. Fish that Her Majesty's Government are unable to perceive in what manner the Treaty would have been departed from by the two Ministers recommending to their respective Governments a person in their judgment suitable for the appointment of third Commissioner; for the appointment would not have been made by the Ministers, but by the two Governments, in accordance with the strict letter of the Treaty, if they had approved the recommendation of the Minister.

Mr. Fish's further suggestion that, although the three months had expired, the two Governments might still agree upon a third Commissioner is, on the contrary, wholly inconsistent with the letter of the Treaty, which provides that, if the third Commissioner should not have been named within a period of three months from the date of the Article taking effect, the nomination should then rest with the Representatives of the Emperor of Austria and King of Hungary in London.

I am, &c.
(Signed) GRANVILLE.

No. 50.

Earl Granville to Mr. Rothery.

(No. 15.)

Sir,

Foreign Office, October 11, 1873.

I INCLOSE herewith, for your information, a copy of a despatch from Mr. H. Howard, reporting that no formal question had been raised before the Mixed Commission on claims as to the right of jurisdiction over the marine league from shore.

I am, &c.
(Signed) GRANVILLE.

No. 51.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, October 11, 1873, 5.5 P.M.

AS the time has now arrived when the nomination of the third Fishery Commissioner falls to the Austrian Ambassador in London, suggest to Mr. Fish that he should agree with you on an identic note to the Austrian Government to be presented by the Representatives of the two countries at Vienna, requesting that Government to authorize their Ambassador to proceed with the nomination.

No. 52.

Earl Granville to Sir E. Thornton.

(No. 290.)

Sir,

Foreign Office, October 11, 1873.

AS the time has now arrived when, under the XXIIIrd Article of the Treaty of Washington, the nomination of the third Commissioner on the Fishery Commission at Halifax falls to the Austrian Ambassador in London, I have to instruct you to suggest to Mr. Fish that it is desirable that he should agree with you upon an identic note to be addressed to the Austrian Government by the Representatives of Her Britannic Majesty and of the United States at Vienna, requesting that Government to be good enough to authorize their Ambassador at this Court to take the necessary steps for selecting a Commissioner.

I am, &c.
(Signed) GRANVILLE.

No. 53.

Sir E. Thornton to Earl Granville.—(Received October 12, night.)

(Telegraphic.)

Washington, October 12, 1873.

WITH reference to your telegram of yesterday, I sent you last Tuesday copy of a note from Mr. Fish, repeating the hope of the President that the two Governments may still agree upon a third Commissioner, and adding that if an agreement can be come to, he will waive all question as to the time within which the joint nomination should be made. Shall I, notwithstanding (this?) note, carry out your instruction of yesterday?

No. 53*.

Sir E. Thornton to Earl Granville.—(Received October 13.)

(No. 392.)

My Lord,

Washington, September 29, 1873.

UPON the receipt of your Lordship's telegram of the 24th instant, instructing me to repeat officially the proposal made in your telegram of the 25th of June last, relative to the selection of a third Commissioner for the Commission to meet at Halifax, I addressed to Mr. Bancroft Davis, Acting Secretary of State, the note of which I have the honour to inclose a copy, and in which I have renewed the proposal that the Ministers of the United States and of Her Majesty at the Hague should be authorized to see whether they could not agree upon some Dutch gentleman to act as Third Commissioner who would be acceptable to both Governments.

I have as yet received no answer to this note.

I have, &c.

(Signed) EDWD. THORNTON.

Inclosure in No. 53*.

Sir E. Thornton to Mr. Bancroft Davis.

Sir,

Washington, September 24, 1873.

TOWARDS the end of June last I had the honour, in compliance with an instruction from Earl Granville, to inform Mr. Fish at the Department of State that, as there was a difficulty in finding a person to act as the Third Commissioner on the Commission which is to meet at Halifax, in accordance with the provisions of the Treaty of May 8, 1871, upon the appointment of whom the Governments of the United States and Her Majesty could agree. Her Majesty's Government proposed that the Ministers of the United States and of Her Majesty at the Hague should be authorized to see if they could not agree upon some Dutch gentleman to act as Third Commissioner who would be acceptable to both Governments.

Mr. Fish recently stated to me that, as I had made this proposal verbally, he had not looked upon it as an official communication.

I have now been instructed by Lord Granville to repeat the above-mentioned proposal to the United States' Government in a more official form, and I have now the honour of doing so by means of this note, of inviting the Government of the United States to take it into consideration, and of expressing my hope that it may be able to agree to the proposal thus made by Her Majesty's Government.

I have, &c.

(Signed) EDWD. THORNTON.

No. 54.

Lord Tenterden to the Law Officers of the Crown and Dr. Deane.

Gentlemen,

Foreign Office, October 14, 1873.

I AM directed by Earl Granville to transmit to you a telegraphic correspondence that has passed between his Lordship and Her Majesty's Minister at Washington upon the subject of the selection of a third Commissioner for the Fisheries' Commission at Halifax; and I am to state to you that, under the XXIIIrd Article of the Treaty of Washington, copy of which is sent herewith, for convenience of reference, it appears to Her Majesty's Government that the Austrian Ambassador in London should be called upon without delay to nominate a Commissioner; and I am to request that you will take this matter into your consideration, and favour Earl Granville, at your early convenience, with your opinion as to whether the terms of the above-mentioned Article are peremptory upon this point.

I am, &c.
(Signed) TENTERDEN.

No. 55.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, October 14, 1873, 6.45 P.M.

WITH reference to your telegram of the 12th instant, I am in consultation with the Law Officers upon the subject of appeal to the Austrian Ambassador being necessary under the XXIIIrd Article of the Treaty of Washington.

No. 56.

Sir E. Thornton to Earl Granville.—(Received October 20.)

(No. 405.)

My Lord,

Washington, October 6, 1873.

WITH reference to my despatch No. 392 of the 29th ultimo, I have the honour to inclose copy of a note of the 30th ultimo from Mr. Fish, in which he informs me that the President cannot entertain the proposal that the Ministers of Great Britain and of the United States at the Hague should endeavour to find some Dutch gentleman to act as third Commissioner on the Commission to meet at Halifax.

Your Lordship will perceive that Mr. Fish is pleased to consider that the above proposal was made officially for the first time in my note of the 24th ultimo.

In my reply of the 1st instant, a copy of which is also inclosed, I have pointed out to Mr. Fish that the proposal was first made officially on the 26th of June last, when I called upon him at the State Department for the purpose of communicating it to him in compliance with your Lordship's instructions.

Mr. Fish, in his note of the 3rd instant, copy of which I likewise inclose, still maintains that the proposal made on the 26th of June was not official, and in support of his argument quotes a memorandum which he made at the time of the interview. I think that any one but a most partial person would come to the conclusion from that memorandum that Mr. Fish at the time received the proposal as an official one, and that from his answers I was justified in considering that he did so.

In my answer of the 4th instant, copy of which is also inclosed, I have not thought it worth while to enter into a discussion upon this subject, although his account of the interview is not entirely accurate nor complete. But I have insisted, notwithstanding his assertions to the contrary, that Her Majesty's Government has used its best efforts to carry out the provisions of the XXIIIrd Article of the Treaty with reference to the appointment of a third Commissioner for the Fisheries' Commission.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 56.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, September 30, 1873.

I HAVE the honour to acknowledge the receipt, on the 27th instant, of your note of the 24th instant, to Mr. Davis, dated at Catskill Station, officially proposing to this Government, "That the Ministers of the United States and of Her Majesty at the Hague should be authorized to see if they could not agree upon some Dutch gentleman to act as third Commissioner on the Commission which is to meet at Halifax in accordance with the provisions of the Treaty of 8th May, 1871."

In reply, I am directed by the President to say that the plan for naming a third Commissioner thus proposed by Her Majesty's Government varies from the provisions of the Treaty which has received the constitutional assent of the Senate.

The President does not, therefore, feel himself at liberty to entertain a proposal which would require the conclusion of a new Treaty in the constitutional form before the proposal could be assented to by the United States.

It is deeply to be regretted that Her Majesty's Government has made no effort to comply with that provision of the XXIIIrd Article of the Treaty, whereby it was agreed that the third Commissioner should be named "by the President of the United States and Her Britannic Majesty conjointly."

Although the time within which the two Governments were to have made the joint nomination expires to-day, yet the fact that Lord Granville authorized so important a proposal to be made so close to the expiration of the period induces me to believe that Her Majesty's Government may be disposed not to regard that fact as important, and that it may yet be willing to endeavour to carry into execution the manifest intent of the Treaty.

The President therefore still entertains the hope that the efforts which the United States have made in that direction will meet with a response from Her Majesty's Government.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 2 in No. 56.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, October 1, 1873.

I HAVE the honour to acknowledge the receipt of your note of yesterday's date stating that, for certain reasons therein mentioned, the President does not feel at liberty to entertain the proposal that the Ministers of the United States and of Her Majesty at the Hague should be authorized to see if they could not agree upon some Dutch gentleman to act as third Commissioner in the Commission which is to meet at Halifax in accordance with the provisions of the Treaty of 8th May, 1871.

I shall not fail to forward a copy of your note to Earl Granville. But, in the meantime, I feel it my duty to express my conviction that Her Majesty's Government has made every effort to comply with that provision of the XXIIIrd Article of the Treaty, whereby it was agreed that the third Commissioner should be named "by the President of the United States and Her Britannic Majesty conjointly."

If its efforts have not been attended by that success which it earnestly desired, it was because it was found impossible to select a person who would be acceptable to the Government of the United States as well as to that of Her Majesty. Proof of its desire in that direction has been given by the proposal which I made to you that the Belgian Minister at Washington should be appointed to the position, as also by the proposal transmitted in my note of the 24th instant to Mr. Davis.

But with regard to the latter proposal, I cannot but consider that it was first made to you officially on the 26th of June last. You will doubtless remember that, on the morning of that day, I waited upon you at the Department of State, taking with me the telegram which I had received on the previous day from Earl Granville, and that I then communicated to you verbally the proposal made by Her Majesty's Government that the British and American Ministers at the Hague should be authorized to confer together and see if they could agree upon some Dutch gentleman who would be acceptable to both Governments. You at that time made some objection to such a course, and, after some

conversation, you concluded by saying that, although you considered it as difficult of adoption, you did not wish to be considered as absolutely declining it.

At about that time the President was called away to Covington by the state of health and subsequent decease of his father. I understood, therefore, that you could not communicate with him at an early moment.

On the 11th of July I received your note of the 7th of that month, in which you proposed, in the name of the President, certain of my colleagues for the selection of a third Commissioner. This counter-proposal seemed to me to be a tacit intimation that the President was unable to accept the proposal which I had made on behalf of Her Majesty's Government.

But as I have frequently received verbal communications from yourself as official, and transmitted them to my Government, so I consider that the proposal made by me on 26th of June last was official.

It was, therefore, with some surprise that I learnt from you more recently, at your country house at Garrisons, that you had not looked upon the proposal as an official one.

It was in consequence of my having communicated your opinion to Earl Granville that I was instructed to repeat the proposal, as I had the honour of doing in my note of the 24th ultimo.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 3 in No. 56.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, October 3, 1873.

I HAVE the honour to acknowledge the receipt of your note of the 1st instant, respecting the third Commissioner in the Commission which is to meet at Halifax in accordance with the provisions of the Treaty of May 8, 1871. I am pleased to know that a copy of my note, whose receipt it acknowledges, is to be transmitted to Lord Granville, that he may know how earnestly the President desires to have the Treaty of Washington completely executed in letter and spirit.

I feel it my duty, in response to that part of your note in which you express your conviction that Her Majesty's Government has made every effort to comply with the provisions of the XXIIIrd Article of the Treaty, to recall to your recollection some circumstances which were overlooked by you in the references to our conversations together, which follow your statement.

For some weeks, indeed, I may say months, before the 1st of July, in view of the fact that what may be called the Canadian Articles of the Treaty were to come into operation on that day, I expressed to you the desire of this Government that the two Powers should agree upon the third Commissioner. In repeated interviews, I said that if Her Majesty's Government would present names for our consideration, we would take them up with the desire and the intention of finding some one whom we could accept. In each and all of these interviews, I received the impression that Her Majesty's Government regarded the suggestion with favour. I do not remember that any intimation was made to me that Her Majesty's Government desired that we should propose names for its consideration; had that been done, I should have been ready to respond to it.

In an interview towards the close of June (which you refer to as having taken place on the 26th), you stated to me that Lord Granville would be willing to leave the selections to the British and American Plenipotentiaries at the Hague, but I did not understand that the suggestion was intended as an official proposal. Indeed, I should not have been justified in assuming that Her Majesty's Government would advance an official proposal to abrogate a provision of a Treaty in so informal a way. Your statement of what took place at that interview does not appear to me to be complete, and I take the liberty of submitting for your consideration a transcript of minutes made in my diary at the time it took place.

"I tell him (Sir Edward Thornton) that the proposition does not strike me favourably, that I will not either accept or decline until I have an opportunity of conferring with the President; that it is a very unequal proposition; that the Hague is within a few hours by post of London, and some twelve to sixteen days from here, and that if we should resort to the telegraph it would be very expensive, and all pass through and be read in the British Post Office; that we could, therefore, have no confidential communication with our Minister, who was also comparatively a stranger in Holland, having been there

but a relatively short time, and, not speaking the language, has probably a not very extensive acquaintance. I told him that I must frankly say that I considered the proposition as one intended to be rejected, in order to throw the appointment on the Austrian Minister in London. He (Sir Edward) thought that the British Government wished to avoid an appointment by the Austrian Minister. I commented on the delay of Lord Granville in considering the subject which I brought to Sir Edward's notice several months ago, and that they have delayed all consideration of the subject until now, that we are within five days of the time when the Articles are to go into effect, and added that I could not refrain the expression of opinion that the delay appeared to be intentional. He thought not, and asked me whether I would consider and let him know what conclusions we came to. I repeated the disfavour with which I regarded it, but would consider it."

When the 1st of July had passed without any nominations on the part of Her Majesty's Government, without a request for nomination on our part, with no response from Great Britain to the efforts on the part of the United States to have executed the agreement that the third Commissioner should be named by "the President of the United States and Her Britannic Majesty conjointly," and with an intimation that Her Majesty's Government desired to abrogate the provisions of the Treaty in this respect, the Acting Secretary of State, under my instructions, presented for the selection of Her Majesty's Government, as third Commissioner, the names of several members of the Diplomatic Corps at Washington, in a note in which it was stated that any one of the gentlemen named would be acceptable to the President. This list was intended to include, and it was believed to include, the names of every member of the Corps who had the requisite acquaintance with the English language, and whose Government was free from political Treaty arrangements with England.

The name of the Belgian Minister was omitted in the list, although the President felt entire confidence that the great intelligence and high character and integrity of M. Delforse well fitted him for the position. The omission was designedly made in consequence of what had taken place in the Joint High Commission, when the subject of the selection of Arbitrators for the Geneva Tribunal was under discussion. I find, on referring to a diary of the proceedings of that Commission, written at the close of each day, that, on the 5th of April, 1871, Lord de Grey said that he "could name several heads of States, any one of whom would be acceptable to Great Britain;" that "Judge Nelson said, 'Suppose you name some,'" and that "Lord de Grey named the Sovereigns of Italy, Holland, Spain, Sweden, Switzerland, Austria, and Denmark. He said he did not name Belgium or Portugal because Great Britain had Treaty arrangements with them that might be supposed to incapacitate them."

It was assumed, in making up a list for the consideration of Her Majesty's Government, that the motives of delicacy which influenced it at that time would be equally patent now, and the Acting Secretary was therefore directed to refrain from naming M. Delforse.

Some weeks after the note of the Acting Secretary had been sent, you spoke to me in Washington of M. Delforse as a suitable person as third Commissioner, and I stated to you, in reply, the reasons why he had not been named by Mr. Davis. I understand from your letter of the 19th August that you communicated the result of that conversation to Lord Granville.

With a full knowledge of the objections of the President, and of the reasons for that objection, Lord Granville then desired you to ask me in his name that I would consent to the appointment of the Belgian Minister. To your letter of the 19th of August, transmitting this request, I answered, recalling again to your recollection what had taken place in the Joint High Commission, reiterating the earnest wish of this Government that the Treaty should be executed according to its letter by the joint nomination of the third Commissioner, and expressing the hope that if Lord Granville could not select a name from those which had been submitted by the President, "some other name or names may be suggested which may not be known in advance of their suggestion to be incapable of acceptance by one of the parties."

Having authorized you on the 19th of August to name the Belgian Minister residing at Washington as the third Commissioner, I had a right to suppose that Her Majesty's Government would not object to the nominations made in Mr. Davis' note of the 7th of July, on the ground that the gentlemen named were accredited in diplomatic capacities to this Government, but in your note of the 28th of August I was given to understand that the Government of Canada objected to the appointment of any Foreign Minister residing at Washington as the third Commissioner, and preferred to leave the nomination to the Austrian Ambassador at London. I thought it due to Her Majesty's Government,

which had just proposed for the third Commissioner a Foreign Minister residing at Washington, that I should not regard this as its decision, and in my answer of the 6th of September, I urged that Her Majesty's Government, disregarding the local Canadian influences, should make an effort to agree upon the third Commissioner, and thus execute the provisions of the XXIIIrd Article of the Treaty.

Although Lord Granville has thought proper to make again officially the proposal which was made tentatively on the 26th of June, yet, understanding now the views of this Government respecting it, he may think proper, disregarding as we do the local influences of those interested in the subject of the controversy, to make an effort to agree upon this third Commissioner.

The efforts of this Government to carry into execution the provisions of the XXIIIrd Article in the Treaty respecting the nomination of the third Commissioner by "the President of the United States and Her Britannic Majesty conjointly," have hitherto failed from no fault or negligence on its part. I close this note by renewing the statement that the President earnestly hopes that the two Governments may yet agree upon a third Commissioner. To secure this he is willing to waive, if an agreement can be come to, any and all questions as to the time within which the joint nomination should be made, or as to the respective efforts of the two Governments in this respect.

I have, &c.

(Signed) HAMILTON FISH.

Inclosure 4 in No. 56.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, October 4, 1873.

I HAVE the honour to acknowledge the receipt of your note of yesterday's date, relative to the appointment of a third Commissioner for the Commission which is to meet at Halifax in accordance with the Treaty of May 8, 1871, and I shall not fail to forward a copy of it to Earl Granville by the first opportunity.

Although it contains some observations in which I cannot entirely acquiesce, it would not, in my opinion, be conducive to any useful end to enter upon their discussion, nor would it be likely to contribute to the attainment of the object which both Governments have had in view, namely, the appointment of a third Commissioner by Her Britannic Majesty and the President of the United States conjointly.

I must, however, be allowed to repeat my conviction that Her Majesty's Government has had as much at heart as that of the United States, and has used its best efforts to carry out the provisions of the Treaty in this respect, as it has already proved its readiness to fulfil, and has fulfilled at the earliest possible moment, others of equal importance. If both Governments have so far failed with regard to the selection of a third Commissioner for the Fisheries' Commission, it is because each of them has found it impossible to point out a person who is acceptable to the other. In this respect Her Majesty's Government cannot be accused of negligence any more than that of the United States' Government.

I have, &c.

(Signed) EDWD. THORNTON.

No. 57.

Mr. Rothery to Earl Granville.—(Received October 21.)

(No. 10)

My Lord,

Quebec, October 8, 1873.

I HAVE the honour to inform your Lordship that I left England on board the "Scandinavian," accompanied by Mr. Dallas and Mr. Russell, on Thursday, the 25th ultimo, and arrived at Quebec late on the evening of Sunday the 5th of October.

On the following morning I waited upon his Excellency the Governor-General, and, at an interview with which his Lordship was pleased to honour me, the whole question of the Fisheries was fully discussed. Unfortunately, owing to the complications arising out of the Pacific Railway Company, none of the Ministers, except Mr. Langevin, the Minister for Public Works, were at Quebec, all the rest were either in their respective provinces or at Ottawa, preparing for the opening of the Legislative Assembly on the 23rd instant.

As the result of my conference with his Excellency it was thought desirable that,

before entering upon the business of the Commission, I should see his Lordship's Ministers, and especially the Prime Minister, Sir John Macdonald; and with that view Lord Dufferin proposes that we should accompany him to Ottawa, for which place he leaves on Wednesday next, the 15th instant.

It may be well that I should state to your Lordship the grounds on which it appears both to his Excellency and to myself that a conference with his Ministers would be desirable.

Your Lordship is aware that in the statement of claims forwarded for approval by the Dominion Government the gross sum claimed as compensation for twelve years' use by the United States' citizens of the privileges under the XVIIIth Article of the Treaty of Washington, is 60,000,000 dollars. This is independent of the claims to be preferred on the part of the Government of Newfoundland. This claim, which is sufficiently startling in itself, is made more so, on reference to a letter from Lord Lisgar, when Governor-General of the Dominion, to Sir Edward Thornton, Her Majesty's Minister at Washington, bearing date the 28th of December, 1870, and of which a copy will be found at pages 10 and 11 of the volume of correspondence for 1871-3, printed for this Commission.

In that letter, written on the eve of the negotiations which preceded the Washington Treaty, Lord Lisgar states the purport of a conversation which he had had with Dr. Tupper, one of the most influential of his Ministers, on the subject of the Fisheries. His Lordship observes, "he (Dr. Tupper) says Canada ought not to accept less for placing United States' fishermen on the same footing as under the Reciprocity Treaty than a rent of 200,000 dollars a-year, and the admitting free of duty into the United States of fish of all kinds, products of fish, and and of all other creatures living in the waters, and fish-oil. He also talked of coal, but on that article I stopped him as not *pari materiâ*. You may consider this the outside Canadian view. Whatever Dr. Tupper admits every Nova Scotian and Canadian will admit.

"Several eminent commercial men have told me they would accept these terms, and be glad to have the question set at rest; so if you can arrange for the articles as above being admitted free of duty, and get as near 200,000 dollars a year rent as possible for the in-shore fisheries, and have the proposal made by Mr. Fish, and duly authenticated by the Imperial recommendation, I think there will be little difficulty in procuring the adoption of the proposal.

"Dr. Tupper knows as much about the fisheries as any one, and as he is one of the most eloquent and earnest politicians in the Dominion, without him little can be done, with him everything. To the best of my judgment the terms he proposes, as stated above, are fair and right."

With this estimate of what, in the opinion of Dr. Tupper, then and still one of the Dominion's Ministers, was the outside value of the in-shore fisheries, it was difficult to understand how so large a sum as 60,000,000 dollars could be claimed for only twelve years use of them. Apart from the irritation which would necessarily be occasioned by making an extravagant demand, it seemed obviously very undesirable to claim a sum greatly in excess of what could be supported by evidence. There was, moreover, the danger lest in the heat of discussion, when the Washington Treaty was before the Canadian Legislature, Dr. Tupper, or one of the other Ministers, might have stated that the value of the British in-shore fisheries was about 200,000 dollars annually, and if so there is little doubt that it would not escape the vigilance of the United States' Authorities.

Under these circumstances it became absolutely necessary to learn on what grounds so large a claim as 60,000,000 dollars had been put forward. Lord Dufferin was not cognisant of the grounds on which the claim was advanced, nor could any one probably know except the responsible advisers of his Excellency, Sir John Macdonald, Mr. Peter Mitchell, or Dr. Tupper, and all three of them were at Ottawa, preparing for the coming session.

I should here observe that only two or three days before my departure from England I had been introduced by Sir John Rose to Mr. Tilley, the Canadian Minister of Finance, and I had had a long conversation with him on the subject of the fisheries. In the course of that conversation, without mentioning to him the amount at which the claims had been laid by the Canadian Government, and of which he seemed not to be aware, I called his attention to the fact that the value of the British in-shore fisheries had been estimated by one of his colleagues, Dr. Tupper, on the eve of the Washington negotiations, at the sum of 200,000 dollars annually. He said that he was aware of that fact, but that he did not think the Americans knew it; and then, correcting himself, he said that possibly they might know it, as it was not unlikely that a statement to that effect might

have been made by one of the Ministers in the Legislative Assembly. He agreed with me that it would be very undesirable to advance an extravagant claim, and one which could not be supported, and he ended by saying that if they got 200,000 dollars a year he thought they would be well satisfied.

It is this admission of Mr. Tilley, the purport of which I have communicated to Lord Dufferin, which has chiefly influenced his Excellency, as it has myself, to wish for a full explanation of the grounds on which the claim for 60,000,000 dollars has been advanced, and for a conference with the Ministers on the subject. I foresee that the greatest irritation is likely to be excited in the United States if an extravagant claim is put forward; on the other hand, if the Canadian Government are willing to reduce their claims to reasonable dimensions, it may be that the United States' Government would readily accept it, and thus avoid the discussion of all the numerous irritating questions which have from time to time arisen between the two countries. Such a result would, I trust, meet with your Lordship's approval, and might obviate the necessity of appointing a third Commissioner, and even the meeting of the Commission at Halifax, as well as the more delicate questions with which the whole subject is surrounded.

Before quitting this part of the subject, it may be well that I should here state to your Lordship why it appears to me that it would be better that the compensation to be awarded should be by an annual payment rather than by a lump sum.

In the first place, an annual payment would be an annual acknowledgment by the United States of the right of the Dominion Government to the in-shore Fisheries, a matter which it appears to me might be of great importance in the future history of this country. It would also negative anything like a claim, or rather, perhaps, I ought to say, a pretence, being advanced that, by the payment of a lump sum the United States had purchased in perpetuity the right to use the British in-shore Fisheries, a point which I find, from the negotiations at Washington, was strongly insisted upon by the United States' Commissioners, and as strenuously resisted by the British Commissioners. Not, indeed, that such a contention could be seriously maintained, for even if a lump sum were awarded, that sum could only be estimated under the Treaty on the principle that the privilege might be withdrawn at the end of twelve years. At the same time, it is a contention which might be advanced with some show of speciousness if a lump sum was paid, as it could be said that it was paid for the use of the fisheries not for twelve years only, but during the continuance and until the determination of the Treaty; whereas a right dependant upon the payment annually of a certain sum could hardly be open to any such objections.

It might, indeed, perhaps be said that the payment of a sum annually would be more likely to give rise to discussion, and thereby offer every year, when the payment had to be made, an occasion, possibly even an inducement, to terminate the Treaty so far as it related to the fisheries; but I do not think that this would be the result, for the arrangement, whether it was for a lump sum, or for an annual payment, would be absolutely binding upon both parties for twelve years; and at the end of that period, if a lump sum had been originally paid for the use of the fisheries, it is clear that the Dominion Government could insist upon a re-assessment of the value of the fisheries, and the whole question would have to be again raised, with the additional difficulty of not knowing for what period the value would then have to be assessed, whether for two years or for a longer time; whereas if the payment had been made annually for a period of twelve years, nothing could be more natural than to continue the Treaty by continuing the annual payment. True it is that, at the end of the twelve years the United States' Government might say that the fisheries were not so valuable as they had been; or, on the other hand, the Dominion Government might contend that they were even more valuable; in either of which cases, of course, there would have to be a new assessment; but all that this shows is that, in the case of an annual payment, it might be necessary at the end of twelve years to have a re-assessment of the value, whereas in the case of a lump sum having been paid a re-assessment would under any circumstances be necessary.

Another reason why the payment of a certain sum annually appears on the whole to be the more desirable, is to be found in the fact that before the expiration of the period provided for by the Treaty war might ensue between the two countries, in which case of course the United States' citizens would no longer be able to enjoy the privilege of fishing in British waters. This would probably be a reason why the United States' Government itself would prefer an annual payment; and it is quite certain that they would claim some diminution from any gross sum which they might have to pay in consideration of the fact that the United States' citizens might, by the breaking out of a war between the two countries, be deprived of the privileges of the in-shore fisheries even before the expiration of the twelve years provided for by the Treaty.

I have now stated to your Lordship the several reasons which have led me to think that, before entering on the business of the Commission, it would be very desirable that I should have an interview with the Dominion Ministers, and especially with Sir John Macdonald, Mr. Peter Mitchell, and Dr. Tupper. I have also stated the reasons which in my opinion make it advisable to claim an annual payment instead of a lump sum. I may add that another reason why, in Lord Dufferin's opinion, it might be expedient that I should go with him to Ottawa, is, that it is as yet uncertain whether the present Ministry may not be compelled to resign owing to the difficulties connected with the Pacific Railway Company, for which the Legislature has been summoned to meet. In which case it would be necessary to confer with the members of the Opposition, who would then be in power, and to ascertain their views on the subject.

Under these circumstances I propose to stay here until Monday afternoon, when we shall proceed to Montreal, where I hope to see one or two persons, for whom I have letters of introduction, and who may possibly be of use to me in the business of the Commission. We shall there join the Governor-General and accompany his Excellency to Ottawa, arriving there probably on Thursday or Friday the 16th or 17th instant, which will give me ample time fully to discuss the question of the Fisheries with the Ministers, before the meeting of the Legislative Assembly on the 23rd instant.

Trusting that my proceedings may meet with your Lordship's approval.

(Signed) H. C. ROTHERY.

No. 58.

Mr. Rothery to Earl Granville.—(Received September 21.)

(No. 11.)

My Lord,

St. Louis Hotel, Quebec, October 9, 1873.

I HAVE the honour to inform your Lordship that, on my arrival here, I found a letter from Mr. W. M. Everts, a gentleman who stands at the top of the legal profession in the United States, and who was employed to argue the case on behalf of the American Government before the Commission at Geneva.

Mr. Evert's letter was in reply to one which I had written to him before I left England, informing him of my appointment as Her Majesty's Agent, of my approaching departure for Canada, and of my intention before commencing upon the business of the Commission to visit New York.

Mr. Evert, who is a personal friend of several years standing, informs me, in reply, that Governor Clifford is to be the Commissioner, and Mr. Foster, of Boston, the Agent, on behalf of the United States' Government at the inquiry about to be opened at Halifax. He states that Mr. Foster is connected with him by marriage, and that I shall find him everything that I could wish him to be. He states, also, that both Governor Clifford and Mr. Foster are particular friends of his, and that he shall have much pleasure in making me acquainted with them and with their families; and he trusts that I shall not hesitate to avail myself of his services in anything in which he can aid me on this side of the water. Mr. Evert did not say when it was proposed that the Commission should meet at Halifax, nor who was the third Commissioner, or, indeed, whether one had yet been selected.

In writing to Sir E. Thornton, to inform him of my arrival in Canada, I took occasion to let him know the names of the American Commissioner and Agent, in case he should not yet have learnt them. I also informed him that I was about to accompany the Governor-General to Ottawa, to confer with the Dominion Ministers on the whole subject of the fisheries, and that, after seeing them, I should probably proceed to New York or Washington for the purpose of conferring with him: but that, if his Excellency desired to see me sooner, I should be prepared at once to join him at any place which he might think proper to appoint. I beg to inclose a copy of my letter to Sir E. Thornton.

Trusting that my proceedings will meet with your Lordship's approval,

(Signed) H. C. ROTHERY.

Inclosure in No. 58.

Mr. Rothery to Sir E. Thornton.

Quebec. October 8, 1873.

Sir,

I BEG to acquaint you that I left England on board the "Scandinavian" on Thursday the 25th ultimo, accompanied by Mr. Dallas and Mr. Robert Russell, and that we arrived at Quebec on Sunday evening the 5th of October instant.

On our arrival I found a letter from my friend Mr. Evarts, of New York, informing me that Governor Clifford had been appointed the Commissioner, and Mr. Forster, of Boston, the Agent, on the part of the United States' Government. He further informs me, that both Governor Clifford and Mr. Forster are particular friends of his; that Mr. Forster is connected with him by marriage, and that he shall have much pleasure in making us acquainted with them, and with their families; and he hopes that I will not hesitate to avail myself of his services in anything in which he can aid us. Mr. Evarts, however, does not give me any information as to when it is likely that the Commission will meet at Halifax, nor does he say whether a third Commissioner has yet been appointed.

On the day after our arrival I called upon the Governor-General, and in a very long interview, which his Excellency was pleased to grant me, I discussed with him the whole question of the Fisheries at length. Unfortunately, owing to the complications arising out of the Pacific Railway Company, none of his Ministers, except M. Langevin, the Minister for Public Works, were at Quebec, all the rest were either in their respective provinces, or at Ottawa, preparing for the opening of the Legislative Assembly on the 23rd instant. His Excellency thought that it would be well that I should see and confer with his Ministers, and especially with Sir J. Macdonald, before entering on the business of the Commission; and with that view he proposed that I should accompany him to Ottawa, for which he leaves on Wednesday next the 15th instant.

After conferring with the Governor-General, and his Ministers at Ottawa, and ascertaining the views of the Canadian Government, I propose, in accordance with the instructions which I received from Lord Granville, previous to my departure from England, to proceed, if time permits, to New York, and, if necessary, to Washington, in order to discuss the whole question with your Excellency, and to arrange, if possible, with the United States' Agent the course of proceeding which it might be most desirable to adopt in the inquiry about to be opened at Halifax. And I venture to think, that we may, with confidence, rely upon Mr. Evart's assistance for that purpose.

I was sorry to find, from your Excellency's letter, which I had the honour to receive previous to my departure from England, that Mr. Fish appeared to be somewhat annoyed at the failure of the various attempts which had been made to appoint a third Commissioner. I foresee, indeed, great difficulty in finding a gentleman well acquainted with the English language, and who would at the same time be thoroughly competent and impartial in the matter on which he will be required to arbitrate. And I confess that it seems to me that it would be greatly in the interest of all parties to this question, if we could agree upon some sum to be paid annually by the United States' Government, in return for the privileges conferred upon its citizens, without raising before the Commission at Halifax all the difficult and delicate questions of law and of fact, which have from time to time caused such irritation in the States. I presume, however, that there is not much prospect of any such desirable termination to this question; but if there were, and if your Excellency thought that my presence would be of use, I could at once proceed to join you either at New York, or at Washington, or wherever else you might appoint.

I have only to say, in conclusion, that we propose to stay here until Monday afternoon, the 13th instant, when we shall leave for Montreal, and, after staying there for two or three days, shall join the Governor-General on his way through, and accompany him to Ottawa.

I mention this in case your Excellency should have any communication to make to me on the subject of the Commission or otherwise. I should add, in case your Excellency should wish to telegraph to us, that we have the cyphers E and F.

I have, &c.

(Signed) H. C. ROTHERY.

The Law Officers of the Crown and Dr. Deane to Earl Granville.—(Received October 30.)

My Lord,

Temple, October 30, 1873.

WE were honoured with your Lordship's commands, signified in Lord Tenterden's letter of the 14th instant, stating that he was directed by your Lordship to transmit to us a telegraphic correspondence that had passed between your Lordship and Her Majesty's Minister at Washington upon the subject of the selection of a third Commissioner for the Fisheries' Commission at Halifax, and to state to us that, under the XXIIIrd Article of the Treaty of Washington, copy of which was sent therewith, for convenience of reference, it appeared to Her Majesty's Government that the Austrian Ambassador in London should be called upon without delay to nominate a Commissioner, and Lord Tenterden was pleased further to say that he was to request that we would take the matter into our consideration, and favour your Lordship with our opinion as to whether the terms of the above-mentioned Article are peremptory upon this point.

In obedience to your Lordship's commands we have the honour to report—

That we are of opinion that the terms of the XXIIIrd Article are distinct and peremptory, and that Sir E. Thornton should be instructed to carry out the terms expressed in your Lordship's telegram of the 11th October last.

We have, &c.

(Signed)

J. D. COLERIDGE.

HENRY JAMES.

J. PARKER DEANE.

No. 60.

Earl Granville to Sir E. Thornton.

(No. 299.)

Sir,

Foreign Office, October 30, 1873.

I HAVE received your despatch No. 405 of the 6th instant, inclosing copies of your correspondence with Mr. Fish in regard to the question of the appointment of the third Commissioner in the Fisheries' Question; and, in reply, I have to acquaint you that Her Majesty's Government approve your letter to Mr. Fish.

I am, &c.

(Signed)

GRANVILLE.

No. 61.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, October 31, 1873.

WITH reference to previous correspondence upon the subject of the Fisheries Commission, I am directed by Earl Granville to transmit to you, for the information of the Earl of Kimberley, copies of two despatches from Mr. Rothery.

I am to add that Lord Granville has conveyed to Mr. Rothery the approval of Her Majesty's Government of his intention of proceeding to Ottawa.

I am, &c.

(Signed)

TENTERDEN.

No. 62.

Earl Granville to Mr. Rothery.

(No. 16.)

Sir,

Foreign Office, October 31, 1873.

IN reply to your despatch No. 11 of the 9th instant I have to acquaint you that Her Majesty's Government approve your intention of proceeding to Ottawa with the Governor-General of Canada.

I am, &c.

(Signed)

GRANVILLE.

No. 63.

Sir E. Thornton to Earl Granville.—(Received November 2.)

(No. 423. Confidential.)

My Lord,

Washington, October 26, 1873.

DURING a visit which I paid to Mr. Fish at the State Department on the 16th instant I told him that I had heard that Governor Clifford had been appointed Commissioner, and Mr. Foster Agent, by the United States' Government on the Fisheries Commission which is to meet at Halifax.

Mr. Fish replied that neither of these two gentlemen had yet been appointed by the President, but he might tell me confidentially that it was intended to appoint them when all the necessary preparations shall have been made for the installation of the Commission. The proposed appointment had, however, been kept a secret, because General Butler had been very anxious to learn the names of the persons who were to be appointed, in order that he might get up an agitation and opposition to them, whoever they might be.

Mr. Clifford, the proposed Commissioner, was once Governor of the State of Massachusetts, and I understand that he is a man of independent means, and bears a high character for common sense and integrity in his State. He was brought up as a lawyer, and is held to belong to the Democratic party; but as he is one of the trustees of the Peabody Fund, he has lately been brought into contact with the President and Mr. Fish. His reputation is considered to be good enough to give weight to his decisions, whatever they may be.

Mr. Foster is also a lawyer, and has been a Judge of the Supreme Court of Massachusetts; but I have not yet been able to learn much of his private character.

I have, &c.

(Signed) EDWD. THORNTON.

No. 64.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, November 6, 1873, 3:55 P.M.

HER Majesty's Government are of opinion that the terms of Article XXIII of the Treaty of Washington are distinct and peremptory, and you will therefore carry out the instructions in my telegram of October 11.

No. 65.

Sir E. Thornton to Earl Granville.—(Received November 6, night.)

(Telegraphic.)

Washington, November 6, 1873.

I HAD already carried out the instruction in your telegram of the 11th ultimo. copy of Mr. Fish's answer will probably reach you on Saturday next.

No. 66.

Earl Granville to Sir E. Thornton.

(No. 309.)

Sir,

Foreign Office, November 10, 1873.

AFTER consultation with the proper Law Officers of the Crown, I informed you by telegraph on the 6th instant that, with reference to the selection of a third Commissioner to act on the Fisheries' Commission at Halifax, Her Majesty's Government are of opinion that the terms of Article XXIII of the Treaty of Washington are distinct and peremptory.

You will therefore carry out the instructions contained in my telegraphic despatch of the 11th ultimo, to suggest to Mr. Fish the expediency of agreeing to an identic note being addressed to the Austrian Government by the Representatives of Great Britain

and the United States at Vienna, requesting that the Austrian Ambassador in London might be authorized to proceed with the nomination of the third Commissioner.

I am, &c.
(Signed) GRANVILLE.

No. 67.

Sir E. Thornton to Earl Granville.—(Received November 10.)

(No. 435.)

My Lord,

Washington, October 27, 1873.

I HAD the honour to receive your Lordship's despatch No. 284 of the 7th instant on the 23rd instant. As I found it necessary to pay a visit to Mr. Fish on that day with reference to other matters, I availed myself of the opportunity to communicate to him the contents of that despatch, and I added that I had been further instructed to suggest to him that we should agree upon the terms of an identic note to be presented to the Austrian Government by the Representatives of the two countries at Vienna, requesting that Government to authorize its Ambassador at London to proceed with the nomination of the third Commissioner in accordance with the XXIIrd Article of the Treaty.

Mr. Fish seemed much annoyed at this suggestion, and intimated that, as Her Majesty's Government had made no effort to agree with the United States' Government upon the third Commissioner during the three months allowed by the Treaty, he did not see that his Government was called upon to address any communication to the Austrian Government upon the subject. I replied in the most earnest manner, and I am afraid angrily, that the accusation against Her Majesty's Government was most unjust and entirely without foundation, and that the contrary had been proved by facts well known to himself, and by the communications which I had made to him from time to time under your Lordship's instructions. But I added, that whatever may have happened previously, the term within which the two Governments could appoint a third Commissioner had expired, and I would not believe that the United States' Government would fail to contribute its share towards carrying out the stipulations of the Treaty in this instance, as Her Majesty's Government had done in various others.

In the course of long arguments which we had upon the subject, Mr. Fish said that he had never had the least apprehension that when he had submitted the names of so many of the foreign Ministers residing at Washington, Her Majesty's Government would not be able to find one of them whom it could consider acceptable. He attributed the failure to the influence of the Canadian Government, which he deprecated, expressing at the same time his opinion that it would have been better even for Canada herself that Her Majesty's Government should have agreed upon a person who would hold the position of Umpire without consulting her at all. I replied that Canada was the party chiefly interested in the results to be arrived at by the Commission, and that he should be the last person to maintain such a position, as it was well known that both he and the President, in all the measures which were taken by them, were guided by the opinions and wishes of those whose interests were confided to their care.

Finding that I was unable to induce Mr. Fish to agree that the necessary request should be made to the Austrian Government, I put an end to the discussion by saying that I should address him a note, acquainting him with the contents of your Lordship's despatch.

On the following morning I sent him the note, of which I have the honour to inclose a copy. From Mr. Fish's answer, a copy of which is also inclosed, your Lordship will perceive that he still maintains the opinion that, notwithstanding the expiration of the three months allowed by the Treaty, the two Governments are at liberty to agree upon and to appoint a third Commissioner.

In my answer of to-day's date, a copy of which is also inclosed, I have not thought it expedient to discuss this point, but have confined myself to a few observations upon Mr. Fish's persistent determination to consider the proposal which I made on the 26th of June last by your Lordship's direction as unofficial, upon his assumption that the above proposal involved the actual appointment by the two Ministers at the Hague of the third Commissioner, and upon the object of the note which your Lordship suggested should be addressed to the Austrian Government.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 67.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, October 24, 1873.

ON the receipt of your note of the 30th ultimo I forwarded a telegram to Earl Granville, in which I informed him that you had officially stated to me that the proposal which I had been again instructed to make to you that the British and American Ministers at the Hague should be authorized to see if they could not agree upon some Dutch gentleman who would be acceptable to both Governments to act as third Commissioner under the XXIIIrd Article of the Treaty of Washington could not be accepted, because it varied from the provisions of the Treaty, and would require a new Treaty.

I have now the honour to state to you, in compliance with an instruction contained in a despatch which I received from Earl Granville yesterday, that Her Majesty's Government is unable to perceive in what manner the Treaty would have been departed from by the two Ministers recommending to their respective Governments a person in their judgment suitable for the appointment of third Commissioner, for the appointment would not have been made by the Ministers, but by the two Governments in accordance with the strict letter of the Treaty, if they had approved the recommendation of the Ministers.

I am also instructed to state that the further suggestion that, although the three months had expired, the two Governments might still agree upon a third Commissioner appears to Her Majesty's Government to be, on the contrary, wholly inconsistent with the letter of the Treaty, which provided that if the third Commissioner should not have been named within a period of three months from the date of the Articles taking effect, the nomination should then rest with the Representative of the Emperor of Austria and King of Hungary in London.

Earl Granville has therefore directed me to suggest that an agreement should be come to on an identic note to the Austrian Government to be presented by the Representatives of the two countries at Vienna, requesting that Government to authorize its Ambassador to proceed with the nomination.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 2 in No. 67.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, October 25, 1873.

I HAVE the honour to acknowledge the reception of your note of the 24th instant, wherein you state that you had on the 30th ultimo informed Lord Granville by the telegraph that "I had officially stated to you that the proposal which you had been again instructed to make to me that the American and British Ministers at the Hague should be authorized to see if they could not agree upon some Dutch gentleman who would be acceptable to both Governments to act as third Commissioner under the XXIIIrd Article of the Treaty of Washington, could not be accepted, because it varied from the provisions of the Treaty, and would require a new Treaty."

You further state in compliance with an instruction received from Lord Granville on the day preceding the date of your note, "that Her Majesty's Government is unable to perceive in what manner the Treaty would have been departed from by the two Ministers recommending to their respective Governments a person in their judgment suitable for the appointment of third Commissioner; for the appointment could not have been made by the Ministers but by the two Governments, in accordance with the strict letter of the Treaty, if they had approved the recommendation of the Ministers."

You also state that "the further suggestion that, although the three months had expired, the two Governments might still agree upon a third Commissioner, appears to Her Majesty's Government to be wholly inconsistent with the letter of the Treaty, which provided that if the third Commissioner should not have been named within a period of three months from the date of the Article taking effect, the nomination should then rest with the Representative of the Emperor of Austria and King of Hungary in London. That therefore Earl Granville had directed you to suggest to me that an agreement should be come to on an identic note to the Austrian Government, to be presented by the

Representatives of the two countries at Vienna, requesting that Government to authorize its Ambassador to proceed with the nomination."

I regret to learn that Her Majesty's Government take the view that it is not competent to the two Governments by mutual consent to exercise the power of joint nomination which the Treaty indicated, even although the three months within which its exercise was intended to have been attempted have elapsed.

Notwithstanding this expression, and with all the respect which is so justly due and which I invariably defer to a deliberately expressed opinion from the Government of Great Britain, I fail to see that any violation of the spirit of the Treaty can be found in the present exercise of a power of appointment which admittedly might have been exercised before the first day of the present month.

No party can be prejudiced thereby, and there is no party who can in any event take exception to the appointment which the two Powers, sole parties to the Treaty, may think proper to make.

If it be said that the letter of the Treaty is inconsistent with such action, and that the letter rather than the spirit of the Treaty is to be observed, it follows that a vested right of appointment accrued on the first day of the present month in the Representative at London of His Majesty the Emperor of Austria and King of Hungary, to be exercised by him independently of any request from the two Powers parties to the Treaty, or of any authorization or permission of His Sovereign. A conclusion equally at variance with the suggestion in your note of yesterday, that an identic note be presented to the Austrian Government requesting it to authorize its Ambassador to proceed with the nomination; and with the view entertained by this Government of the right of that Ambassador under the Treaty.

The reference in your note of yesterday to the proposal of Her Majesty's Government to authorize the Ministers of the two Governments at the Hague to see if they could not agree upon some Dutch gentleman to act as third Commissioner, presents that proposal differently from the form in which it was understood from your note of the 24th of September, in which it was stated that "Her Majesty's Government proposed that the Ministers of the United States and of Her Majesty at the Hague should be authorized to see if they could not agree upon some Dutch gentleman to act as third Commissioner, who would be acceptable to both Governments."

Premising that neither the letter nor the spirit of the Treaty limited the selection of the third Commissioner to a "Dutch gentleman," I failed to see in the proposal to clothe the two Ministers at the Hague with authority to agree upon a third person, as I had also failed to suspect, from the conversation and oral discussion of the same subject, which had taken place between us at a previous date, that it was contemplated, as is now intimated, that the Ministers at the Hague were to be limited to making a recommendation of a third Commissioner. I am still unable to see that the proposal, as communicated, implied such limitation. But regarding it as having the intent which your note assigns to it, I must recall the date of the formal presentation of that proposal.

Your note submitting it bears date at Catskill Station, September 24th, and was received at this Department on the 26th of that month, inadvertently stated as the 27th in my note of the 30th ultimo. According to the views of Her Majesty's Government, as represented in your note of yesterday, it would be wholly inconsistent with the letter of the Treaty for the two Governments to exercise the power of concurrent appointment except within the period of three months from the date of the Article taking effect.

The Article took effect on the 1st day of July, the three months consequently expired on the 30th day of September. There were, therefore, four days allotted for the consideration and decision by the President of the proposal of Her Majesty's Government, and for the transmission of instructions to the Minister of the United States at the Hague for subsequent conference and agreement between him and the British Minister, for their respective Reports to be transmitted to their two Governments, and for the subsequent concurrent action of the two Governments upon their joint recommendation.

This was at a season of the year when you, as well as most of the officers of the Government were understood to be absent from Washington, and a reply to your note of 24th September, if dispatched by the mail of the day succeeding its reception, could not have been received by you at Catskill Station until the 29th of September, leaving but one day for the carrying out of the proposal of Her Majesty's Government.

I shall not now repeat the appreciation which, on a previous occasion, I indicated as entertained by this Government of the utter inequality of position which it would occupy with respect to that of Great Britain under the proposed arrangement, and of the disadvantage at which the proposal, if accepted, would place it. The impossibility of reaching a conclusion upon a proposal of this nature, in the light in which it is now represented,

and of instructing the two Ministers, and obtaining and acting upon their recommendation within the few hours intervening before the expiration of the three months, made incapable of a practical result the only effort of Her Majesty's Government to comply with the provisions of the Treaty whereby it was agreed that the third Commissioner should be appointed by Her Majesty and the President conjointly.

Being unable to perceive that any right of nomination has passed beyond the control of the two Governments, and believing that both the letter and the spirit of the Treaty intended that it should be exercised by them concurrently, and not be delegated either by one or by both, I still entertain the hope that an effort may be made by Her Majesty's Government to agree upon a third Commissioner, in the spirit of the Treaty, and by the concurrent appointment of the two Governments.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 3 in No. 67.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, October 27, 1873.

I HAVE the honour to acknowledge the receipt of your note of the 25th instant relative to the appointment of a person to act as third Commissioner on the Fisheries' Commission provided for by the XXIIIrd Article of the Treaty of May 8, 1871. I shall not fail to forward a copy of this note to Earl Granville.

I regret to observe that you still consider that the proposal which I made to you on the 26th of June last, under Earl Granville's instructions, was not official. I certainly had supposed that you had received it as bearing that character when I informed you that his Lordship had desired me to make it; and this supposition was confirmed by your statement that, although the proposition did not strike you favourably, you would not either accept or decline it until you had an opportunity of conferring with the President. The proposal at that time was the same as that conveyed in my note to Mr. Bancroft Davis of the 24th ultimo, viz., that the Ministers of the United States and of Her Majesty at the Hague, should be authorized to see if they could not agree upon some Dutch gentleman to act as Third Commissioner, who would be acceptable to both Governments.

The insertion of the last sentence indicates that the person proposed by the two Ministers could have been regarded only as a recommendation on their part, for it was only in the case of his being acceptable to both Governments that he would have been appointed to act as third Commissioner.

The identic note to the Austrian Government, upon the terms of which Earl Granville desired me to suggest to you that we should agree, would be, as I understand it, for the purpose of communicating to the Austrian Ambassador in London the wish of the Governments of the United States and Great Britain that he should proceed to the nomination of the third Commissioner in accordance with the terms of the Treaty. Without such a communication his Excellency could hardly be expected to be acquainted with the contents of the Treaty, nor to know the date at which the three months expired, or the fact that, unhappily, the two Governments have been unable to agree upon a third Commissioner within those three months, as provided by the Treaty.

I have, &c.
(Signed) EDWD. THORNTON.

No. 68.

Lord Tenterden to the Law Officers of the Crown and Dr. Deane.

Gentlemen,

Foreign Office, November 11, 1873.

WITH reference to your Report of the 30th ultimo, I am directed by Lord Granville to transmit to you a despatch from Sir E. Thornton, inclosing copies of correspondence with Mr. Fish, on the subject of the appointment of a third Commissioner, in accordance with the XXIIIrd Article of the Treaty of Washington, and I am to request that you will take these papers into your consideration, and report to Lord Granville your opinion upon the answer returned by Mr. Fish to Sir E. Thornton's note of the 24th ultimo.

I am, &c.
(Signed) TENTERDEN.

Mr. Rothery to Earl Granville.—(Received November 13.)

(No. 12.)

My Lord,

Government House, Ottawa, October 31, 1873.

IN my despatch No. 10 of the 8th of October instant, I stated that I proposed to leave Quebec for Montreal on the 13th, and that, after staying at that place for a few days, I should go on to Ottawa in company with the Governor-General, arriving there about the 16th or 17th instant.

My chief object in going to Ottawa was, as I have already stated, to see and confer with the Ministers, more particularly with Sir John Macdonald, Mr. Peter Mitchell, and Dr. Tupper, on the subject of the fisheries generally, and especially in regard to the amount of the claim which had been put forward on the part of the Dominion Government.

As, however, the state of affairs was very critical, and there was some uncertainty whether the present Ministry would be able to retain office, Lord Dufferin thought that it would be better that I should not arrive at Ottawa before him, and as it was subsequently found that he could not reach that place before the evening of Friday the 17th, it was arranged that I should follow him on the next day. And it seemed to me that I might usefully employ the intermediate time in seeing some persons at Montreal to whom I had letters of introduction, and from whom I hoped to gain some information which might possibly prove serviceable in the inquiry on which I was engaged.

I accordingly left Quebec on the evening of the 13th, in company with Dr. Dallas and Mr. Russell, and arrived at Montreal early on the following morning. I immediately proceeded to call upon those gentlemen to whom I had letters of introduction, and amongst others upon Professor Dawson, the Principal of McGill College, a gentleman deservedly respected for his high character and great scientific attainments, and who is spoken of in the Reports of the Minister of Marine and Fisheries as taking a deep interest in the subject, and as having been consulted by him in regard to the dredging operations which have been going on for some years past in the Gulf of St. Lawrence, with a view to the preservation of the fisheries.

My introduction to him was from our mutual friend, Dr. Joseph Hooker, of Kew, which at once secured me a cordial reception at his hands. Professor Dawson also introduced me to Mr. Whiteaves, the Head of the Natural History Museum at Montreal, who is also mentioned in Mr. Mitchell's Reports, and by whom the dredging operations have been conducted. I spent almost the whole of one day with these gentlemen, examining their specimens, and discussing the whole subject of the fisheries with them.

I had letters of introduction also to other gentlemen at Montreal, some of them members of the Legislature, supporters as well as opponents of the present Administration. I made a point of seeing and conversing with them upon the Fisheries' Question, as I was anxious to know what were the views generally entertained on the subject. I wished to ascertain whether, in the opinion of the public generally, the admission of fish and fish-oil into the United States duty free was regarded as an equivalent for the fishery privileges accorded to the United States' citizens; what was thought to be the respective values of the British and American fishing-grounds; and whether the admission of United States' fishermen to British waters would be likely to affect injuriously the interests of British fishermen. I was well aware that all these questions must be decided by something more definite and tangible than the private opinions of individuals, or even of the respective political parties. At the same time, it appeared to me to be not unimportant to ascertain what was the general opinion upon these points, as I should probably find it useful in discussing the question with the Ministers and others whom I was about to meet at Ottawa.

And here, perhaps, I may be permitted to state to your Lordship what was the impression produced on my mind as the result of the conversations which I had with gentlemen at Quebec and Montreal, with politicians—some of them supporters and others opponents of the present Ministry, with men of science, with judges and lawyers, of whom I saw a great number, and with merchants and others. I am the more inclined to do so, as the impression produced on my mind is somewhat different from that which I had been led to believe from a perusal of the documents was the general feeling in Canada on the subject; and because I find that impression very strongly confirmed by all that I have heard since my arrival at Ottawa.

The conclusion, then, to which I have come is that, since Confederation has been effected a great change has taken place in the opinion not only of those acquainted with the subject, but of the general public, in regard to the operation of the Washington

Treaty, so far at all events as the Fisheries' Question is concerned; and that people are generally not disposed to regard the settlement effected by that Treaty as so one-sided and so injurious to British interests as they were at one time inclined to do. When the interests of Nova Scotia, New Brunswick, and Prince Edward's Island, the three maritime provinces chiefly benefited by the remission of the duties on fish and fish oil, were regarded as distinct and separate from those of Ontario and the inland provinces, it was thought that the latter had been neglected in not obtaining a remission of the duties on lumber and breadstuffs, in which they were more especially interested. Now, however, that closer political union has been effected between the Provinces, and that the Legislature meets at Ottawa to discuss not the affairs of a province only but of the whole Dominion, the old feeling of jealousy seems to be fast disappearing, and it is seen that the interests of the maritime and of the inland provinces are identical, or, at all events, that what conduces to the interests of the one must in a great degree affect the interests of the other.

I find that people are quite disposed to allow that the admission of fish and fish-oil duty free into the United States is a great boon to British fishermen and to the British maritime provinces, and that, on the other hand, the permission accorded to United States' fishermen of fishing in British waters is not, after all, so injurious to British interests as was at one time imagined. I find that amongst those conversant with the subject there is a growing opinion that British fishermen will not only be able to hold their own against the United States' fishermen, but, owing partly to the fact that the fisheries are at their own doors, partly to the greater cheapness of all the equipments necessary for carrying on their trade, British fishermen will in the end drive the United States' fishermen out of the market. I find also that they are prepared to admit that, in consenting to pay in money whatever may be adjudged as an equivalent for the excess of the advantages, if any, accorded to the United States' citizens over and above those granted to British subjects, the United States' Government have done all that can reasonably be required of them.

Nor does it appear to me that these views are exclusively confined to the Ministerial side, for I find that they are shared equally by the Opposition. Indeed, one gentleman, a person of considerable influence with the Opposition, went so far as to say to me that he considered that we had obtained a full and fair equivalent for the cession of our fishery rights in the admission of fish and fish-oil into the United States duty free. Not, I must admit, that this is the general view, but it will show your Lordship that there are some at all events, and those persons of weight and position in the country, who do not take so high, I was about to say so exaggerated, a view of our rights as the claim forwarded by the Dominion Government would seem to warrant.

With these opinions before me, your Lordship may well understand that I was the more desirous of seeing the Ministers, and of ascertaining on what grounds it was that so large a claim as 60,000,000 dollars had been advanced for only twelve years' use of the Fisheries, and this, too, exclusive of the claim to be preferred by the Government of Newfoundland.

I may here observe that, whilst at Montreal, I received a letter from Sir John Macdonald in reply to one which I had addressed to him, announcing my arrival in this country, and at the same time forwarding a private letter of introduction which I had brought for him. In that letter Sir John stated that he should be most happy to confer with me on the subject of the Fisheries, but that he did not think that there was any necessity for hastening my arrival at Ottawa. I was very glad of this, as it showed me that Sir John was indisposed at that time to enter into a discussion of the subject, and it relieved me from the necessity of having to explain that my reason for delaying my arrival at Ottawa was the possibility that he might before long cease to be the Prime Minister.

On Sunday, the 18th, we left Montreal, and arrived at Ottawa the same evening, and I was most kindly invited by his Excellency to take up my residence at Government House. The same evening Lord Dufferin explained to me fully and confidentially the very critical position of the Ministry, and he thought that it would be better, whilst the crisis lasted, that I should not see Sir John.

On Monday, the 20th, I understood from Lord Dufferin that the Ministry had tendered their resignation, under circumstances, however, which it will not be necessary for me to state. The crisis continued throughout Tuesday, but, as I had understood that Mr. Peter Mitchell, the Minister of Marine and Fisheries, would be appointed the British Commissioner, even should the Ministry resign, I suggested that I might at any rate see him, as I was desirous of entering as soon as possible on the business with which I have been entrusted.

Having obtained Lord Dufferin's permission, I called upon Mr. Mitchell, and in a short conversation that I had with him, he admitted that the claim of 60,000,000 dollars, which had been preferred in the statement forwarded by the Dominion Government, could not be supported by evidence; and that it was put forward *pro forma*, rather than as an estimate of the value of the privileges accorded to United States' citizens. I stated that I doubted whether it was expedient to put forward a claim which we could not support by evidence, and which we did not intend to maintain; but, as Mr. Mitchell could only then give me a few minutes, it was agreed that we should meet again on the following morning at his office to discuss the matter further.

On the morning of Wednesday the 22nd I was informed by Lord Dufferin that the crisis was over, and that the Ministers had withdrawn their resignations and intended to meet Parliament, which was summoned for Thursday, the 23rd instant. His Lordship, however, thought that I had better not see Sir John Macdonald, as he was overwhelmed with business preparatory to the meeting of Parliament. Indeed, I understood that Sir John had expressed a wish that I should not then call upon him, as he would not be able to give the time necessary to discuss the subject with me.

I however called, as I had arranged, upon Mr. Mitchell, and had a long conversation with him and with Mr. Whiteher, the head of the Fishery Department, on the subject. The latter gentleman informed me that they had been endeavouring to obtain some evidence that might be of use on the inquiry, but that they had not been able to obtain much that was reliable, or which would bear the test of cross-examination. He added that the claim for 60,000,000 dollars had been inserted by him on his own responsibility, and in the anticipation that the American Government would probably advance an equally extravagant claim, and that, by mutual concessions, this country would be able in the end to obtain something. After some further conversation it was agreed that we should renew the discussion at an early period, after I had had an opportunity of seeing Sir John Macdonald and ascertaining his views on the subject.

On Thursday, the 23rd, Parliament was formally opened, and it was of course impossible to discuss the question with any of the Ministers on that day; but the debate on the Address having been adjourned until the Monday following I determined in the interval, if possible, to see all the Ministers who were chiefly interested in the matter, and to ascertain their views on the subject. The Ministers referred to were Sir John Macdonald, the Prime Minister; Mr. Tilley, the Minister of Finance, who represents New Brunswick in the Cabinet; Dr. Tupper, the Minister of Customs, representing Nova Scotia; and Mr. Peter Mitchell, the Minister of Marine and Fisheries.

For obvious reasons I was desirous of seeing Sir John Macdonald first. I accordingly called at his office on Friday morning, and, after waiting for a very considerable time, I had an opportunity of seeing him, and of discussing the whole subject of the Fisheries with him at length. I began by referring to the very large amount at which the claim had been laid, namely, 60,000,000 dollars for twelve years' use of the Fisheries; and on my showing him Lord Lisgar's letter to Sir Edward Thornton of December 28th, 1870, from which it would seem that one of his colleagues, Dr. Tupper, had only just before the Treaty of Washington estimated their value at the sum of only 200,000 dollars a year, Sir John admitted that the claim was quite inadmissible and extravagant.

I then proceeded to explain what I believed to be the present state of the case. I showed him that the elements for forming not only a correct, but any estimate of the value of these fishery rights were in the highest degree unsatisfactory. I stated that, when a vessel arrived in a United States' port with fish, it was quite impossible to say whether those fish had been caught in British waters or beyond the territorial limits. I stated that, even when United States fishermen had no right to fish in British waters, it was a notorious fact that they persistently transgressed those limits, owing to the impossibility, with the few cruisers that were in commission, of keeping an effectual watch over so many thousands of miles; that, moreover, United States' fishermen were in the habit of purchasing fish from British fishermen, and of introducing them into the United States duty free, as having been caught outside of British waters; and I stated that if the United States' Government should argue, as they no doubt would do, that all fish imported free of duty into the United States' ports by United States' vessels after the Reciprocity Treaty had expired, and before the Treaty of Washington had come into operation, must be regarded as fish caught outside the limits of British waters, it would be extremely difficult for us to dispute it, and to show what proportion of those fish had been caught inside the limits of British jurisdiction, and what proportion beyond those limits.

I also pointed out the great difficulty of the Headlands' Question. I stated that I could have no doubt that, when the Treaty of 1818 was entered into, such bays as the Bay of Chaleur, and St. George's Bay, and possibly even the Bay of Fundy, were regarded

as territorial waters, as much as Delaware and Chesapeake Bays were by the Americans. I stated, however, that since that time the extent of the territorial limits had, by mutual consent, at all events between European States, undergone considerable modifications, and I instanced the arrangement made with France, under the Fishery Convention of 1839, to limit the jurisdiction in respect of bays to those which were not more than ten miles wide at the entrance. I stated that somewhat similar arrangements had been made with Norway, Denmark, and the German Empire. I stated that, although no such arrangement, and indeed no arrangement at all, had been entered into with the United States, still that the arrangements made with the European States which I have mentioned above would tend to complicate the question, if the fact was known, as it no doubt was, to the United States' Government, and I stated that if the case came to be discussed at Halifax I did not very well see how the question of the Headlands could be avoided, and whether the Commission was to be asked to give the widest interpretation to that question, or to adopt the ten miles or the six miles limit.

After discussing the matter at great length, I stated that, in view of all these difficulties—the difficulty of saying what our rights are, the difficulty of ascertaining what is their value when they have been ascertained, the difficulty attendant upon obtaining a competent and impartial Arbitrator, or third Commissioner, the danger of re-opening questions which in former times have led to so many irritating discussions, and, finally, the extreme uncertainty of the final decision—looking at all these difficult questions, I suggested whether it might not be better, if possible, to arrange by friendly negotiation with the United States' Government a sum which they would be ready to pay, and which we should be ready to accept.

I stated that, if this were assented to, the first thing would be for the Dominion Government to reduce its demand within such limits as it considered that it might fairly claim, and not to put forward a claim for 60,000,000 dollars, which could do no good, and would only irritate the United States' Government. I stated that if the Dominion Government would so reduce their demand, it would be my duty to lay it before your Lordship, and take your Lordship's directions as to whether it would be expedient that that course should be pursued. I added that in that case I thought that I might engage the good offices of Mr. Evarts, who, as I have already informed your Lordship, is a gentleman of high character and position in the States, who has already informed me of the names of the United States' Commissioner and Agent, and has said that he will introduce me to them, and that he will have much pleasure in assisting me so far as it may be in his power to do so.

It is only necessary further to say that, after very fully discussing the whole subject, Sir John Macdonald stated that, looking at all the difficulties of the case, and the great desire which the Dominion Government had not to bring the Headlands' Question into discussion, he thought that the mode suggested by me was, under all the circumstances of the case, the best, and that if we could get 200,000 dollars a year, or anything like it, as compensation for the fisheries, he for his part would be perfectly satisfied.

I beg further to inform your Lordship, that after parting with Sir John Macdonald, I went to see Mr. Tilley, the Minister of Finance; and it is only necessary to say that, after going through the whole subject with him, as I had already done with Sir John, he gave his entire assent to the proposal, and at the same time stated that he also should be perfectly satisfied with a compensation at the rate of 200,000 dollars a year.

On the following morning, Saturday, the 25th, I called by appointment on Dr. Tupper, the Minister of Customs, and after going through the case with him as I had already done with Sir John Macdonald and Mr. Tilley, I obtained his entire assent to the proposed plan. I then saw Mr. Mitchell, and obtained his assent also, although he at the same expressed some doubt whether the United States' Government would be disposed to agree to it.

Having thus, as I have stated, explained the whole subject to the Ministers chiefly interested in the question, I was desirous of obtaining the formal approval of the Cabinet to the proposal, and at the same time the withdrawal of the claim for 60,000,000 dollars, and the substitution of a more moderate demand. Accordingly, on the following Monday morning, I wrote a letter to Sir John Macdonald, asking him to bring the matter before the Cabinet, and offering to be in attendance when it came on for discussion, in order to answer any questions that might be put to me. As, however, the debate on the Address was to begin that evening, I thought it better that I should show it to Lord Dufferin before presenting it to Sir John, and at his Excellency's request I have withheld it, his Lordship being of opinion that in the present critical state of affairs Sir John would not give any attention to the matter, and that it would not be right to ask him to do so.

I consequently remain a guest with Lord Dufferin, awaiting the result of the present

contest in the Dominion House of Commons. The debate has now lasted from Monday, the 27th. down to the present day; whether or not it will terminate this evening, or whether it will go on into next week, it is almost impossible to say; and until the question of the existence of the present Ministry is decided, I shall of course, following Lord Dufferin's advice, not send in my letter to Sir John.

When, however, the Dominion Government shall have come to a final decision on the point, and as to the amount which they consider that they are entitled to claim as compensation for the Fisheries, I shall lose no time in informing your Lordship, if necessary, by telegraph, and your Lordship will then be in a position to decide whether the course which I have indicated for the settlement of the question should or should not be carried out.

Trusting that my proceedings may meet with your Lordship's approval,

I have, &c.

(Signed) H. C. ROTHERY.

No. 70.

The Law Officers of the Crown and Dr. Deane to Earl Granville.—(Received November 18.)

My Lord,

Temple, November 17, 1873.

WE were honoured with your Lordship's commands, signified in Lord Tenterden's letter of the 11th November instant, stating that, with reference to our Report of the 30th ultimo, he was directed by your Lordship to transmit to us a despatch from Sir Edward Thornton, inclosing copies of correspondence with Mr. Fish, on the subject of the appointment of a third Commissioner in accordance with the XXIIIrd Article of the Treaty of Washington, and to request that we would take these papers into our consideration, and report to your Lordship our opinion upon the answer returned by Mr. Fish to Sir Edward Thornton's note of the 24th ultimo.

In obedience to your Lordship's commands we have taken the papers into our consideration, and have the honour to Report—

That, in our opinion, Mr. Fish is in error when, in his letter to Sir E. Thornton, he infers that the right of nomination of a third Commissioner has not passed beyond the control of the two Governments; and that he believes that both the spirit and the letter of the Treaty intended that the nomination should be exercised by them concurrently.

Such, undoubtedly, was the letter and the spirit of Article XXIII, so long as the three months were unexpired, but the words of the provision that, in case the third Commissioner shall not have been named within the three months, then the third Commissioner shall be named by the Representative at London of the Emperor of Austria and King of Hungary are so clear, both in themselves and in connection with the immediately preceding words in the same Article, that Mr. Fish may on this part of his letter be properly answered that Her Majesty's Government cannot agree with his interpretation of the Treaty in this respect.

With regard to that part of Mr. Fish's letter which refers to the proposal to select some Dutch gentleman, we are of opinion that, relating to a matter which is now at an end, no notice need be taken of that in the answer to Mr. Fish.

We suggest, however, for your Lordship's consideration, and as a matter of policy, not of right, that it may be well to answer Mr. Fish that, although Her Majesty's Government wholly differs from him in the construction to be put upon the Article XXIII of the Treaty of Her Majesty's Government is willing to agree upon third Commissioner to be named by the two Governments; but in the event of such agreement not being carried out within a short time, say one month, that Her Majesty's Government will insist on the provisions of Article XXIII being carried into effect.

We have, &c.

(Signed)

J. D. COLERIDGE.

HENRY JAMES.

J. PARKER DEANE.

No. 71.

Mr. Rothery to Earl Granville.—(Received November 19.)

(No. 13.)

My Lord,

Ottawa, November 5, 1873.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 15 of the 11th ultimo, covering copy of a despatch from Mr. Howard, reporting that no

formal question had been raised before the Mixed Commission on claims as to the right of jurisdiction over the marine league from shore. The printed papers in the case of the "Adela," which were inclosed in Mr. Howard's above-mentioned despatch, do, no doubt, touch upon the question, but I hardly think that they will be of much use in the inquiry upon which I am engaged.

Those in the case of the "Margaret and Jessie," if they contain, as I think they do, a correspondence with the United States' Government as to the proposed extension of the limits of maritime jurisdiction, will probably throw more light on the subject, and I shall not fail to apply to Mr. Howard for them on my arrival at Washington.

I have, &c.

(Signed) H. C. ROTHERY.

No. 72.

Mr. Rothery to Earl Granville.—(Received November 19.)

(No. 14.)

My Lord,

Government House, Ottawa, November 6, 1873.

IN continuation of my despatch No. 12 of the 30th ultimo, I have now the honour to inform your Lordship that the debate on the Amendment to the Address, which commenced on Monday the 27th, was continued throughout that week, and was resumed on Monday and Tuesday, the 3rd and 4th instants. The House of Commons, I should observe, in this country sits at 3 P.M., or soon after three in the afternoon, adjourns for dinner at six o'clock, and then resumes at half-past seven, continuing the sitting sometimes as late as two in the morning. The Speaker having most kindly given me a seat on the floor of the House, by the side of the chair, I was a close and constant attendant at the debates. I thought that I might thereby obtain some insight into the views and policy of the respective parties in the State. It at the same time afforded me an opportunity of becoming personally acquainted with the leading members on both sides.

On Tuesday evening, when the House broke up, the Ministry thought that they could count with certainty upon 101 votes; this left 103 votes, excluding those of the Speaker and of M. Riel, the Member for Provencher, who has not yet taken his seat; and they felt that if only one more Member could be secured it would make the votes equal, and the casting vote of the Speaker, which would certainly be given in their favour, would give them a majority.

Early on Wednesday morning, however, the Ministry learnt that some of their regular supporters were about to go over to the Opposition, and under these circumstances, finding that they would be in a minority in case they went to a vote, they tendered their resignation to his Excellency, which was accepted; and thereupon Mr. McKenzie, the leader of the Opposition, was sent for to form a new Ministry. This is the purport of the information communicated to the House by Sir John Macdonald on its meeting yesterday afternoon, and the House is to meet again this evening, to hear what course the Opposition purpose to take.

Under these circumstances it has become necessary for me to decide what course I ought to adopt. Whether to stay here and discuss the whole question of the Fisheries with the new Ministers, and to endeavour to ascertain at what amount they are disposed to lay the claims for compensation, or whether to proceed at once to New York and Washington with such information as I have been able to obtain here, and ascertain whether there is any, and what prospect of effecting, a compromise of the claim with the United States' Government.

After very fully considering the question, I have decided that it would on the whole be better that I should proceed to New York. His Excellency thought that possibly Mr. Mackenzie might not be able to form a Ministry at once, and that even if he did, they would have so many important questions to consider, that it would not be possible for them to give much attention to the Fisheries' Question for some time. There was also the possibility of a Dissolution, seeing that Mr. Blake, who was the real leader of the Opposition, had in his speech on Tuesday night charged the House as being tainted with corruption. Under these circumstances it was thought better that I should go to New York and Washington, and see Sir Edward Thornton, and having ascertained whether there was any chance of the United States' Government assenting to a compromise, I might, if necessary, return at a later period to Ottawa, when the new Ministry would be more settled and better disposed to discuss the Fisheries' Question with me.

This was the decision to which, on a consideration of all the circumstances of the case I came, with Lord Dufferin's approval, and that decision has been much strengthened by a letter which I have just received from Sir E. Thornton. That letter, of which I

inclose a copy, bears date the 11th of October ultimo, and was addressed to me at Montreal. I had expected to receive at Montreal a reply to a letter which I had addressed to Sir E. Thornton from Quebec, and I therefore called or sent not only daily, but several times a day, to the post-office to inquire for letters during the time that we stayed at Montreal, which was from the 14th to the 18th ultimo, and I was always assured that there was no letter for me. I also left written instructions that any letter that might come for me should be forwarded to Ottawa, and I telegraphed from here on the 21st or 22nd to the same effect.

It now appears from the post-mark on the envelope to Sir E. Thornton's letter that it reached Montreal on the 14th. It was consequently there during the whole period of our stay at Montreal, and it has only now been forwarded on the receipt of a telegram sent by the Post-office authorities here on Monday or Tuesday last, requesting to know if there were any letters there for me, and if so desiring that they should be forwarded. It is under these circumstances that Sir E. Thornton's letter only reached me yesterday morning, having been detained for about three weeks in the post-office at Montreal. I have of course brought the matter to the attention of the Postmaster-General, to enable him to take such steps as he may think proper in the matter, and I shall not fail to let your Lordship know the result.

The letter, as your Lordship will perceive, is a very important one, for it informs me that the names of the gentlemen who have been selected by the United States' Government to act as the Commissioner and Agent, had not yet been communicated to Sir Edward Thornton; and that the third Commissioner had not yet been agreed upon. And he adds that he thinks it very doubtful whether the Commission will be able to meet at Halifax before next spring; for that, whoever the third Commissioner may be, it is not likely that he will be willing to pass the winter at Halifax.

Under these circumstances it appears to me to be very desirable that I should, as soon as possible, see Sir E. Thornton, and ascertain from him what are the grounds on which he thinks that the Commission will not be able to meet at Halifax until next spring, as in that case it would be necessary for me at once to take your Lordship's directions as to the course which I ought to pursue. I need hardly observe that a delay of some four or five months before the Commission would even commence its sittings, besides involving a very heavy expense, would be attended with great personal inconvenience to myself, having regard to the changes which may be expected to be made in the Courts of Justice before the end of the ensuing year. At the same time I should not hesitate for one moment to put my own private convenience in opposition to what might be supposed to be the public interests, if your Lordship thought that it was desirable that I should remain in this country. In that case, however, I should have to take your Lordship's directions as to what I should myself do, whether to go to Halifax, which may be called the principal centre of the fishing trade, and there take up my abode, collecting information and arranging the papers until the Commissioners meet, or whether I should return to Ottawa, which is the seat of Government, and where I should be in immediate communication with his Excellency the Governor-General and his Ministers.

Your Lordship will further observe that Sir Edward Thornton seems to entertain some doubt whether the United States' Government will be inclined to entertain any proposal for the payment of an annual sum in returns for the privileges conferred upon its citizens by the Treaty. Whether this would be so if it were found that the Dominion Government would be prepared to compromise their claim for a comparatively small sum, is a question on which it is not possible for me at this distance to form any opinion.

This change of Ministry after I had succeeded in inducing all the principal members of the late Cabinet to consent to a reduction of the claim from 60,000,000 dollars to the comparatively moderate sum of 200,000 dollars a-year, would, at first sight, appear to be a very unfortunate affair. If, however, I am rightly informed, the incoming Ministry, partly from their supposed sympathies with the United States, and partly from other causes, are not likely to estimate the claim for compensation at a higher, if so high a rate, as their predecessors; and in this opinion his Excellency the Governor-General is disposed to concur. But, however this may be, one thing is certain, and that is, that if the new Ministry are disposed to reduce the claim within moderate limits, they need fear no objection from their opponents; for Dr. Tupper said to me only on Saturday last that, whether they were in or out, I might count that no opposition would be offered either by himself or by his colleagues to the proposed compromise.

All these considerations lead me to think that it would be very desirable that I should now see Sir Edward Thornton, and, after fully explaining the matter to him, should ascertain what are his views on the subject; and for that purpose I intend, as soon as I have received some documents and returns, which I understand are now

being prepared for me, to leave Ottawa, arriving at New York in the course of next week. Whilst at New York I shall see Mr. Evarts, and without in any way committing myself I shall endeavour to ascertain whether there is any prospect of the United States' Government agreeing to a compromise. And if so, I shall at once communicate the result to your Lordship, if necessary, by telegram.

In the meantime, however, I shall be very glad if your Lordship will kindly inform me whether you approve of the course which I propose to adopt, and whether, in the event of its being found that a compromise of the claim is impracticable, your Lordship would wish me to proceed to take up my abode at Halifax, calling on the way at Boston, Portland, and St. John, New Brunswick, to collect any information that might be likely to be of use in the present inquiry.

I cannot conclude this despatch without conveying to your Lordship the expression of the very great obligations which I feel to his Excellency the Governor-General, for the extreme kindness which he has shown me from the day of my arrival in this country. He has been always ready to listen to me, and to advise me upon any question connected with my mission, and it is to his cordial assistance that I believe I owe almost all my success with his late Ministers. The kindness too has been the greater, seeing that the difficulties with which he has been surrounded must have added very greatly to his labour. I have such entire confidence in his wisdom and discretion, and in his ability and desire to further the settlement of this question, that I have deemed it expedient to furnish him, confidentially, with a copy of all the papers that were printed for the use of this Agency previous to my departure from England, as well as of the Confidential Memorandum drawn up by myself. It appeared to me that if his Excellency was fully informed of all the facts, he would be better able to urge any matter upon the attention of his Ministers, should the occasion for so doing at any time arise.

Trusting that your Lordship will approve of my proceedings, I have, &c.

(Signed) H. C. ROTHERY.

Inclosure in No. 72.

Sir E. Thornton to Mr Rothery.

Sir,

Washington, October 11, 1873.

I HAVE the honour to acknowledge the receipt of your letter of the 8th instant, announcing your arrival at Quebec.

I was not acquainted, until I received your letter, with the names of the persons appointed by the United States' Government as its Commissioner and Agent respectively to the Commission which is to meet at Halifax, for Mr. Fish has never communicated them to me, neither has Earl Granville informed me of the name of the Commissioner who may have been named on the part of Her Majesty's Government.

A third Commissioner has not yet been agreed upon, and it seems very doubtful whether the Commission will be able to meet at Halifax until next spring, for whoever the third Commissioner may be, it is not likely that he will be willing to pass the winter at Halifax.

With regard to your suggestion that the United States should agree to pay some annual sum in return for the privileges conferred upon its citizens, I am too inclined to think that the United States' Government will never entertain such a proposal; on the contrary, I believe that it will be argued before the Commission that the permission to fish in certain American waters, and to import Canadian fish duty free into the United States, constitute a compensation more than equivalent to the advantages gained by American citizens.

Whenever you may come to the United States, it is more than probable that you will find me at Washington, for I am very rarely able to leave it.

I have, &c.

(Signed) EDWD. THORNTON.

No. 73.

Earl Granville to Mr. Rothery.

(No. 17.)

Sir,

Foreign Office, November 19, 1873.

I HAVE received your despatch No. 12 of the 30th ultimo, reporting your proceedings at Montreal and Ottawa, and I have to state to you that Her Majesty's Govern-

ment can form no opinion upon the arrangement which you suggested to the Canadian Ministers for the settlement of the Fisheries' Question until they receive a report upon it from Sir E. Thornton, with whom it is presumed that you are in communication on the subject.

I am, &c.
(Signed) GRANVILLE.

No. 74.

Lord Tenterden to Mr. Holland.

Sir, *Foreign Office, November 22, 1873*
WITH reference to your letter of the 6th ultimo, I am directed by Lord Granville to transmit to you a copy of a despatch from Sir E. Thornton, inclosing copies of correspondence with Mr. Fish on the subject of the appointment of a third Fisheries' Commissioner. I am also to inclose a copy of a report by the Law Officers upon the answer given by Mr. Fish to Sir E. Thornton's note, and I am to request that in laying these papers before Lord Kimberley you will move his Lordship to favour Lord Granville with his opinion as to whether it would be desirable, as a matter of policy, to make any further proposal to the United States' Government for the appointment of a Commissioner by mutual agreement, or to adhere strictly to the terms of the Treaty.

In case the former alternative should be decided upon, Lord Granville would suggest, for Lord Kimberley's consideration, whether one of the foreign Consuls in Canada might be proposed for the office.

I am, &c.
(Signed) TENTERDEN.

No. 74*.

Lord Tenterden to Mr. Holland.

Sir, *Foreign Office, November 24, 1873.*
WITH reference to previous correspondence, I am directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a copy of a despatch from Mr. Rothery,* in regard to his proceedings in connection with the Fishery Commission which is to meet at Halifax.

I am, &c.
(Signed) TENTREDEN.

No. 75.

Lord Tenterden to Mr. Holland.

Sir, *Foreign Office, November 25, 1873.*
WITH reference to previous correspondence, I am directed by Earl Granville to transmit to you a copy of a despatch from Mr. Rothery, reporting his proceedings in connections with the Fishery Commission that is to meet at Halifax.

I am at the same time to forward a draft of a despatch which Lord Granville proposes to address to Mr. Rothery, and I am to request that you will move the Earl of Kimberley to inform his Lordship, at his early convenience, if he concurs in the terms of the said draft.

I am, &c.
(Signed) TENTERDEN.

No. 76.

Earl Granville to Mr. Rothery.

(No. 18.)

Sir, *Foreign Office, November 26, 1873.*
I APPROVE of your proceeding to New York and Washington for the reasons set forth in your despatch No. 14 of the 6th instant.

I cannot give you any instructions at present as to your future movements, which must depend upon circumstances.

I am, &c.
(Signed) GRANVILLE.

No. 77.

Mr. Herbert to Lord Tenterden.—(Received November 27.)

Sir, *Downing Street, November 26, 1873.*
 I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 25th instant, and to request that you will inform Earl Granville that his Lordship concurs in the draft of the despatch which Lord Granville proposes to address to Mr. Rothery in reference to the Fisheries' Question.

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

No. 78.

Mr. Herbert to Lord Tenterden.—(Received November 27.)

Sir, *Downing Street, November 26, 1873.*
 I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 24th instant, inclosing copy of a despatch from Mr. Rothery in regard to his proceedings in connection with the Fishery Commission which is to meet at Halifax under the XXIIInd Article of the Treaty of Washington.

Lord Kimberley desires me to state, for the information of Earl Granville, that he fully approves Mr. Rothery's proceedings.

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

No. 79.

Earl Granville to Mr. Rothery.

(No. 19.)

Sir, *Foreign Office, November 27, 1873.*
 SINCE the date of your despatch No. 12 of the 30th ultimo, a change having taken place in the Government of Canada, and with reference to my despatch No. 17 of the 19th instant, I have to impress upon you the importance of bearing in mind to keep the claims against the United States in the Fisheries' Question within the limits of reason and equity.

I am, &c.
 (Signed) GRANVILLE.

No. 80.

Mr. Herbert to Lord Tenterden.—(Received November 28.)

My Lord, *Downing Street, November 27, 1873.*
 I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 22nd instant, inclosing a copy of a despatch from Sir E. Thornton, with copies of a correspondence with Mr. Fish, on the subject of the appointment of a third Fisheries' Commissioner, under the XXIIIrd Article of the Treaty of Washington, and of a Report of the Law Officers thereupon.

Lord Kimberley desires me to request that you will state to Earl Granville that, as the opinion of the Law Officers is clear that the interpretation sought to be put on the Treaty cannot be maintained, his Lordship does not understand how a Commissioner can now be appointed conjointly by the two Governments without a new Treaty, the Article being explicit that in case the third Commissioner shall not have been so named within a period of three months from the date of the Articles taking effect, the third Commissioner shall be named by the Austro-Hungarian Representative in London.

It seems to his Lordship that the Dominion Government might, and probably would, complain if the nomination were not made in the manner distinctly provided by the Treaty, and that if the Arbitrator were to give a decision unfavourable to Canada.

much discontent might arise in the Colony at the departure from the stipulations of the Treaty.

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

No. 81.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, November 29, 1873, 3:40 P.M.

THE opinion of Law Officers being clear that Mr. Fish's interpretation of the Treaty cannot be maintained, Her Majesty's Government do not understand how a third Commissioner can be appointed conjointly by the two Governments without a new Treaty, the Article being explicit as to his appointment being left to the Austrian Representative in London if not made within a certain date. The Dominion Government might complain if nomination were not made as provided for by Treaty, and if Arbitrator were to give an unfavourable decision to Canada great discontent might arise in consequence in the Colony.

No. 82.

Earl Granville to Sir E. Thornton.

(No. 336.)

Sir,

Foreign Office, November 29, 1873.

I COMMUNICATED to the Secretary of State for the Colonies your despatch No. 435 of the 27th ultimo, inclosing copies of your correspondence with Mr. Fish in regard to the appointment of a third Fisheries' Commissioner under the Treaty of Washington.

Your despatch was likewise submitted to the Law Officers of the Crown.

I have informed you by telegraph this day that, as the opinion of the Law Officers is clear that the interpretation sought to be put on the Treaty cannot be maintained, Her Majesty's Government do not understand how a Commissioner can now be appointed conjointly by the two Governments without a new Treaty, the Article being explicit that in case the Commissioner shall not have been so named within a period of three months from the date of the Article taking effect, the third Commissioner shall be named by the Austro-Hungarian Representative in London.

It also appears to Her Majesty's Government that the Dominion Government might, and probably would, complain if the nomination were not made in the manner distinctly provided by the Treaty, and that if the Arbitrator were to give a decision unfavourable to Canada much discontent might arise in the Colony at the departure from the stipulations of the Treaty.

I am, &c.
(Signed) GRANVILLE.

No. 83.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, December 2, 1873,

WITH reference to your letter of the 27th ultimo, respecting the Fisheries' Question, I am directed by Earl Granville to state to you, for the information of the Earl of Kimberley, that Sir E. Thornton was informed, by telegraph, on the 29th ultimo, that the opinion of the Law Officers being clear that Mr. Fish's interpretation of the Treaty cannot be maintained, Her Majesty's Government do not understand how the third Fishery Commissioner can be appointed otherwise than by the Austrian Representative in London; and that if the Arbitrator gave a decision unfavourable to Canada, great discontent might arise in the dominion, from the nomination not having been made as provided for in the Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 84.

Earl Granville to Mr. Rothery.

(No. 20.)

Sir,

Foreign Office, December 3, 1873.

I COMMUNICATED to the Earl of Kimberley your despatch No. 14 of the 6th ultimo, respecting your proceedings in regard to the Fisheries' Commission; and I now transmit to you, for your information, a copy of a letter which I have received from his Lordship in reply.

I am, &c.

(Signed) GRANVILLE.

No. 85.

Mr. Rothery to Earl Granville.—(Received December 3.)

(No. 15.)

Sir,

Toronto, November 14, 1873.

IN my despatch No. 14 of the 6th instant, I informed your Lordship that on the preceding day Sir John Macdonald had tendered his resignation, which had been accepted; that Mr. Mackenzie had been sent for to form a new Administration, and that the House had been adjourned to Thursday the 6th instant. On that day a further adjournment was asked for, the Ministry not having been formed; but on the following day, the 7th, it was announced that Mr. Mackenzie had succeeded in forming an Administration; and, on the names of the new Ministers being given, the House was immediately prorogued.

Knowing that the Ministers must shortly leave Ottawa for their respective constituencies, and that if I wished to see them before their departure, no time should be lost, I applied to Lord Dufferin, who has always afforded me the greatest assistance in my communications with his Ministers; and through his Excellency's kind intervention, I succeeded in making an appointment with Mr. Mackenzie for the following day, Saturday, the 8th instant, at 10 o'clock in the morning.

On going to Mr. Mackenzie's office at the hour named, I found that he had invited several of the leading Members of the Cabinet, and amongst them those who were chiefly interested in the Fishery Question, to meet me. The Ministers present were, Mr. Mackenzie the Premier, and who is also the Minister of Public Works,—a very important Department in this country; Mr. Blake, who is without a portfolio, but is supposed to be the virtual leader of the House; Mr. Dorion, the Minister of Justice; and Mr. Albert Smith, the Minister of Marine and Fisheries.

With Mr. Dorion I had already become acquainted during my stay at Montreal, he being one of the gentlemen for whom I had letters of introduction at that place. He is a lawyer, and is regarded as a gentleman of intelligence and character, and has been a member of a former Administration. With Mr. Albert Smith I had become acquainted at Ottawa before I had any idea that he would be the new Minister of Marine and Fisheries, and all that I saw of him led me to form a high opinion of his character and judgment. With Mr. Mackenzie and Mr. Blake I had no previous personal acquaintance, but I had, of course, seen them frequently during the debates. Mr. Mackenzie, it is said, was formerly a working mason, Mr. Blake is a lawyer, and both bear the character of being high-minded and honourable men. These were the Ministers who had been appointed to meet me, and in the interview which I had with them, and which lasted nearly an hour and a-half, I discussed at length the whole question of the Fisheries, as I had already done with their predecessors; and I will proceed to state to your Lordship as nearly as I can the purport of what passed on the occasion.

I began by calling their attention to the Bay or Headland Question; I pointed out the extreme difficulty of defining within what bays a nation was entitled to exercise exclusive jurisdiction, and between what headlands a line might be drawn which would include only territorial waters. I stated that, whilst on the one hand we had such bays as the Bay of Biscay and Hudson's or Baffin's Bay, which included large tracts of water which could not be regarded otherwise than as being the open sea; there were, on the other hand, bays which undoubtedly belonged exclusively to the nation on whose coast they were situated. Again, as regards the Headlands' doctrine, I instanced the Bristol Channel, and I showed how very difficult it was to say between what headlands the line must be drawn so as to include British waters only. Was the line to be drawn between the Land's End and St. David's Head? or between Hartland and Pembroke? or between

any and what headlands nearer to Bristol? I then pointed to a map of the British North American Provinces which was hanging up in the room, and showed them by reference to it how difficult it was to say in what bays this country was entitled to exercise exclusive jurisdiction, and between what headlands a line might be drawn, which would include only territorial waters.

I then remarked that, in former times, when England was all-powerful at sea, she had, no doubt, maintained the now untenable doctrine of the *mare clausum*, and had asserted her right to exclusive jurisdiction in the narrow seas, and in the King's Chambers, as they were called; but that these claims had been disputed by other nations, and that England now no longer maintained the extreme doctrines which she once held on this subject.

I then explained to them the origin of the ten-mile limit for bays, as it is called; I stated that when, in 1839, we entered into a Fishery Convention with France, it became necessary to determine what bays were territorial bays, so as to entitle the nation to which they belonged to the exclusive right of fishing therein, and I stated that it had then been decided that they were only to be bays, which were not more than ten miles wide at the entrance; and that we had since entered into similar arrangements with Denmark, Norway, and the German Empire. I added that, although we had entered into no such engagements with the United States, and, indeed, into no engagements at all with them on the subject, it would be difficult, in the face of these arrangements with the principal European Powers, to maintain the extreme doctrines on these points even against the United States.

Although many of the facts which I stated to these gentlemen were new to them, I found that they were fully alive to the difficulties which surrounded the Headland question. I found, too, that they had the same objections as I had observed in their predecessors, to have the question decided even indirectly by the Commission at Halifax. They stated, however, that they could not see how the question could be avoided, or how the amount of compensation could be assessed, without having first determined the extent of the fishing-ground to which United States' citizens had been admitted, and that they had frequently urged this point when the Washington Treaty was before the Dominion Parliament.

I then called their attention to the amount of the claim, which I stated had been assessed by the late Government at the sum of no less than 60,000,000 dollars for only twelve years' use of the Fisheries. They stated that they had not before heard of the amount, and expressed the greatest surprise at it. I then informed them that, although the claim had been sent forward by the late Government, I had reason to know that they did not consider themselves bound by the amount; that the calculations on which it was founded had been made by Mr. Whitcher, the Chief Fishery Officer in the Department of Marine and Fisheries; and that all that they had done was to forward it to the Imperial Government; and I stated that in the interviews that I had had with the late Ministers they had expressed themselves as willing to reduce this amount considerably.

I added that, so far as I had been able to ascertain, there was not a particle of evidence to support such a claim, and that indeed Mr. Whitcher himself had assured me that the evidence which they had already collected could not bear investigation. And I said that I feared that, if so extravagant a claim were put forward, it would probably cause great irritation, and would lead to very severe remarks on our conduct; and that it appeared to me that we should be defeating our own object if we claimed more than in our opinion we were fairly entitled to. To this Mr. Blake immediately replied that he entirely concurred in what I had said; that as between gentlemen the rule was to claim only what you were entitled to, and that he did not see why a different rule should prevail between nations.

The last question discussed was as to the expediency and possibility of settling the case without the necessity of holding the Commission at Halifax, and in the manner which I have already indicated to your Lordship. The Ministers were of opinion that, looking at the difficulties which surrounded the case, the difficulty of the Bay or Headland question, the unwillingness on their part to have that question decided even indirectly by the Commission; the difficulty of finding a third Commissioner who should be equally competent and impartial; the difficulty of determining what quantity of fish had been usually, or might be hereafter, captured in British waters; looking at all these circumstances, and on the uncertainty which must necessarily attend the award of the Commission if it met at Halifax, they thought that it would be very desirable that the matter should, if possible, be settled by amicable arrangement with the Government of the United States. They stated, however, that, as they had only just come into office, they had a great many questions to consider; that this question of the Fisheries was, to a

certain extent, new to them ; and that under these circumstances they could not at once pronounce a decided opinion upon it. But it was arranged that I should see Mr. Albert Smith, the Minister of Marine and Fisheries, and discuss the details with him, and that then we should endeavour, if possible, to arrive at some agreement as to the amount which it would be proper to claim.

On the whole, the result of the Conference was, in my opinion, satisfactory, inasmuch as the Ministers showed a willingness to reduce the amount of the claim to reasonable limits, and expressed themselves as ready to consent to an amicable adjustment of the matter, if it could be effected, without incurring the expense and risk of an Arbitration at Halifax.

Mr. Blake stated that he was about to leave that evening for Toronto, and that he would be happy to see and discuss the matter further with me there when I left Ottawa ; and I agreed to meet Mr. Albert Smith at his office on Monday morning at 11 o'clock. Accordingly, I called at the Office of Marine and Fisheries at the hour named, and went again very fully into the question with Mr. Albert Smith.

He informed me that, since our interview on Saturday, he had ascertained from Mr. Whiteher that the evidence which they had hitherto obtained was very unreliable, and would not bear cross-examination ; and that our own fishermen even had shown a great disinclination to give evidence. Whatever may be the cause of this disinclination, whether it arises from the fact that any evidence which they could give would not go to support the claim, and that they have a feeling that the advantages they derive from the admission of fish and fish-oil duty free into the United States equal, if they do not exceed, the disadvantages resulting from the competition of United States' fishermen in their waters. Whatever may be the reason for this disinclination, certain it is that it is open to some such inference, that it would be strongly urged against us on the Commission, and that without the evidence of those persons on our own side, who were most conversant with and most interested in the trade, our chances of establishing the claim would be small.

I also referred Mr. Albert Smith to the speeches which had been made in the Dominion Parliament on the occasion of the passing of the Washington Treaty Bill, and to which I propose in some future despatch to call your Lordship's attention, and especially to the speeches of Dr. Tupper, Mr. Power, of Halifax, of Sir John Macdonald, and of Mr. Smith himself. And I pointed out to him that during the debate it had been very strongly contended by those interested in passing the Bill, that the admission of fish and fish-oil into the United States free of duty would be a great boon to our fishermen, whilst the admission of United States' fishermen into our waters would practically be of no injury to us, owing mainly to the fact that our vessels could be built, equipped, and maintained at a cost of about 33 to 50 per cent. less than the United States' vessels. He said that he remembered those speeches, and that he had at the time suggested that the Treaty should be discussed with closed doors ; at the same time he thought that some allowance should be made for some of the expressions which were to be found in those speeches, as the object then was to get the Treaty through. I said that that might well be, but that at the same time the Representatives of the United States would be sure to use them against us.

In the course of the discussion I saw that Mr. Smith's chief concern was lest Sir John Macdonald's party, who were in opposition, should make an attack upon them, charging them with sacrificing the interests of the country, if they agreed to a settlement of the case, no matter how fair the terms might be. To reassure him upon this point, I read to him the passage from Lord Lisgar's letter of the 28th of December, 1870, written on the eve of the negotiations which preceded the Washington Treaty, and in which Lord Lisgar says that Dr. Tupper had estimated the compensation at the sum of 200,000 dollars, provided fish and fish-oil were admitted duty free.

I stated that I had called Dr. Tupper's attention to this passage, that he had admitted its correctness, and that both he, as well as Sir John Macdonald and Mr. Tilley, had stated that they should be quite satisfied if compensation at the rate of 200,000 dollars a-year were obtained ; and that Sir John Macdonald had added, " or anything like it." I was able further to inform him that, since their resignation, both Sir John Macdonald and Dr. Tupper had separately assured me that they would offer no opposition to the settlement of the case on these terms.

Before we separated Mr. Albert Smith told me that, speaking for himself, he was clearly of opinion that the claim ought to be a moderate one, and only such as could be supported by evidence ; and that he thought that, if it could be done, the best mode of settling the question would be by an amicable arrangement with the United States' Government, as I had proposed. He said that he was then going to attend the Cabinet,

and that he would speak to Mr. Mackenzie on the subject, and that they would come and see me about it in the afternoon.

Later in the day Mr. Mackenzie and Mr. Albert Smith called upon me in a room in the Public Buildings, which the Governor-General most kindly placed at my disposal during the time that I was at Ottawa. In the course of the conversation which then ensued, I observed that Mr. Mackenzie's chief anxiety was to avoid exposing himself to any hostile criticisms from his opponents, in case he should consent to a compromise of the question. He said that he and his colleagues would be ready to pay every respect to the opinions expressed by their predecessors on such a matter as the Fisheries' Question, but that they could not find any record amongst the papers which they had left in their offices of their willingness, either to accept a smaller sum than 60,000,000 dollars, or to have the matter amicably settled. I stated that that was very probable, as my interviews with them had been entirely of a private nature; that I had hesitated to press them to bring the matter before the Cabinet, feeling sure that in the precarious state in which the Ministry was, they would not like to prejudge the case for their successors. Mr. Mackenzie only replied that he wished that they had shown the same delicacy in other matters as they had in this.

Mr. Mackenzie then asked me if the Governor-General was aware of what had passed between myself and Sir John and his colleagues. I said that his Excellency knew all. Mr. Mackenzie then stated that he would see Lord Dufferin, and would speak to me again on the subject. I subsequently understood that it had been arranged that the Ministry should endeavour to fix upon some sum, which they would be ready to accept; and that then, through his Excellency, the assent of Sir John Macdonald should be obtained to the terms.

Being anxious, if possible, before my departure from Ottawa, to obtain some statement from the Ministry of what they thought they ought to claim, I made an appointment with Mr. Smith to see him again on the following morning. I accordingly attended at his office at the time named, and, after some further discussion on the subject, it was arranged that he should go to the Cabinet, and if they could come to any arrangement on the subject, Mr. Mackenzie and he would call upon me.

Later in the day they called upon me; Mr. Mackenzie then stated that, not having any reliable figures to go upon, they were not able to state any amount which they would be prepared to accept; and that they would much prefer that the offer should come from the United States' Government. But, on my pointing out that it was very unlikely that the United States' Government would take the first step in the matter, Mr. Mackenzie admitted that that was so. He then said that the Government would be ready to settle the matter in the mode which I had proposed; and that if, after my arrival at Washington I found that the United States' Government evinced any disposition to settle the case on fair terms, I should, if your Lordship approved of that course, telegraph to Ottawa, when two of the Ministers would be prepared to proceed at once to the States to assist, as far as they were able, in bringing the matter to a successful termination.

Mr. Albert Smith then stated that he was about to leave that day for Westmoreland, in New Brunswick; and, as I knew he must necessarily be absent for some time attending to his election, and that nothing would probably be done during his absence, there appeared to be no reason why I should prolong my stay at Ottawa.

One thing, however, remained to be done before I entered the States, and that was to provide myself with copies of all the documents and Returns which had been collected by the Department of the Marine and Fisheries in support of the claim for compensation.

These papers had been promised me from time to time, but, owing to the confusion resulting from a change of Ministry and other causes, some delay had occurred in preparing them, and I was told that it would yet be some days before they would be ready.

I had, however, promised Mr. Blake that I would, when I left Ottawa, go to Toronto, for the purpose of further discussing the Fisheries' Question with him, which I was most anxious to do, as he is by common consent the most able man in the Ministry, and I felt sure that, when the matter came before the Cabinet, he would take a leading part in the discussion.

Under these circumstances, I thought that my best course was to proceed at once to Toronto, and to wait there until Mr. Blake, who is much engaged, being one of the leading lawyers at that place, could appoint a time to discuss the question with me. It would also give me an opportunity of receiving any papers from the Department of Marine and Fisheries before I crossed the frontier, which I was very anxious to do, lest any accident should occur in their transmission through the United States' Post Office.

I accordingly left Ottawa on the evening of the day on which I had had my last

interview with Messrs. Mackenzie and Albert Smith, and arrived here on the following day, Wednesday, the 12th instant. I propose to remain at Toronto until I have seen and discussed the question of the Fisheries with Mr. Blake, and have received the papers which I am expecting from Ottawa, when I shall at once proceed to New York *via* Niagara.

I cannot conclude this despatch without again expressing to your Lordship my sense of the deep obligations which I owe to his Excellency the Governor-General for the very great kindness which he has shown me, and the assistance which he has afforded me on all occasions ever since I have been in this country. At his Excellency's kind and pressing invitation I stayed with him at Government House for more than three weeks, during the very exciting period which saw the overthrow of the late Administration and the appointment of the present one. The frequent opportunities which my residence at Government House gave me of consulting Lord Dufferin at every step, were of the greatest service to me, and materially conduced to the success which I have had in my intercourse with his Ministers. His Lordship's last words to me on my leaving Ottawa were, that he would do all in his power to further the object which I had in view, namely, the amicable settlement of the question on fair and reasonable terms.

Trusting that your Lordship will approve of my proceedings,

I have, &c.

(Signed) H. C. ROTHERY.

No. 86.

Mr. Rothery to Earl Granville.—(Received December 3.)

(No. 16.)

My Lord,

Toronto, November 19, 1873.

IN my despatch No. 15 of the 14th instant, I informed your Lordship of my departure from Ottawa, and of my arrival at Toronto. My chief object in coming here was to see and to further discuss the Fisheries' Question with Mr. Blake. This I was most anxious to do, as Mr. Blake is by common consent the most able man in the Ministry, and I was sure that he would take a leading part in the discussion when the matter came before the Cabinet.

Upon my arrival I found that Mr. Blake was much engaged, and it was not convenient for me to see him until the 15th instant. I then, however, saw him, but only for a few minutes, when I gave him some papers which I had received from the Department of Marine and Fisheries, and he appointed to see me at his private house at 9 o'clock on Tuesday morning the 18th. He expressed his regret that he was not able to give me an earlier appointment, as he was much engaged with a very important case which was being heard in Court.

On Tuesday Morning, at the hour named, I went to Mr. Blake's house, and I there had a very long and very interesting conversation with him.

The first point which engaged our attention was the Headlands or Bays' Question. He said that he thought that it was a great defect in the Treaty, that this question of exclusive territorial limits had not been decided by it, and that he did not see how it was possible for any persons to assess the amount of compensation properly due, without first deciding that question. I told him that it had always been a matter of the greatest doubt as to what were the bays within which a nation was entitled to exercise exclusive jurisdiction; and that until the Fishery Convention with France of 1839, I was not aware that there had ever been a definition of what constituted such a bay. I then read to him from the printed papers which I had with me, extracts from the correspondence which had passed between the British Government and the Governments of France, Norway, Germany, and Denmark, showing the course which had been adopted by those countries in recent times on the subject of the Headland question.

Mr. Blake thereupon observed that all that I had said on this subject was new to them in Canada, and that he thought that they ought to have been informed what had been the policy of the Imperial Government on this subject, instead of leading them to suppose that the extreme Headland doctrine would be maintained. I stated that, although we had entered into these engagements with some of the European States, we had come to no such arrangement with the United States, and indeed had not made any arrangement at all with them on the subject. That, consequently, the United States' Government could hardly cite these instances against us, without being prepared to adopt the same course in regard to their own territorial waters; but that we should have to consider whether, in the event of their being disposed to enter into engagements

with us on the subject, Canada would desire to maintain the extreme Headland doctrine, or to adopt the "ten-mile limit" for bays, as it is called.

Mr. Blake replied that he was not then prepared to offer any opinion as to whether a ten-mile limit could be applied to the bays on this continent, or whether circumstances might not render it desirable that some exceptions should be made to that rule. To which I observed that in England there was at one time some doubt whether the application of the ten-mile limit for bays might not be attended with some disadvantage, but that further inquiry had shown that it would not; and that if any engagement on the subject was entered into, it would be inexpedient to adopt any other rule but that which had already received the sanction of the European nations that I have mentioned. To which Mr. Blake at once assented, saying that all that he thought essential was that the engagement should be reciprocal, and that the rule, which might be adopted in regard to the Dominion waters, should be applied equally to the United States' waters.

Mr. Blake then stated that he thought that this matter of the Headlands ought to be settled before the question of compensation could even be approached. To which I replied that to make the settlement of the Headland question a *sine qua non* might possibly involve us in some difficulty; for that, by the Treaty, the Americans were already in the enjoyment of the Fisheries, and that the only question that remained to be determined, was what compensation they ought to pay us for those rights; they had, therefore, a direct personal interest in indefinitely prolonging the decision, for until a decision was come to, they would have nothing to pay. He stated that this was, no doubt, so, and that it strongly favoured an amicable settlement of the case, if it could be effected on fair and equitable terms.

I then stated that an additional reason for settling the case amicably, and without the intervention of a Commission, was to be found in the wording of the Washington Treaty. That Treaty provided for the appointment of three distinct Commissions: one for the settlement of what are called the Alabama claims; another under the XIIth Article for injuries done to individuals; and a third to determine the amount of compensation to be paid for the fishery rights. I stated that, as regards the first of these Commissions, it was provided, by Article II of the Treaty, that "all questions considered by the Tribunal, including the final award, shall be decided by a majority of all the Arbitrators." So again, as regards the second Commission, it was said in Article XIII, that "a majority of the Commissioners shall be sufficient for an award in each case." But when we came to the fishery claim, it said in the XXIIInd Article, "that any sum of money which the said Commissioners may so award, shall be paid by the United States' Government, &c.;" not that a majority of the Commissioners, but that the Commissioners shall award. I said that, if it had not been for the provision in the two first cases, as to the decision being that of a majority of the Arbitrators or Commissioners, I should have had no doubt that, in the question of the Fisheries, a majority of the Commissioners would be entitled to pronounce the final decision, but that the omission of that provision in the last-mentioned case rendered it doubtful whether it did not require the concurrence of all the Commissioners for the final award in this case; and that, if so, the United States' Commissioner held the matter in his own hands by refusing to consent to the award of any compensation at all.

Mr. Blake stated that this was, in his opinion, a very strong additional reason for endeavouring to settle this matter with the United States' Government, if possible; without the intervention of the Halifax Commission. He said, however, that they were much hampered by, what he called, the "abominable" and "dishonest" claim which had been put forward by their predecessors; for that, if they compromised the claim for, say, 200,000 dollars a-year, it would be sure to be said that their predecessors had claimed 60,000,000 dollars for twelve years, and would have obtained it too. He said, also, that he had read the papers which had been prepared by the Department of Marine and Fisheries, and that they wholly failed to support the claim as put forward; that, admitting the facts stated to be true, they had claimed the gross value of the fish caught, as imported into the United States, without making any deduction for the cost of catching, the value of the vessels employed, the wages of the fishermen, and all the other expenses necessary to bring the fish to the ports of destination.

Mr. Blake added that, for his part, he should be quite prepared to advocate with his colleagues the withdrawal of the present claim, and the substitution for it of a more reasonable one; what the amount should be he was not yet in a position to say; but he thought that it would be better to claim an annual payment, or, if the Treaty required it, to be paid in a lump sum; that that sum should be computed on the footing of an annual payment, so as to prevent any difficulties arising at the termination of the twelve years.

I then informed Mr. Blake of what had passed on the subject between Sir John Macdonald and the former Ministers and myself, and between his (Mr. Blake's) colleagues, Mr. Mackenzie and Mr. Albert Smith, and myself, upon his departure from Ottawa, as reported to your Lordship in my previous despatch.

My interview with Mr. Blake lasted for a very considerable time, and in the result he stated that he thought that my best course now was to go to New York and Washington, and endeavour to ascertain if the United States' Government was disposed to enter into any arrangements for the settlement, on reasonable terms, both of the Headlands' Question and of the compensation to be paid for the Fishery Rights accorded to them. He said that by that time the Ministers would probably have returned from their elections, and would be prepared at once to enter upon a consideration of these questions, and that then either I might return to Ottawa to confer with them on the subject, or, as suggested by Mr. Mackenzie, two of the Ministers might go to Washington to facilitate, as far as they were able, an amicable settlement of the matter, provided always that your Lordship should approve of that course being adopted.

Mr. Blake also said that so little was known here of the Bay or Headlands' Question, that he thought that it would be very useful if I would prepare a Confidential Memorandum on the subject, which might be printed for the use of the Dominion Ministers, and this I shall lose no time in doing.

I should add that since my arrival here I have received various documents from the department of Marine and Fisheries, but I propose to make these the subject of a separate report to your Lordship.

I have, &c.
(Signed) H. C. ROTHERY.

No. 87.

Mr. Rothery to Earl Granville.—(Received December 3.)

(No. 17.)

My Lord,

Toronto, November 20, 1873.

IN my despatch No. 15 of the 14th instant, I stated that I proposed to stay at Toronto until I received the several documents and returns which I had been promised from the Department of Marine and Fisheries, and which were not quite ready for me when I left Ottawa. I was desirous of obtaining these papers before crossing the frontier, lest any accident should occur to them in their transmission through the United States' Post Office.

In order that your Lordship may clearly understand what my communications with the Department of Marine and Fisheries have been, I inclose a copy of all the correspondence that has passed between us up to the present time. From it your Lordship will see that, although I had previously had several interviews with the officers of that Department, as reported in my former despatches, it was not until the 1st of November instant that I was shown any of the evidence that had been collected in support of the claim. On that day I saw for the first time a form of questions which had been circulated among the United States' citizens interested in the Fisheries, with a general summary of the answers that had been received to those questions in manuscript. I suggested that these should be printed in a particular form, which was accordingly done, and copies thereof were furnished to me before my departure from Ottawa. I now inclose printed copies to your Lordship.

This document, and a chart of the fishing ground in the Gulf of St. Lawrence and on the coasts of Nova Scotia, which is referred to in Mr. Whitcher's letter of the 4th instant as being then in course of preparation, were the only documents which I received previous to my leaving Ottawa. Some delay occurred in preparing the rest of the evidence which had been obtained, owing partly to the change of Ministry, partly to other reasons which are alluded to in the accompanying correspondence, and it was not until after my arrival at Toronto that I received the further documents of which I now inclose copies, and which consist of the following:—

1. Printed copies of questions circulated amongst persons interested in the British North American fisheries, and a general summary of answers received.
2. Synopsis of a Report of the General Inspector of Fisheries for the Provinces of Nova Scotia and New Brunswick.
3. Confidential Memorandum by Mr. Whitcher explaining the basis of calculation in estimating the sum claimed as compensation in the Fishery Case.

_____ This is the whole of the evidence, which has been forwarded to me, and which in

Mr. Albert's Smith's opinion is wholly unreliable, which Mr. Whitcher himself thinks would not bear the test of cross-examination, and which Mr. Blake thought, after perusing it, failed altogether to support what he called the "abominable and dishonest" claim of 60,000,000 dollars for the use of the British Fisheries for only twelve years. I shall at some future time have occasion to call your Lordship's attention more in detail to the contents of these documents.

I have not inclosed copies of the despatch and its inclosures from Sir Edward Thornton of the 29th of April last, and which were forwarded in the last letter from Mr. Whitcher, as your Lordship will perceive from that letter that they are about to be printed, and I shall not fail to forward printed copies thereof to your Lordship, when I receive them.

I beg further to state that I have taken every opportunity during my stay at Toronto of talking on the subject of the Fisheries, with all the most influential persons in the place with whom I have come in contact, and the result strongly confirms me in the opinion, that an amicable settlement of the question on fair and reasonable terms would be readily accepted by the people of Canada. They appear to feel that the admission of fish and fish-oil into the United States free of duty is a great boon to the British fishermen; and there are, as has been said to me, fish enough in British waters for ourselves and the United States' fishermen also. Mr. Gzowski, the eminent engineer and builder of the International Bridge which has just been constructed over the Niagara River, and to whom I had been recommended by Lord Dufferin, informed me in a conversation which I had with him yesterday, that he thought that an amicable arrangement of the question would be as acceptable to the United States Government, as it would, in his opinion, to the Dominion. He added that he thought from conversations, which he had had with American Statesmen, that the United States' Government were quite prepared to admit that the balance of advantage under the Treaty was somewhat in their favour, and that they would be willing to pay a reasonable amount as compensation. Mr. Gzowski, I should observe, is a gentleman of great ability, and is very deservedly respected both in this country and in the United States; and he kindly offered to do anything in his power either here or in the States to further the settlement of the question.

I have only further to observe that, having now received all the documents which I am likely at present to obtain from Ottawa, I propose to leave to-morrow for Niagara *en route* to New York, where I hope to arrive at the beginning of next week.

I ought to add in conclusion that, I have received a letter from the Post Office authorities at Ottawa stating that the clerk, through whose neglect Sir Edward Thornton's letter to me had been detained for three weeks at Montréal, had been suspended.

I have, &c.

(Signed) H. C. ROTHERY.

Inclosure 1 in No. 87.

Mr. Whitcher to Mr. Rothery.

Sir,

Ottawa, November 4, 1873.

I HAVE the honour, by direction of the Minister, and with reference to the several interviews held with him on the subject of the Fisheries and your inquiries relating to the Commission to be appointed under the Treaty of Washington, to state that the Department will at all times most cordially communicate to you the various documents, official information, and evidence prepared in anticipation of proceedings by the said Commission. I am also to inform you that so soon as the Minister was advised of your probable visit to this city, instructions were given to the Chief Fishery Inspector for Nova Scotia and New Brunswick to report forthwith at this Department, in order that you might, if you so desired, consult with him and other fishery officers already here respecting the details of information obtained to the present time in the provinces of Nova Scotia and New Brunswick.

Regarding so much of the materials as are required in connection with this case affecting the Fisheries of the Colony of Prince Edward Island, the Government of which, up to a recent date was, as regards this inquiry, independent of Canada, I am to observe that the attention of the Dominion Government has been called to previous communications between the Governor-General and the Lieutenant-Governor, desiring the latter to move his Government to forward with all convenient despatch the report of whatever inquiries may have been made as formerly desired.

Copies of maps exhibiting the location and extent of the various fishing grounds in

the Gulf of St. Lawrence and the coasts of Nova Scotia are now in course of preparation, and will be furnished to you when completed.

I have, &c.
(For Hon. Minister of Marine and Fisheries),
(Signed) W. F. WHITCHER.

Inclosure 2 in No. 87.

Mr. Rothery to Mr. Mitchell.

Sir,

Government House, Ottawa, November 5, 1873.

I HAVE to acknowledge the receipt of Mr. Whitcher's letter of yesterday's date, in which he informs me that "the Department of Marine and Fisheries has been directed by you to communicate to me the various documents, official information, and evidence prepared in anticipation of proceedings by the Commission" about to assemble at Halifax. Mr. Whitcher also informs me that, so soon as you were advised of my intention to visit Ottawa, you had given instructions to the Chief Fishery Inspector for the Provinces of Nova Scotia and New Brunswick to report himself at your Department, in order that I might, if I so desired it, consult with him and other fishery officers already here respecting the details of the information obtained to the present time in those provinces.

Mr. Whitcher also states that instructions had been given to the Lieutenant-Governor of the Colony of Prince Edward's Island to forward, with all convenient dispatch, such information as he might have been able to obtain on the subject of the Fisheries, so far as it relates to that Island; and that maps, exhibiting the position and extent of the various fishing grounds in the Gulf of St. Lawrence and the coasts of Nova Scotia, are in course of preparation, and will be furnished to me when required.

In returning you my very sincere thanks for the directions which you have so kindly given to furnish me with all the information likely to be of service in the discharge of my duties in connection with the Fisheries' Question, I beg to inform you that it was only on Saturday last, the 1st instant, that I heard from Mr. Whitcher that the Chief Fishery Inspector for Nova Scotia and New Brunswick was at Ottawa. Mr. Whitcher at the same time showed me some returns which had been procured, and upon which I understood that the Chief Inspector was then employed examining and summarising them for the purpose of this inquiry. Mr. Whitcher also showed me a summary of certain Returns, which had been obtained from the United States, and which I suggested should be printed in a form which I indicated.

All these documents, as well as the maps to which you refer, will no doubt be of great service in the inquiry on which I am engaged, and I shall be very glad to be furnished with copies thereof as soon as they are completed, as well as with any other information with which you may be able to supply me, and which you think likely to be of use. When I have been furnished with these documents, I shall be able to arrange for an early interview with the Chief Fishery Inspector.

As to the other Fishery Officers, to whom Mr. Whitcher refers as being already here, I find from a conversation, which I have had with him this morning, that he does not refer to any officers that have been specially sent for to see me, but to himself and the other officers of the Fisheries' Department, to whom I should state that I am greatly indebted for the assistance which they have already tendered me.

I am, &c.
(Signed) H. C. ROTHERY.

Inclosure 3 in No. 87.

Mr. Whitcher to Mr. Rothery.

Sir,

Fisheries Branch, Ottawa, November 5, 1873.

I HAVE the honour, by direction of the Minister, and in accordance with your request, to inclose, for your confidential information, certain printed documents relating to the Fisheries.

I have, &c.
(Signed) W. F. WHITCHER.

Inclosure 4 in No. 87.

Mr. Rothery to Mr. Mitchell.

Sir,

Ottawa, November 6, 1873.

I HAVE the honour to acknowledge the receipt of the letter from your Department dated the 5th instant, inclosing a printed copy of a despatch from Mr. Fish to the United States' Secretary of the Treasury, covering a form of questions to be circulated amongst United States' citizens interested in the Fishery Question, with a general summary of the answers which had been obtained to those questions.

Your letter likewise inclosed a revised copy of the "Fishery" case.

I beg to thank you for those documents, and shall be much obliged to you for any further documents or other information with which you may be able to furnish me before my departure for New York in the early part of next week.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 5 in No. 87.

Mr. Rothery to Mr. Mitchell.

Sir,

Government House, Ottawa, November 10, 1873.

WITH reference to my letter of the 6th instant, on the subject of the documents and evidence which I understood had been collected for the purpose of establishing the claim against the United States' Government under the XXIIInd Article of the Treaty of Washington, of the 8th of May, 1871, and of which it was proposed to furnish me with a printed copy as soon as it had been arranged, I beg to acquaint you that I am about to leave for Toronto to-morrow evening by the night mail, and I shall therefore be glad to be supplied before my departure with such documents as may now be ready.

Will you also kindly inform me whether there are any other documents in course of preparation, and which are likely to be ready in the course of a day or two, as in that case they may be sent to me to Toronto, where I propose to stay for two or three days when I leave Ottawa.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 6 in No. 87.

Mr. Smith to Mr. Rothery.

Sir,

Ottawa, November 10, 1873.

REVERTING to the letter addressed to you by direction of my predecessor, dated 4th instant, I have now the honour to forward a copy of the chart of Fisheries referred to in that communication.

I have, &c.
(Signed) A. J. SMITH,
Minister of Marine and Fisheries.

Inclosure 7 in No. 87.

Mr. Smith to Mr. Rothery.

Sir,

Ottawa, November 12, 1873.

I HAVE the honour, in the absence of the Minister, to acknowledge the receipt of your letter of the 10th, having further reference to the request made in a former communication to the Minister dated the 6th instant, for copies of whatever documents and evidence have been obtained through this Department for the purposes of the Commission, provided for by the Treaty of Washington of the 8th May, 1871.

A copy of the general chart of Fishing grounds, promised by the letter of the 4th, in conformity with your suggestion, was forwarded to your address on the 5th instant; the

other partial plans requested are now being copied, but they cannot be completed in sufficient time to reach you at Toronto.

I now beg to inclose six printed copies of the series of questions which have been proposed to Collectors of Customs and to numerous experienced persons connected with the fishing business and fish trade in different parts of Canada, and six printed copies of a summary of answers procured on the various points of inquiry.

Extracts from trade returns of the United States and Canada, referred to in the "Fishery Case," together with certain statistical tables prepared in connection therewith, are still in course of printing; but the printer is unable to complete them within a fortnight.

Occasion is taken to observe that, although written copies had been made of some of the documents which would probably be required in the proceedings of the proposed Commission, none of them had been printed during the fall months, owing to the printers' strike which prevailed here, and it was deemed inadvisable to entrust confidential matter to strange printing offices distant from the capital.

A synopsis, in manuscript, of the Report of the General Inspector of Fisheries for the Provinces of Nova Scotia and New Brunswick, founded on inquiries made under special instructions from this Department, already mentioned as in course of preparation, and alluded to in your letter of 5th instant, is also inclosed.

Mr. Whitcher has prepared a Memorandum, which is inclosed for your confidential information, explaining the basis of calculation in estimating the sums claimed as compensation for the privileges described in the "Fishery Case."

I have, &c.

(Signed) T. V. SMITH,
Deputy of Minister of Marine and Fisheries.

Inclosure 8 in No. 87.

Synopsis of the Report of W. H. Venning, Esq., Inspector of Fisheries for Nova Scotia and New Brunswick, under instructions from the Hon. Minister of Marine and Fisheries, to make inquiries and collect certain information regarding the Fisheries pursued in the Waters of Canada and Prince Edward's Island by United States' Fishermen.

Points of Inquiry suggested.

1. The different kinds of fish usually taken by the Americans, the principal localities in which caught, and the quantities and values of each.

The fish principally taken by American fishermen in Canadian waters are mackerel, herring, halibut, haddock, pollock, hake, and cod. In addition to these large quantities of bait fishes, such as in-shore spring and fall herrings, gaspereau, capelice, squid and clams, are now obtained by purchase from our fishermen, but, under the Washington Treaty, will be caught on our in-shores by Americans.

The localities in which these fish are caught are numerous and extensive, they may be shortly stated as along our whole coasts, and in all our bays and harbours. More definitely, the principal localities are the coasts and harbours of the Bay of Fundy, the north and south shores of Nova Scotia, the coasts and bays of the Island of Cape Breton; thence through the Strait of Causo to the north shore of New Brunswick; thence through the Straits of Northumberland to the coasts, bays, and harbours of Prince Edward's Island; thence to Bay des Chaleurs, and in all its smaller bays and harbours; the whole Gulf of St. Lawrence; the coasts of Anticosti and the Magdalen Islands; thence up the south shore of St. Lawrence River to Father Point, and up the north shore from the Mingan Islands to Point Maniconagau.

2. The number of vessels, tonnage, and men employed, and the average time engaged in fishing.

From 1,200 to 1,500 sail of American vessels frequented the above localities during the continuance of the Reciprocity Treaty. They averaged about 70 tons each, and employed from 14 to 16 men each, say 94,500 tons, and 20,250 men.

Employed in fishing generally about seven months, from May till November.

Since the Treaty was abrogated, a much smaller number of vessels has frequented Canadian waters, from 650 to 800; tonnage about the same; men employed about the

same; but time of fishing much shorter, in consequence of not being able to transship cargoes, and continue fishing. About five months, from June to October.

3. Estimate the advantage to United States' fishermen of being enabled to land and dry nets, and repack and cure fish, without restriction.

Unrestricted access to our in-shore fishing, with the privileges mentioned, would be fully equal to an additional full fare each season; in many cases equal to two additional fares, as the time spent in repairing to their own ports for these purposes would be occupied in fishing.

A vessel of 70 tons, and fifteen men, will average each trip, according to the kind of fishery pursued, about—

	Dollars.
1,000 to 1,200 quintals cod, at 4 dollars	4,000
500 to 600 barrels mackerel, at 12 dollars	6,000
1,000 barrels herrings, at 3 dollars	3,000
500 quintals halibut, at 5 dollars	2,500

But the practice is to catch, during each voyage, as many as possible of these different kinds of fish. Mackerel fishers, especially those engaged in the fall months, devote their attention almost exclusively to this fishery, which at that time is mostly in-shore, and highly profitable.

4. Describe the practice, and value the convenience to United States' fishing-vessels resorting to ports, bays, creeks, and harbours of these three provinces, for the purposes of procuring bait, and supplies, and transshipping cargoes.

During the Reciprocity Treaty, American vessels generally left their own ports for Canadian waters, with sufficient stores and men to reach one or other of our ports in the Bay of Fundy, the Strait of Canso, or Prince Edward Island. There they would purchase supplies, such as provisions, salt, barrels, fishing-gear, and bait, hire men at a much cheaper rate, and repair to our fishing-grounds. When their first fare was obtained, they landed to dry and repair nets, cure and repack fish, and transship cargoes for carriage home by rail or steamer, which enabled them to return to the fishing-grounds for a second and third fare, without loss of time.

Since the Treaty was abrogated, they have generally brought full supplies of provisions, salt, and men, from their own ports, at higher rates; and, if successful in getting a full fare, which was seldom, they have proceeded homeward, being thus prevented from making a second or third fare during the season. The value, therefore, of these privileges and conveniences may be confidently stated as from 100 to 150 per cent.

5. Also describe incidentally whatever detriment or hindrance to the profitable pursuits of British subjects you may consider the free admission of United States' citizens and American fishing-vessels for all such concurrent purposes likely to occasion.

In estimating for the future the extent of this detriment, hindrance, and annoyance to Canadian fishermen and British subjects, I can only be guided by past experience. Very general complaints have been made in all localities where American fishermen congregate in numbers, that they do not hesitate to collide with, and crowd out, British vessels; they often anchor among their nets; do injury to property and buildings on shore, and cause serious disturbances and alarm among the inhabitants. In some instances the Militia has been called out to quell these disturbances. They will injure our in-shore fisheries by the use of bultows or set lines; they will break up the schules of mackerel and herring by seining, taking the fish from under the boats of British fishermen. Their practice of baiting mackerel attracts the fish from the shores, and keeps them from the reach of our fishing-boats, and thus lessens the catch of our shore fishermen. They will deprive our fishermen of a profitable business in catching and selling the bait which Americans now purchase, but will in future catch for themselves. Besides these disadvantages under which our fishermen will labour, they will have the additional loss of good markets, which will be more largely supplied by fish caught in our own waters by American fishermen.

6. What proportion of fish is taken inside the three-mile limit, and what outside?

From two-thirds to four-fifths of the mackerel, and those of the best quality, were taken within three miles of the shore during the Reciprocity Treaty. Since then the success of American mackerel fishers depended upon their ability to evade the vessels of

the marine police. Herrings are all taken in-shore, and of haddock, halibut, pollack, and hake, much the largest proportion is taken within the three-mile limit.

7. How many American vessels frequent our ports for other, and what, purposes, besides procuring wood and water, finding shelter, and effecting repairs.

While the Reciprocity Treaty was in force the whole American fleet of fishing vessels frequented the Strait of Causo and Prince Edward Island for bait, ice, stores, boats, and fishing gear, and for hiring men and transshipping cargoes. At Port Hood about, 200; Isaac's Harbour, 25; Crow Harbour, 15; Cape George, Antigonish, 100; Lunenburg, 50 to 100; Pubnico and Shelburne, 25; and about 100 at other ports in Shelburne; Yarmouth, 20 to 40. At St. Andrew's, in New Brunswick, 250 to 300 to fish for and procure bait.

Since the establishment of the marine police much smaller numbers have frequented those places, and only for wood, water, and repairs.

8. What kind, quantity, and value of bait do United States' fishermen annually take or procure in these in-shores? Do British fishermen procure their bait in these waters, or do they procure it from the United States? If from the United States, is it by purchase, and in what quantity?

American fishermen procure in-shore herrings, gaspereaux, capelin, squid, and clams, to the value of 50,000 dollars to 80,000 dollars annually, each vessel taking from 50 dollars to 100 dollars' worth each trip. Without this bait they could not successfully pursue their business. During the Reciprocity Treaty they caught most of it themselves, but since then have purchased it from our fishermen.

Our fishermen procure the same kind of bait in the same waters. They never obtain this bait from United States' citizens. A very small quantity of salted "pogies" is obtained by purchase from the United States, for mackerel fishing alone, during such times as bait fishes are scarce or not in season in our own waters. The quantity is very small and is always obtained by purchase at 5 dollars to 6 dollars per barrel. Our fishermen never fish for bait in American waters.

9. What is the average cost of materials for outfitting and carrying on the deep-sea and in-shore fisheries (say per month), and what the net profit of successful operations?

For a vessel of 50 tons cost of outfit would be 300 dollars per month, for a vessel of 70 tons about 500 dollars. Profit from 75 to 100 per cent.; sometimes much more, especially if two or three full fares are made in the season.

10. Will the concessions proposed by the Washington Treaty to British fishermen be of any value to them, and if so, at what would you estimate it?

Of no practical value whatever. Our fishermen, as well as dealers, all agree in stating that a fishing voyage to the American waters thrown open to them, would not pay for the outfitting.

11. Did British subjects ever avail themselves of a similar concession under the Reciprocity Treaty?

I have not been able to learn of a single instance of a Canadian fishing-vessel fitting out for a trip to American waters. Our own waters offer so much greater inducements that they never even attempted the experiment, except incidentally, when the result fully corroborated their previous opinion.

Inclosure 9 in No. 87.

Memorandum by Mr. Whitcher for the Confidential Information of Mr. Rothery.

THE gross sum of compensation named in the concluding paragraph of the Fishery Case, as 60,000,000 dollars, is composed of annual estimated value on the produce of American Fisheries pursued in the in-shore waters of Canada, rated at 5,000,000 dollars per annum, during the twelve years stipulated in the Treaty of Washington.

We estimate, as in the preceding paragraph, the average yearly value *en gros* of fish caught by United States' citizens on our coasts at about 8,000,000 dollars. This result is

attained by computing the tonnage of United States' fishing-vessels so engaged, and rating their catch per ton at the trade values of different kind of fish, composing each cargo in the Halifax market.

Upwards of 100,000 tons is the bulk usually employed in these Fisheries.

It is reckoned that between 60,000 tons and 80,000 tons is the United States' tonnage annually embarked in the mackerel fishery chiefly; the catch of which average at least ten barrels of mackerel per ton, worth year by year 12 dollars per barrel. This reckoning represents from 7,000,000 dollars to 10,000,000 dollars' worth of mackerel annually.

When it is considered that, besides mackerel, the United States' fishing fleet resorting to British American waters, takes also (in part) valuable cargoes of herrings, halibut, and bait fishes, averaging in value from 8 dollars to 10 dollars per ton, the gross estimate appears to be moderately averaged at 8,000,000.

Allowing for a fair per-centage of gross catch as belonging to such in-shore waters on the Labrador coast, and at Magdalen Islands as are privileged to United States' citizens under the Treaty of 1818; and calculating a reasonable proportion of the gross quantity as taken outside of the three-miles' hunt; having reference also generally to the cost of production (without reckoning specifically all the elements in such cost, regarding which there exist serious differences of opinion,) equal altogether to a deduction of nearly 40 per cent; we arrive at the approximate sum of 5,000,000 per annum composing the gross claim.

The area of in-shore fishing grounds to which aforesaid computation applies has been measured on the base of three marine miles from the coasts, and in the case of bays exceeding six miles wide on a line drawn from headland to headland (the Bay of Funday excepted).

Any other measurement would necessitate a proportionate allowance in the gross estimate.

Unless the facilities described as "subordinate privileges" at paragraphs 2, 3, 4 and 5, pages 6 and 7 of the printed Case, are to be counted as mere incidents of the main privilege, which as regards some of them is disputed by the United States' Government, they must either be separately valued, or counted in a general estimation of collateral advantages.

Herein also the adoption of limits within which the admission to bays, &c., for conveniences more or less advantageous to the fishing business of Americans, but which are not admitted as being necessarily connected with nor, in the sense claimed, incidental to the exercise of concurrent fishing rights, affects the basis of valuation.

Until these controverted points shall be determined, invoking, as they do, practical consideration of details in the actual cost of production, the gross estimate stated in the "Case" does not admit of a balance, as between the compensation claimable and any counter claim, being satisfactorily computed.

(Signed)

H. F. WHITCHER.

Inclosure 10 in No. S7.

Mr. Rothery to Mr. Mitchell.

Sir,

Toronto, November 14, 1873.

I HAVE the honour to acknowledge the receipt of two letters from your Department, dated respectively the 10th and 12th instant, the former covering copy of a chart of the Fisheries, the latter forwarding copies of the undermentioned documents:—

1. Printed copies of the questions circulated among persons interested in the British North American Fisheries, and general summary of the answers received.

2. Synopsis of a Report of the General Inspector of Fisheries for the Provinces of Nova Scotia and New Brunswick.

3. Confidential Memorandum by Mr. Whitcher, explaining the basis of calculation in estimating the sum claimed as compensation in the Fishery case.

You further inform me that certain trade returns, statistical tables, and other plans are now in the hands of the printer, or in course of being copied, but that they will hardly be completed in time to be sent to me at Toronto. This is, no doubt, in the expectation that I was about to stay at Toronto for only a day or two, but you will have seen from the telegram which I sent you to-day that I propose to remain here till Tuesday, and, if necessary, till Wednesday next; I shall, therefore, feel obliged if you will kindly

forward to me any further documents that may be ready by that time, advising me at the same time by telegraph of their despatch.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 11 in No. 87.

Mr. Whitcher to Mr. Rothery.

Sir, *Fisheries Branch, Ottawa, November 15, 1873.*
I HAVE the honour to inclose other six copies of the printed Questions and Answers *in re* Fisheries, both British and American, as requested by your telegram of this morning.

The matter still printing cannot be furnished before the time named in my previous letter. The partial plans, now copying, cannot be completed before the end of next week. They consist principally of the charts of rivers and their mouths and other inlets, defining the exclusive fishery limits reserved under the Treaty of 1854.

I, however, inclose a copy, which has been made for the printer, of certain official documents forwarded by Her Majesty's Minister at Washington, in response to a request made through his Excellency the Governor-General in February last.

The report of Mr. Cutts, referred to as inclosed in Sir E. Thornton's despatch is retained here, but can probably be duplicated on application at Washington.

I have, &c.
(Signed) H. F. WHITCHER.

Inclosure 12 in No. 87.

Mr. Rothery to Mr. Mitchell.

Sir, *Toronto, November 19, 1873.*
I HAVE the honour to acknowledge the receipt of a letter from your Department, dated the 15th instant, forwarding to me six further copies of the questions and answers, both British and American, in the matter of the Fisheries, as well as copy of a communication which had been addressed by Her Britannic Majesty's Minister at Washington to his Excellency the Governor-General on the 29th of April last.

You state that these latter documents have been prepared for the printer; when they are printed I shall be much obliged by your forwarding to me six copies thereof.

I note also what you say about Mr. Cutt's Report, and should I find that it is not included amongst the papers already communicated to the Foreign Office by Sir E. Thornton, I shall not fail, on reaching Washington, to apply for a copy of the same.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 13 in No. 87.

Mr. Fish to Mr. Richardson.

(Confidential.)

Sir, *Department of State, Washington, May 12, 1873.*
IT is provided in the Treaty concluded at Washington between the United States and Great Britain on the 8th day of May, 1871, that the fishermen of the United States are to have the liberty for ten years to take fish of every kind, except shell fish, on the sea coasts, shores, and in the bays, harbours, and creeks, of the Provinces of Quebec, Nova Scotia, and New Brunswick, and the Colony of Prince Edward's Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to land upon such coasts, shores, and islands, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish.

And that the fishermen of Great Britain are to have like liberty to take fish of every kind except shell-fish, on the eastern coasts and shores of the United States north of the 39th parallel of north latitude, and on the shores of the several islands thereunto adjacent, and in the bays, harbours and creeks of such sea coasts and shores of the United States, and by said islands, without being restricted to any distance from the shore, with permis-

sion to land upon said coasts of the United States, and of the islands aforesaid, for the purpose of drying their nets and curing their fish.

In each case it being understood that there is to be no interference with the rights of private property, or with the fishermen of each country in its own territories, and that the liberty granted applies solely to sea fisheries, and that salmon and shad fisheries, and fisheries in the mouths of rivers, are reserved to each party respectively.

It is also provided that, inasmuch as it is asserted by the Government of Her Britannic Majesty that the privileges so accorded by Her Majesty to the citizens of the United States are of greater value than those so accorded to the subjects of Her Britannic Majesty, and the assertion is not admitted by the Government of the United States, there shall be a Commission to determine the amount of any compensation which, in their opinion, ought to be paid by the United States to Great Britain, in return for the privileges accorded to the citizens of the United States.

This Commission will probably be organized in the course of the ensuing summer. In order to prepare for meeting the proof that may be offered on the part of Great Britain before it, I have caused a series of questions to be prepared to be submitted to experts, and other persons having exceptional or peculiar means of information upon the subject of the fisheries. It is important that these questions should reach the hands of the persons best acquainted with the subject in the sections of the country which are most affected by the provisions of the Treaty concerning the fisheries, at an early day. Those sections are the Atlantic coast, between the 39th parallel of latitude, and the frontier of Canada; and especially that part which is the home of the American high-sea fisheries, and of the mackerel and other fisheries pursued by American fishermen in Canadian waters.

It has occurred to me that this can be best done through the aid of the Treasury Department and the collectors of Customs.

I have, therefore, the honour to inclose a series of questions, marked "Confidential," and to ask that they may be sent to the collectors of the Customs within the territories above indicated, with instructions to confidentially secure answers to them from the persons within their several districts who may, in their judgment, be best qualified to respond to the call for information. The more wide-spread and general the sources of this information, the better. It is important that the answers should be obtained as rapidly as possible, and that, as fast as obtained by you from the collectors, they should be returned to this Department.

It is also much to be desired that the subject should remain confidential, and should not find its way into the newspapers.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 14 in No. 87.

Questions and Answers.

Questions.

Answers.

1. WHAT is your name and age, and in what town and State do you reside?

2. What opportunities have you had for becoming acquainted with the American and Canadian Atlantic sea fisheries, and the value of the catch of the different kinds of fish?

3. Can you give the names of other persons in your neighbourhood who have also had the opportunity of obtaining similar information? If so, please give some such name.

4. A copy of the Treaty between Great Britain and the United States, known as the "Treaty of Washington," is hereto annexed. Will you examine Articles XVIII to XX inclusive, and state that you have done so?

5. What kinds of fish frequent the waters

Engaged in fish-trade for between six-and-forty years.

Reference to principal dealers and fishermen.

Yes.

Besides herrings and a few cod-fish, there

Questions.

Answers.

of your State, especially those which are to be thrown open to the Canadian fishermen under the provisions of the Treaty of Washington?

6. Can you give a statement of the kinds and quantities of fish taken annually off the coast of your State from the years 1854 to 1872 inclusive? If you can do this, please do so; and if not, please state where that information can be procured.

7. If you are able to do so, will you state the amount and value of the American Fisheries which are to be thrown open to Canadian fishermen under the provisions of the Treaty of Washington? Please state them in detail, showing the different kinds of fish, and the value of each kind.

8. What quantity and value of each kind of fish are annually taken by Canadian fishermen, and what by American fishermen, in the waters off the coasts which are to be thrown open to competition by the Treaty of Washington?

9. Do Canadian fishermen procure bait or supplies in the waters of your State? and, if so, to what extent and value?

10. What is the probable annual value to Canadian fishermen in being able to procure bait, to land and dry their nets, and to re-pack and cure their fish on the coasts of your State, without any other restriction than that contained in the Treaty of Washington?

11. Will the admission of Canadian fishermen to our in-shore fisheries cause any detriment or hindrance to the profitable pursuit of these Fisheries by our own fishermen; and, if so, in what manner, and to what extent annually?

12. What number of Canadian vessels and boats are engaged in the fisheries of your State, and what are the tonnage and value, and the number of men employed upon them?

13. Of the fisheries pursued by American fishermen off the Atlantic coasts of the British North American Provinces, what proportion consists of the deep-sea fisheries, and what proportion of the in-shore fisheries?

14. For what description of fish do American fishermen pursue the in-shore fisheries?

15. If you state that the in-shore fisheries are pursued wholly or chiefly for mackerel, please state what proportion of mackerel is taken within the in-shore limits, and what proportion is taken outside of the in-shore limits?

16. Is not much the larger quantity of

is a local species of mackerel called "shore mackerel," caught in August, September, and October, very fat, but extremely uncertain as to place or quantity. The few caught are worth from 2 dollars to 5 dollars more than the best of bay mackerel.

Refer to returns of General Fish Inspector, which include both shore and outside catch.

Refer to Inspector's returns.

By Canadians none: they never do and never can profitably use them.

By Americans: refer to Inspector's returns.

None.

None whatever.

None whatever.

None.

All United States' fishermen profess to fish outside, but constantly endeavour to secure fares in-shore.

Probably a large proportion of cod, mackerel, and herrings are taken inside.

Mackerel, cod, herring, halibut, and bait fishes.

Almost impossible to state any definite proportion; but from frequent observation and report during several years past, a large proportion of all kinds, especially mackerel, codfish, herrings, halibut, and baits are taken inside.

The larger quantity and best quality of

Questions.

mackerel caught by American fishermen off the coast of British America, taken outside the in-shore limits; and, in the summer season especially, are not mackerel generally found on the banks, in the Gulf of St. Lawrence, and not within shore?

17. Are Colonial fishermen injured by permitting American fishermen to fish in Colonial in-shore waters?

18. Are not more fish caught by Colonial fishermen, when fishing in-shore, alongside a fleet of American fishing vessels, from which large quantities of bait are thrown out, than when fishing alone?

19. What is the best bait for mackerel, and where is it principally taken? How much of it is taken within three miles of the shore, and what is the annual value to the United States, or to the British Provinces, as the case may be, to take such bait within three miles of the shore?

20. Please state as to each class of fisheries carried on from your State or district, the cost of fitting out, equipping, furnishing, and manning a vessel for carrying it on, estimating it by the average length of the cruise. State, as far as possible, in detail the elements which go to make up the cost of taking and delivering a full cargo and of returning to the home port.

21. When you have fully answered Question 20, please answer the same questions as to vessels fitted out, equipped, furnished, and manned from the Dominion of Canada, including Prince Edward Island, so far as you are able to do so. If you state that there is any difference between the cost of the Canadian and the cost of the American vessel in these respects, explain what the difference is and the reason for it.

Answers.

fall mackerel are taken in-shore. Summer mackerel taken outside are of no value.

Think it would have that effect.

Think, yes; because so many United States' vessels generally gather together and follow large schools of mackerel.

United States' fishermen go furnished with cured bait from United States' waters, such as clams and menhadden caught close in-shore on New England coasts. These bait supplies are relinquished, if necessary, by fresh herrings caught close in-shore in the provinces and kept fresh in ice, which article they require to obtain from time to time among provincials. We supply prepared bait, menhadden, and clams, to sell in the provinces. It would be no advantage to Canadians to come here and catch it, as it would cost more to catch than it does to buy it. It is quite as valuable to provincials to sell us herrings, as it is to them to buy menhadden, and equally valuable for us to buy capelin, &c., for bait, and purchase ice to keep it fresh, as it is for them to sell these commodities.

Take the class codfishing, mackerel, herring, and halibut: cost of outfit for 60 days' cruise, vessel of 100 tons, valued at from 2,500 to 8,000 dollars, would be from 1,500 to 2,000 dollars. Wages of 12 men (working generally on shares) amount to about 600 to 800 dollars.

The elements of the cost of a full cargo are: expense of vessel, interest, wear and tear, and repairs, depreciation, insurance, salt, lines, hooks, barrels, trawls, boats, anchors, cables, nets and seines, provisions, ship chandlery. The gross value of cargo, is 3,000 to 10,000 dollars. For outside or deep sea fishing the margin for profit is very small: it is considerably larger for in-shore fishing. It is impossible to rate it exactly, the minimum and maximum varying so much between loss and profit.

Canadian and Prince Edward Island vessels of the same tonnage would be worth 1,000 to 4,000 dollars. Their outfit would be much cheaper, and would be manned cheaper on wages, instead of shares system. The same elements would form cost. On the whole, difference would be from 33 to 50 per cent.

*Questions.**Answers.*

22. Are you acquainted, and for how long, and in what capacity, with the fisheries on the coasts of Nova Scotia, New Brunswick, Quebec, or Prince Edward Island, or with either, and if either, with which of these fisheries?

23. What kind of fish frequent the waters of those coasts which are to be thrown open to American fishermen under the provisions of the Treaty of Washington?

24. Please state in detail the amount and the annual value (say from 1854 to 1872 inclusive) of the fisheries which are so to be thrown open to American fishermen; also the amount and the annual value of the catch in the adjacent waters which are more than three miles distant from the shore; please state these facts in detail.

25. Do American fishermen procure bait in the waters within three miles of the coast of the Dominion of Canada? If so, to what extent, and what is the value?

26. Do not the American fishermen purchase supplies in the ports of the Dominion of Canada, including bait, ice, salt, barrels, provisions, and various articles for the use of the men engaged in the fisheries? If so, in what ports, and to what extent? And, if that is the case, is it not an advantage to the ports of the Dominion to have the fishing-vessels of the United States in their neighbourhood during the fishing season? Explain why it is so, and estimate, if you can, the money-value of that advantage.

27. Have you any knowledge of how many United States' fishing-vessels yearly engage in the Fisheries off the Atlantic coasts of the British North American Provinces (excluding Newfoundland), both without and within the three-mile limit? If so, state how many vessels are so engaged; what is the value of their tonnage; what is the number of men employed annually on such vessels; what sorts of fish are taken there; what is the annual value of all the fish so caught; and what is the proportion, or probable proportion, in your judgment, of the amount of such catch taken within three miles of the British coast, and of the amount taken outside of the three-mile limit?

28. What percentage of value, if any, is, in your judgment, added to the profits of a voyage by the privilege to fish within three marine miles of the coast; whence is such profit derived, and in what does it consist?

Yes, all; connected with them in trade between 6 and 40 years.

Codfish, mackerel, halibut, herring, hake, and haddock.

Cannot describe in detail, but the value is very great. Cannot state amount and annual value of catch.

Herrings and capelin are bought pretty extensively. Don't know value and precise extent or quantity.

Yes; when they can to their own advantage. Various ports; don't know extent. So far as trade goes, it would be an advantage. It is an advantage on both sides.

From 1,200 to 2,000 vessels. Value 2,500 dollars to 9,000 dollars each. Manned by 10 to 18 men each. Catch mackerel, codfish, herrings, and halibut. Cannot tell whole value. I think half their cargoes are taken within the three-miles limit.

In having privilege of going to fish within three miles of the coast, enables our fishermen to secure full fares of fish, even when otherwise unable to get any at all outside. Between going inside and keeping outside of the three-miles limit, it amounts generally to returning home, full or empty, or partially so. The profit is from catching and saving cargo, and making the voyage thus profitable.

*Questions.**Answers.*

29. Do the American fishermen gain under the Treaty of Washington any valuable rights of landing to dry nets and cure fish, or to repack them, or to transship cargoes, which were not theirs before; if so, what are those rights, and what do you estimate them to be worth annually in the aggregate?

30. Is not the Treaty of Washington, so far as the fishing-clauses are concerned, more, or quite as beneficial to the people of the British North American Provinces as to the people of the United States?

31. What is the amount and value of colonial cargoes of fish of all descriptions, which are annually shipped to the United States?

32. For all No. 1 and No. 2 mackerel, for the larger part of the fat herring, and for all No. 1 salmon, does not the United States afford the only market?

33. If you know what amount of duties is annually paid to the United States on fish and fish oil imported from Canada, which are to be free under the provisions of the Treaty of Washington, please state them annually, and by classes, from 1854 to 1872, inclusive.

34. If you know what amount of duties is annually paid in Canada on fish and fish-oil imported from the United States, which are to be made free under the provisions of the said Treaty, please state them annually, and by classes, from 1854 to 1872 inclusive.

35. The object of these inquiries is to ascertain whether the rights in respect of fishing, and fishermen, and fish, which were granted to Great Britain by the Treaty of Washington, are or are not a just equivalent for the rights in those respects which were granted by said Treaty to the United States. If you know anything bearing upon this subject which you have not already stated in reply to previous questions, please state it as fully as if you had been specially inquired of in respect of it.

Yes; particularly as regards the herring and codfish fishery. Also in transshipping cargoes. Both are valuable rights, whether American fishermen already possess them or not.

This question requires careful consideration. As a matter of opinion, and, speaking generally, without entering into details,—don't think they are.

For last 20 years, should say from 2,000,000 to 4,000,000 dollars in value annually.

Yes, for No. 1 mackerel, herrings, and No. 1 salmon to a large extent. No. 2 mackerel, fat herrings, and also salmon, are shipped to other foreign markets.

Cannot say.

Don't know.

Without entering into other particulars, on both sides, and carefully weighing them against each other, it cannot be determined.

Inclosure 15 in No. 87.

Memoranda connected with certain Inquiries regarding the Fisheries pursued by United States' Citizens in British American Waters, &c.

Questions and Answers.

*Questions.**Answers.*

1. Please state your name, age, residence, and occupation?

This question, as answered, includes persons to the number of some hundreds, who are from one year to forty acquainted with the fisheries.

2. Are you acquainted, and for how long, and in what capacity, with the British Fisheries on the coast of Nova Scotia, New Brunswick, Quebec, and Prince Edward Island (as the case may be), or in either and which of these provinces?

From one year up to forty years so acquainted as traders, merchants, and fishermen.

3. In what kinds of fish have you generally dealt, and to what extent?

In cod, mackerel, halibut, herring, haddock, hake, pollack, and the river fish, also fish-oils.

Yes.

(a.) Please refer to Articles XVIII, XIX, XX, XXI, XXII, and XXIII of the Washington Treaty (copy herewith), with a view to comprehending more fully the bearing of ensuing inquiries, which are intended to establish that the privileges granted by Great Britain to citizens of the United States under Articles XVIII and XXI are of greater value than the privileges granted by the United States to British subjects by Articles XIX and XXI; and state having done so.

(b.) Describe the in-shore fisheries to which Article XVIII proposes to admit United States' citizens.

Mackerel, herring, cod, haddock, halibut, hake, pollack, and other fisheries.

4. Have you any knowledge of how many United States' fishing-vessels yearly engage in fishing in the waters of these Provinces, or either of them; or have you any knowledge of the number from any given port?

John F. Taylor, Isaac's Harbour, Nova Scotia, states he is aware of 1,400; 350 on Nova Scotia coast alone (see Queen's Counsel's answers); 500 in Bay Chaleur (see ditto); 200 off Digby alone (see Digby papers); 250 to 300 off New Brunswick coast (see Gloucester and Charlotte papers); 600 around Prince Edward Island; 500 Magdalen Islands. Everything points to an average of from 1,500 to 1,700 sail that fished in our waters under the Reciprocity Treaty.

5. What tonnage and how many men are thus employed?

The average tonnage of vessels on our waters, or likely to be, is 75 tons each, with fifteen men each. The general tonnage may be stated at from 60,000 to 80,000 tons, with from 9,000 to 12,000 men.

6. What description of fish do they take chiefly?

Codfish, mackerel, herring, halibut, haddock, pollack, and hake.

7. In what localities do they fish? And is it not true that the best and finest codfish, mackerel, herring, and halibut are taken in these localities? Can you state also the principal markets resorted to by

All round coasts of United States, especially about Cape Breton and Bay Chaleur; in the Bay of Fundy, in the Gulf at Magdalen Islands. The finest fish are caught where Americans fish. The markets for

Questions.

Answers.

British and American fishermen respectively?

8. What is the average quantity and value of such fish taken by each vessel?

9. Can you say what proportion is taken within three miles of the land, and how much outside of that limit?

10. How long and at what times are such vessels occupied in fishing?

(c.) Please state the yearly value, say from 1864 to 1872 (both years inclusive), of fish taken respectively by British subjects and United States' citizens within these in-shores?

11. Do any and how many of such vessels frequent your locality for other and what purposes connected with their fishing operations besides procuring wood and water, finding shelter, and effecting repairs?

(d.) What kinds, and quantity, and value of bait do United States' fishermen annually take or procure in these in-shores?

(e.) Do British fishermen procure their bait also in the same waters? And what is the bait usually employed?

(f.) What kinds and quantity of bait do British fishermen yearly obtain, and is it by purchase, and at what price, from United States' citizens?

12. Can you form any estimate of the advantage it would be to American fishermen to have unrestricted access to these and other places along the coast for landing and drying-nets, curing and re-packing fish, trans-shipping cargoes, and obtaining bait and supplies?

13. Do you consider it a valuable advantage for British fishermen to carry on these in-shore fishings without being subjected to local competition by United States' citizens?

(g.) If so, describe to what extent; and also state in what manner it is considered

British-caught fish are chiefly in Europe, save for the best mackerel. The Americans find all their markets at home.

Codfish, say 1,000 to 1,200 quintals at 4 dollars per quintal, 4,000 dollars per trip.

Mackerel, say 500 to 600 barrels, at 12 dollars per barrel, 6,000 dollars per trip.

Herring, say 1,000 barrels, at 3 dollars, 3,000 dollars per trip.

Halibut, say 500 quintals, 6 dollars per quintal, 2,500 dollars per trip.

Answers to this question largely agree in stating that two-thirds of the catch of American vessels during the Treaty of 1854 was within the limits. Half the mackerel at least and all the herring are said to be taken inside, as well as the greater part of halibut, haddock, and hake.

Generally from beginning of May to November.

See Trade Returns for the respective years.

During Reciprocity Treaty there used to be from 500 to 600 call for bait, boats, men, supplies, &c.; 200 in Port Hood; 25 in Isaac's Harbour; 15 Crow Harbour; 100 at Cape George, Antigonish; 25 to 100 at Lunenburg; 25 at Pubnico, and about 100 in other Shelburne ports; 150 to 300 in New Brunswick ports; 60 at Amherst, Magdalen Islands; and 300 to 500 at Prince Edward Island.

They procure herring, gasperaux, capelin, squid and clams, say from 50 dollars to 100 dollars worth each trip.

They do; the same bait is employed.

A few barrels of "pogies" are occasionally imported, at from 5 dollars to 7 dollars per barrel, for mackerel fishing alone.

Answered in various ways.

1st. It is put at, say, 2,700 dollars a-year to each vessel.

2nd. It is put at 25 to 30 per cent. on the catch.

3rd. It is very largely asserted that it will enable them to double their voyages and their catch.

It is a great advantage.

1st. They will catch their own bait, not purchase it.

*Questions.**Answers.*

an injury to British fishermen to admit United States' citizens to compete with them in fishing pursuits and in procuring local supplies, and other privileges described above?

14. At what per-centage would you rate such advantage?

15. Is it not true that the presence of American fishermen often occasions considerable difficulties among the inhabitants, and hinders British fishermen in their pursuits? Is it not also true, that the habit of American fishermen baiting mackerel within the in-shore limits injures the boat fisheries pursued by British subjects?

16. What, in your estimation, is the average money value to each American fishing vessel of free access to provincial ports, bays, creeks, and harbours, for fishing and for catching bait, and for all purposes incident to the fishing business secured to them by the Fishery Articles of the Convention of 1818?

(*h.*) What is the average cost of materials of outfitting for the deep-sea and in-shore fisheries and carrying them on (say per month), and the net profits of successful operations?

17. Is the concession of the right to fish proposed to be given by the Treaty of Washington to British subjects of any and what value to them?

18. Can you state whether British subjects availed themselves of a similar concession under the Reciprocity Treaty from 1854 to 1864, and to what extent?

(*i.*) Please state the quantities of dutiable fish and amount of duties paid thereon yearly since 1865 to 1872, exported to the United States from Quebec, Nova Scotia, New Brunswick, and Prince Edward Island, and the same for fish imported from United States?

2nd. They will injure the in-shore fisheries by trawling.

3rd. They will lessen our catch and double their own.

From 50 to 100 per cent. on catch.

Very general complaints are made that Americans—

1st. Do not hesitate colliding with British vessels.

2nd. Often anchor among their nets.

3rd. Injure their in-shore fish by trawling. Taking the fish from under the boats of the British fishermen.

From 50 to 100 per cent. on catch.

Profits variously estimated at from 1,000 dollars to 5,000 dollars to each vessel.

For vessels of 50 tons outfit would be 300 dollars per month, profits 500 dollars. For vessels of 70 tons in proportion, and so on. Average profit is from 500 dollars to 1,000 per month. Profits 50 to 75 per cent.

Of no value whatever. There is complete unanimity on this point.

“None that I know of” is invariably the answer to this question.

See Trade Returns for the respective years.

NOTE.—The salmon, shad, and oyster fisheries, and other fisheries in rivers and the mouths of rivers, are not comprised in the above questions.

Mr. Rothery to Earl Granville.—(Received December 7.)

(No. 18.)

My Lord,

Brevoort House, New York, November 24, 1873.

IN my despatch No. 17 of the 20th instant, written from Toronto, I stated that it was my intention to leave that place on the following day for Niagara *en route* to New York. After, however, I had written that despatch, and before I left Toronto, I had some conversation with a gentleman of very considerable importance in the Canadian political world, the particulars of which it may be well that I should now communicate to your Lordship.

The gentleman to whom I refer is Mr. George Brown, the editor of the "Toronto Globe," by far the most widely circulated and influential paper in the Dominion. Mr. Brown, although not at present in Parliament, has been in several previous Administrations, and was once, I believe, Prime Minister. He is a strong supporter of the Party at present in power, the Liberal or Grit Party, as it is called, and is commonly supposed to control in a great degree the proceedings of that Party. To show your Lordship the position which Mr. Brown holds in the Party, I may mention that, in the course of conversation which I had with him, he spoke of Mr. MacKenzie, the present Prime Minister, as being one of his (Mr. Brown's) lieutenants.

I had met Mr. George Brown for the first time on the previous day at a party at the Lieutenant-Governor's, and he then stated to me that, if I would call upon him, he thought that he could give me some information on the Fisheries Question which I could not otherwise obtain; that his attention had been directed to it for, I think he said, the last thirty years, and that he had written a great deal on the subject. Accordingly, on the afternoon of Thursday, the 20th instant, after I had finished my despatch to your Lordship, I called at the "Globe" Office, and had a long and interesting conversation with him.

Mr. Brown began by stating that, although Sir John Macdonald's Party now claimed all the credit of Confederation, he (Mr. George Brown) and his Party had been the originators, and the strong supporters of that policy. He then told me that he had been one of the principal promoters of the Reciprocity Treaty of 1854; that, although Canada had, no doubt, gained a great deal by that Treaty, the United States had gained more; that the abrogation of that Treaty had done much more injury to the United States than it had to Canada, and that the United States now knew it; that the trade, instead of going, as it used to do, direct from the Province of Ontario to the States, now took the direction of the maritime provinces, and that it had added greatly to the wealth and commerce of those provinces. He stated that the Treaty of 1871 was, in his opinion, a great mistake, for that the Americans were at that time so fully alive to the advantages to their country of a Free Trade policy that they were anxious to renew the Reciprocity Treaty, and that all we ought then to have done was to hold ourselves aloof, to exclude them rigorously from our fishing-grounds, and that in the end they would have been obliged to come into our terms.

I could not but remark that, if the Reciprocity Treaty had conferred greater advantages on the United States than it had upon Canada, and that its abrogation had done more injury to them than it had to us, it was difficult to understand how the Treaty of 1871 was on our part so great a mistake, and why the Americans had, notwithstanding the Treaty, neglected to adopt a policy which it was said was so much more beneficial to them than it was to us. That I had always understood that the reason why the United States' Government refused to renew the Reciprocity Treaty, was their great desire to pay off the National Debt, and the necessity under which they were of imposing for that purpose heavy Customs' Duties on all goods imported from foreign countries. Mr. Brown replied that that might be so, but that the United States always desired to have access to our fisheries, and that we ought to have made it a lever whereby to compel the United States' Government to accord us a more liberal tariff. I stated that the argument that fisheries were to be used as a lever for compelling the United States to grant us certain privileges seemed hardly to be consistent with the theory that those privileges were more advantageous to them than they were to ourselves.

As to the proposal that United States' fishermen should be excluded from our fishing-grounds until we had obtained from them a more liberal Tariff, I stated that I had always understood that it was next to impossible to prevent them from encroaching upon our waters, so extensive were those waters, and so ill-defined the limits of our jurisdiction; that I had been informed that nothing was easier than for a United States' vessel, on the approach of a cruiser, to remove outside the limits of British jurisdiction, and that

even if she had been previously fishing in British waters, it would be very difficult to prove it; and that, in fact, the policy of exclusion could only be effected by a whole fleet of cruizers, and even then but imperfectly.

I then stated that from the best information which I had been able to obtain, British fishermen themselves, and those interested in the fishing trade, were by no means opposed to the admission of United States' fishermen into our waters, for that they brought trade with them, and that the fishermen argued that there were enough fish for them and the Americans too in our waters, and that a few vessels more or less would make no difference in their catch. Mr. Brown replied that this was probably so, but that it was due to the ignorance of the fishermen; they saw a present prosperity, but they forgot that the Americans would in a few years exhaust the British fisheries as they had already done their own. In reply I stated that I had understood that it was now well known that the movements of fishes were determined by two causes; first, by the search after suitable places for the deposit of their eggs; and, secondly, by their quest for food. That at certain seasons of the year shad, salmon, and other fish seek to ascend the rivers for the purpose of depositing their spawn; and that in rivers, where impediments are not offered to the upward progress of the fishes, their progeny, after the parent fishes have returned to the ocean, are found to swarm to an almost inconceivable extent, and after a time descend to the sea in immense schools; that it is the presence of the fry and other small fishes that attracts the cod family and other deep-sea species to our coasts; and that it is now an admitted fact that the numbers of the latter depended upon the quantity of the former that are to be found in our rivers and on our coasts; in other words, on the greater or less amount of food which the larger fishes could obtain there.

I stated that this was not the opinion of British naturalists only, but that these views had been very clearly expressed in a Report which had been made by Mr. Spencer T. Baird, the United States' Commissioner of Fish and Fisheries, so recently as the 16th of November, 1872. In that Report, Mr. Baird, speaking of the fisheries on the coasts the United States, remarked that "the erection of impassable dams upon the waters of the New England States, and especially of the State of Maine, had prevented the upward course of the anadromous fishes referred to, and their numbers had dwindled away, until at present they are almost unknown in many other most favourable localities." Further on he observes, "it was in pursuit of these and other summer fishes that the cod and other species referred to came in to the shores; but with the decrease of the former in number, the attraction became less and less, and the deep-sea fishes have now, we may say, almost disappeared from the coast."

I then stated that, if these views were well founded, so long as we retained under our control the rivers and mouths of rivers, which might be called the nurseries for our small fry, it would be out of the power of the United States' fishermen to destroy or even seriously to injure our fisheries; for that experience, both in Europe and in America, had shown that none of the methods now in vogue for the capture of fish of the cod family, such as cod, haddock, pollack, hake, ling, &c., could seriously affect their numbers, seeing the enormous quantity of eggs which each female annually deposits. Mr. Brown stated that he did not understand that the Treaty secured to us the control over our rivers and the mouths of our rivers. In reply, I referred him to the concluding paragraph of the XVIIIth Article of the Treaty, which is in these words: "It is understood that the above-mentioned liberty applies solely to the sea fishery, and that the salmon and shad fisheries and all other fisheries in rivers and the mouths of rivers are hereby reserved exclusively for British fishermen." I also referred him to the XXth Article, which reserves certain designated places in our waters from the common right of fishing, and retains them exclusively for the benefit of British fishermen. Mr. Brown said that this would probably make a difference, but that he thought that it was not so understood by the Americans.

It was clear to me that Mr. George Brown's dissatisfaction with the Treaty arose partly from a misapprehension of its provisions, and partly from a feeling that all the benefits resulting from the Treaty had fallen to the maritime provinces, in that they had secured a market for their principal product, fish, and that the trade from the Province of Ontario had, owing to the restrictive policy of the United States, been compelled to find an outlet through those provinces instead of going as it did under the Reciprocity Treaty direct to the United States.

It was no doubt this feeling which prompted Mr. George Brown to say that, in his opinion, the best course for the country would be that the Commission should fail, so that the Treaty might come to an end. I thereupon informed him that, whatever might become of the Commission, the result would certainly not be to put an end to the Treaty: that as a matter of fact the United States' fishermen were actually in the enjoyment of

the fisheries, and that what the Commission had to decide was, what was the amount of the compensation to be given by the United States for the balance of advantages granted to United States' citizens over and above the benefit conferred upon British subjects by the admission of fish and fish-oil duty free. I said that I could see no possible use, except to the United States, in causing a failure of the Commission, for that the United States' fishermen would continue to enjoy the privileges conferred upon them by the Treaty whether the Commission made any award or not.

I saw that this was a new view of the question to Mr. George Brown; and as he stated that it was desirable that he should be well informed upon the subject, as it might be in his power to lead public opinion in his newspaper, and as I was aware that he was entirely in the confidence of the Ministry, I proceeded to explain to him the present position of the question. I told him all the difficulties that surrounded the headland or bay question, the origin of the ten mile-limit for bays, the difficulty that might arise in the construction of the Treaty in case the United States's Government should insist upon a unanimous award of the Commissioners; I explained to him all the difficulties of the present position of the question as I had already done to Mr. Mackenzie and Mr. Blake, and I put it to him to say whether he did not think, under these circumstances, that the most desirable course would be to settle the matter, if possible, amicably with the United States' Government, and without a reference of the question to the Commission at Halifax.

In reply, Mr. Brown stated, that he had always considered that the extreme doctrine on the headland question was untenable, and that he had never thought that we could claim any large money compensation for admitting United States' citizens to our fisheries: at the same time it was a thing which the United States' Government had been always most anxious to obtain, and that he considered our true policy was to use it as a lever to obtain the best possible terms for ourselves, in other words, the admission of the products of Ontario into the United States. He thought, however, as I had put the case, the best course would be to obtain what we could for the use of the fisheries for the twelve years during which the Treaty must last, and that this amount should be settled, if possible, by amicable arrangement with the United States; and to leave the question of the headlands, the relaxation of the tariff, and all other questions to be adjusted hereafter, when the Treaty shall have been determined by notice from either side.

Such, then, were the views of Mr. George Brown on the Fisheries' Question. I have thought it right to lay them before your Lordship at some length, as Mr. Brown is a power in the State, not only as editor of the most influential paper in the Dominion, but from his connection with, I had almost said control over, the present Ministry. His views, too, crude and ill-informed as I venture to think they are, show the opinions entertained on this question by a not unimportant part of the community, at all events in Upper Canada: it is that the fishery privileges, which may be said more particularly to belong to Lower Canada and the maritime provinces, should be used as a lever to obtain for Ontario the free admission of their products into the United States. I am not saying that this is an improper or unjustifiable proceeding, but it is not the question that has now to be decided. And I think that I have succeeded in showing Mr. George Brown that this is so, and that I have convinced him, as I have done the late and present Dominion Ministers, that it is to our interest to effect a settlement of the question with the United States' Government amicably, and, if possible, upon fair and reasonable terms.

I may add that I dined the same evening with Mr. Brown, where I met Mr. Mackenzie, the Prime Minister, but nothing passed on that occasion, which it is necessary for me to report, except that Mr. Mackenzie was very friendly in his manner, and expressed a wish to hear from me on my arrival at Washington.

I beg further to inform your Lordship that I left Toronto about mid-day of Friday, the 21st instant, and arrived at Niagara the same evening. On the following evening we again left, and arrived at New York about mid-day the 23rd. On the same afternoon I called on Mr. W. M. Evarts, the gentleman of whom I spoke in my despatch No. 11 of the 9th October, but I was cautious not to enter into any discussion of the Fisheries' Question with him; all that passed on that subject was, that he said that his relation, Mr. Foster, the United States' Agent, expected that the Commission would not meet at Halifax until the beginning of next summer; but to which I made no reply, not having as yet received any instructions from your Lordship on the subject.

This morning I called upon Mr. Archibald, the Consul-General, and had a good deal of conversation with him on the subject of the fisheries; and, to-morrow being mail-day, he has appointed to see me again on Wednesday morning for the purpose of further discussing the question. I shall hope in my next despatch to report to your Lordship the

result of my communications with him, as well as with Mr. Murray, the Consul at Portland, who is, I understand, at the present time in New York.

I have only to add, in conclusion, that immediately upon my arrival at New York, I telegraphed to Sir Edward Thornton to inform him of my arrival, and I have since written to him to say that I propose to stay here for some days collecting information, &c., but that I hold myself entirely at his Excellency's disposition, and that should he desire to see me, I would at once proceed to Washington for that purpose.

I have, &c.
(Signed) H. C. ROTHERY.

No. 88.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, December 11, 1873.

I AM directed by Lord Granville to transmit to you, for the perusal of the Earl of Kimberley, three despatches from Mr. Rothery, reporting his proceedings at Toronto, and forwarding documents received from the Canadian Government.

I am to request that in laying these despatches before his Lordship, you will call his attention to Mr. Blake's suggestion, reported in Mr. Rothery's despatch No. 16, as to computing a gross sum for compensation on the basis of an annual payment.

I am to request that these despatches may be returned to the Foreign Office at your earliest convenience.

I am, &c.
(Signed) TENTERDEN.

No. 89.

Mr. Rothery to Earl Granville.—(Received December 16.)

(No. 19.)

My Lord,

Brevoort House, New York, December 2, 1873.

IN my despatch No. 18 of the 24th ultimo, I informed your Lordship of my arrival at New York, and that it was my intention to see Mr. Archibald, the Consul-General, and Mr. Murray, Her Britannic Majesty's Consul for Portland, who happens to be at New York, and obtain from those gentlemen all the information which it was in their power to afford me on the subject of the Fisheries. Since then I have seen both these gentlemen several times, and I now inclose copies of communications which I received from them late yesterday evening. I do not send a copy of the inclosure to Mr. Murray's letter, as it appears to have been sent in March last to Sir Edward Thornton, and I do not doubt that a copy has been already forwarded by his Excellency to your Lordship; but should I on my arrival at Washington find that this has not been done, I shall lose no time in sending you a copy, as it contains much very interesting information.

In speaking with Mr. Archibald and Mr. Murray on the subject, I thought it very advisable that they should both be placed in full possession of the case, and I accordingly told them of all that I had done since I left England, and of the present position of the question so far as I was able to do so.

I first stated to them that the claim as originally put forward by the Dominion Government for the use of the Fisheries for twelve years was for no less a sum than 60,000,000 dollars, a fact of which they were not previously aware. I then informed them of the various discussions which I had had with the past and present Dominion Ministers, as detailed in my previous despatches to your Lordship. I told them of the readiness of the former Ministers to accept payment, if it could be obtained, of 200,000 dollars a-year in full satisfaction of their claim for the use of the fisheries, and of the present Ministry to withdraw what they called that "abominable and dishonest" claim, and to substitute a more moderate one in its place. I explained both to Mr. Archibald and to Mr. Murray the difficulties of the Bay or Headland Question, as well as the inconveniences that might result at the Arbitration in case the United States' Government should contend that under the words of the Treaty the Commissioners must be unanimous.

in their award; and I stated that I had come to the conclusion that, if possible, the matter should be amicably arranged with the United States' Government, without the intervention of the Commission, and that both the past and the present Dominion Ministries had concurred in that opinion.

I then proceeded to inform them of the mode in which it appeared to me that the matter might perhaps be brought before the United States' Government, if your Lordship approved of that course being adopted. I stated that I should propose in the first place to call their attention to the difficulties of the Headland Question, and to the fact that they had not as yet entered into any arrangement with Her Majesty's Government for the purpose of defining what bays were to be regarded as containing only territorial waters. I should call their attention to the old law on the subject, to the principles laid down by the United States' Government itself in the famous case of the "Grange," and to the correspondence that had passed between the two Governments on the subject notably in the years 1845 and 1851-3; and I should then ask them whether it was the wish of the United States' Government to come to an agreement as to what were to be considered territorial bays, and what not; and that if they were not willing to enter into any such arrangement the old law on the subject must be held to prevail rather than the more modern doctrine, to which some of the European States had assented, and which limited territorial bays to those the entrance to which did not exceed ten miles.

I should then observe that the right to fish in United States' waters was of no practical value to the British fishermen, whereas the right to fish in British waters must be regarded as a great boon to United States' citizens. That during the existence of the Reciprocity Treaty British fishermen never went to United States' waters, whereas United States' fishermen flocked in great numbers to British waters; and that if United States' waters had been anything like of the same value as British waters for the purposes of fishing, United States' fishermen would never have gone to such a distance to exercise their calling: I should state, moreover, that it was an admitted fact that the Fisheries on the coasts of the United States were now almost exhausted, owing, amongst other causes, to the neglect of the in-shore and spawning-grounds for the fish, and that this had been admitted in a Report made by Mr. Baird, the United States' Inspector of Fish and Fisheries, so late as November, 1872. That, under these circumstances, whilst it was impossible to say that admission to United States' waters was any boon to British fishermen, admission to British waters must be admitted to be an immense boon to United States' fishermen, and had always been so regarded by them.

I should then say that the admission of fish and fish-oil into the United States duty free, whilst on the one hand it was a boon to the British fishermen, was equally a boon to the United States' citizens; that it was difficult to say to whom the benefit was the greater, to the producer or the consumer; and that under these circumstances it would be impossible to regard this any set-off to the admission of United States' fishermen to British waters.

There remains then the privilege, which has been accorded to United States' fishermen, of catching fish in our waters, a privilege the value of which it is extremely difficult to estimate, and upon which all the arguments in the world could not throw much light: and the question for their consideration would be whether they would not be disposed to name some sum, which we should be willing to accept in return for the privileges which had been accorded to them, such sum to be computed on the principle of an annual payment, but to be capitalized for the first twelve years, and to be paid in a lump sum in accordance with the terms of the Treaty.

Such it appeared to me was the way in which the case might be most fairly and most properly brought before the United States' Government; it is the way in which, with your Lordship's approval, I should propose to put it.

After a full discussion of the whole question at more than one interview, Mr. Archibald, who had at first expressed an opinion that the Americans would never consent to pay anything, came to a conclusion that, on a review of all the facts, it would in his opinion be desirable to endeavour to effect an amicable solution of the question in the mode which I had proposed; he further stated that he thought that possibly the United States would be willing to consent to such an arrangement with a view to avoid all the difficult questions with which the subject was surrounded; but that, whether they did or not, no stone should be left unturned to bring about, if possible, so desirable an end. Mr. Murray also expressed the same views.

Under these circumstances I have no hesitation in strongly recommending to your Lordship that an effort ought at any rate to be made to bring about an amicable settlement of this question with the United States' Government, and thus avoid all the many difficulties which I foresee are likely to arise before even the Commission can be constituted. And I do very urgently press upon your Lordship the desirability of empowering

Sir Edward Thornton and myself to endeavour to bring about such an arrangement. I do not indeed say that we shall be successful, but I have already succeeded in inducing the late Dominion Government to reduce the claim of 60,000,000 dollars for twelve years down to the comparatively moderate sum of 200,000 dollars a year; I have also induced both the Dominion Governments to consent to a settlement of the question on amicable terms, and without the intervention of a Commission; and I do not at all despair of the same success with the United States' Government, for I find that there is at present a very friendly feeling entertained towards Great Britain by all classes in this country: it is to be seen from the tone of the newspapers, and indeed from every person with whom I have come in contact.

I am well aware that it will require very delicate handling, but nothing, it appears to me, is more likely to contribute to a successful issue than friendly intercourse with those with whom the decision will probably rest; and with that view I have endeavoured, during the time I have been here, to cultivate the acquaintance of those whose opinion is likely to have weight in the matter. I have seen a good deal of Mr. W. M. Evarts since I have been here, but I have, of course, not discussed in any way with him the subject of the Fisheries, not having had your Lordship's authority to that effect, nor do I think it would be desirable to do so before I have seen and discussed the whole subject at length with Sir Edward Thornton. Mr. Evarts, however, has introduced me to Senator Sumner, to Chief Justice Daly, Judge Pierrepont, Judge Noah Davis, and to most of the leading lawyers of the place. Through other friends also I have become acquainted with some of the most influential persons here, who may possibly be of some use in carrying out the object, which I have in view.

I have only to add in conclusion that, since my last despatch to your Lordship, I have received a letter from Sir Edward Thornton, in which he informs me that there was no necessity for my hurrying up to Washington, as no progress had been made towards the appointment of a third Commissioner, and even if he was appointed at once, the Commission could hardly meet before next Spring. Under these circumstances I have thought it better to remain here, as Washington was likely to be much crowded at the opening of Congress, but I propose to leave for that place towards the end of this week; and I shall there await your Lordship's further directions, before taking a definite step in the matter.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 89.

Consul-General Archibald to Mr. Rothery.

Sir, New York, November 23, 1873.
IN compliance with the instructions of Her Majesty's Secretary of State for Foreign Affairs, I have the honour to transmit to you, herewith inclosed, a Report upon the United States' in-shore fisheries within my Consular District.

I have, &c.
(Signed) E. M. ARCHIBALD.

Inclosure 2 in No. 89.

Report by Mr. Archibald on United States' In-shore Fisheries within New York District.

IN compliance with the instructions contained in Earl Granville's despatch of the 6th of September to prepare a careful Report upon the United States' in-shore fisheries comprised within this Consular district, for communication to Mr. Rothery, the Agent of Her Majesty's Government to attend the joint Fishery Commission which, under Article XXIII of the Treaty of Washington of May 1871, will shortly meet at Halifax, I have used every effort to procure such statistical and other information as would render useful a Report upon this subject. For this purpose I visited the Secretary of State's Office at Albany, and have made application in writing to the respective State Governments of New Jersey, Rhode Island, Connecticut, and Delaware; and I am informed, in reply, that no Reports or statistics whatever of these fisheries, or of their

produce, are made to, or preserved by, the State Governments above mentioned. There are laws and regulations in all of these States for the culture and preservation of the river fisheries, but none in relation to the in-shore or salt-water fisheries. From private sources, however, I have gathered such information as I am now enabled to communicate. But it is impossible to furnish with even proximate accuracy, an estimate of the quantity and value of the several descriptions of fish taken along the coasts of this district.

Excluding the shad and oyster fisheries, upon which I understand I am not required to report, the species of fish which frequent the shores of this and the neighbouring States consist principally of bass, cod, haddock, halibut, and blue fish; and, in smaller and irregular quantities, whitefish, flounders, mackerel, sheepshead, &c. These fish are taken and brought into the New York City and other markets for sale fresh. A very small and inconsiderable quantity is salted or pickled, and none is exported to foreign countries.

In regard to the proportion in which fresh fish is supplied to the Fulton, the chief fish-market of this city, I learn from one of the principal dealers that sea bass constitutes about 25 per cent., cod, 25 per cent., halibut 20 per cent., blue-fish 15 per cent., and haddock, white-fish, flounders, mackerel, &c., together, 15 per cent.

The gross value, annually, of the above descriptions of fish taken on the shores of the five States comprised in this Consular district is variously estimated at from 1,500,000 dollars to 2,500,000 dollars; but, as I have remarked, there is no means of testing the accuracy of this estimate, except by personal inquiry of the fishermen and dealers themselves in the different localities.

The above estimate is exclusive of the value of fish such as the menhaden—taken for the manufacture of oil. This fishery is represented to be of the annual value of from 300,000 dollars to 500,000 dollars. This species of fish (menhaden) as well as the refuse of it, is also used extensively for manure.

Of the fisheries of the five States embraced in this Consular district, those of New Jersey are the most valuable. Next in importance are those of New York State and the shores of Long Island.

As furnishing some information in regard to the value of the fisheries in question, I subjoin an extract (A) of the census of 1870, under this head, which is the only official statistic on this subject. From this abstract it appears that the total value of the fisheries of the five States therein named, deducting the value of oil manufactured and oysters taken is 872,574 dollars, in which sum is included, of course, the value of the shad and river fisheries. The return, though official, is, I fear, an incorrect or rather an incomplete one, as the actual value of the in-shore fishery must be greater than the sum above stated. The abstract (B) also gives the number of establishments, capital, hands employed, &c., in the fisheries of the respective States.

I subjoin also a Statement (C.) of the average current prices in the markets of this city, of the various kinds of fish sold therein.

It will be seen from the foregoing statements that no fish whatever is taken from the in-shore waters of this district for foreign commerce. None are dried and cured on the neighbouring shores, nor is there a probability that under any circumstances this branch of industry will ever be carried on within this Consular district. The quantity of cod-fish taken is indeed hardly sufficient to supply the demands of the fresh fish-markets of New York and Philadelphia.

The privileges granted under the recent Treaty of Washington to British fishermen to participate in these fisheries, furnish them in effect with no advantages of which they could not as freely have availed themselves prior to the Treaty. Any foreigner who might have chosen to domesticate himself on these shores, and to carry on from hence the business of supplying the markets with fresh, or even pickled, fish was, and is, free so to employ himself. For this purpose local residence is indispensable.

(Signed) E. M. ARCHIBALD.

New York, November 23, 1873.

Inclosure 3 in No. 89.

Consul Murray to Mr. Rothery.

Sir,

British Consulate, Portland, November 28, 1873.

I HAVE the honour to transmit to you herewith a copy of my replies to six queries of the Canada Privy Council on Articles of the Treaty of May 8, 1871, which were addressed by the Government of the Dominion of Canada to Sir E. Thornton, Her Majesty's Minister at Washington, who applied to me for any information I might be able to give him in reply. I regretted very much at the time, that, with all my best endeavours, I could obtain no information of real importance from the local authorities of my district, there being no system of statistics published or attainable that would give me more than a very limited view of the question. The remarks of Mr. Dana, ex-President of the Portland Board of Trade, and connected with the fishing business for many years, are valuable, as proving that the value of the fisheries depends less upon the supply than on the demand from foreign countries, and that he is in favour of Free Trade, as being fitting both countries.

Mr. Winslow Jones' remarks are interesting upon the subject of the salmon fisheries, and showing what a successful rivalry the Canning business, a most important business in this country, meets with from the Oregon fisheries, and how seriously it affects the business on the Atlantic.

For a subject of this nature the local authorities and the general commerce of my district appear to take very little interest, and merely think they will have fish somewhat cheaper, and that a better understanding will be come to between the fishermen of the two countries for their mutual interests. There can be little doubt, however, that the freedom of fishing in British waters must be a great boon to the fishermen of the United States.

I have been naturally very anxious to obtain the opinion of the various British fishermen who frequent my port, upon this freedom granted to the fishermen of the States, and to my surprise, I find in every instance that they not only make no objection but are rather in favour of it; one reason being, that they could more readily dispose of their own cargo to them. As to indemnity, they did not seem to understand the question, and merely said that the fishing provinces would not gain much by it, as they supposed the Dominion Government would keep it all. My impression is, from my personal inquiries, that the fishermen do not anticipate any ill results from their fisheries being thrown open, and yet, from my limited means of information, I would not venture to say that this is the general opinion. I should presume, however, that the Dominion Government will have obtained from more reliable sources every necessary information on the subject.

My colleagues at Boston and New York have acquainted me how very difficult it has been for them to obtain any reliable information upon this subject; but I should also presume that this Government has not been idle in their endeavours to meet any claim put forward by the Dominion Government.

There is another observation I would venture to make, which may possibly have a greater significance than would appear at first, namely, that, although there has been a very marked increase of shipbuilding for general commerce within my district this year, yet I have not discovered that this increase includes vessels building for the fishing trade. Should this prove to be true, not only in my own district but in that of Massachusetts, it must tend to benefit our fishermen.

During the interval which must elapse before I have the pleasure of seeing you at Portland I shall still keep up my inquiries upon this subject, which I shall duly communicate to you, and also hope to introduce you to several persons whose opinions may be valuable and interesting to you.

I have, &c.
(Signed) H. J. MURRAY.

No. 90.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, December 19, 1873.

I AM directed by Earl Granville to transmit to you a despatch from Mr. Rothery, respecting his proceedings at New York, and forwarding copies of Reports on the Fisheries Question by Her Majesty's Consul-General at New York, and Her Majesty's Consul at Portland.

Mr. Rothery asks to be authorized to endeavour to bring about an amicable settlement of the question, and I am to request that you will inform Lord Kimberley, that with his concurrence, Lord Granville proposes to telegraph to Mr. Rothery that Her Majesty's Government can give no opinion on this plan until they hear that of Sir E. Thornton.

I am, &c.
(Signed) TENTERDEN.

No. 91.

Mr. Holland to Lord Tenterden.—(Received December 20.)

Sir,

Downing Street, December 19, 1873.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 11th instant, inclosing three despatches from Mr. Rothery on the subject of the Fisheries question.

Lord Kimberley is inclined to think that it necessary to adopt the mode of computation suggested by Mr. Blake. It is, however, to be observed that the payment of a gross sum on the basis of an annual payment seems to imply that, at the end of the twelve years, the question will be again raised, whereas, if it were possible to induce the United States' Government to adopt the plan of an annual payment, no further question could be raised as to compensation to Canada so long as the Treaty remained in force.

Lord Granville will, doubtless, also consider whether any settlement without reference to the Commissioners can be effected without an additional Treaty.

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

No. 92.

Mr. Rothery to Earl Granville.—(Received December 21.)

(No. 20.)

My Lord,

Brevoort House, New York, December 9, 1873.

WITH reference to my despatch No. 19 of the 2nd instant, I have now the honour to inclose copy of a letter, which I addressed on that day to Mr. Archibald, Her Britannic Majesty's Consul-General at New York, and of his reply thereto.

Your Lordship will perceive from Mr. Archibald's very interesting and important letter that, whilst he is of opinion "that the admission of fish and fish-oil into the United States is a great boon to the British fishermen," he does not consider that the permission accorded to United States' fishermen to fish in British waters is likely to affect British interests so seriously as had been contended by our fishermen.

The Report to which Mr. Archibald refers, and of which he has given me a copy, is one made by him so long since as the 24th of December, 1849, when he was Attorney-General of Newfoundland. It contains his views on the reciprocal advantages of a Free Trade policy to the inhabitants of both countries. I do not forward a copy of it, as it is very long, is in print, and it is not unlikely that a copy thereof may have been already forwarded to the Home authorities. If, however, upon my arrival at Washington I should find, after consultation with Sir Edward Thornton, that it would be expedient to forward a copy thereof to your Lordship, I will lose no time in doing so.

There is, however, a passage, in Mr. Archibald's letter, to which I would call your attention, and which appears to me to be very important. He states that the reciprocal "admission into the United States and the British Provinces, free of duty, of the articles specified in the Treaty of 1854, and the consequent advantage to the commerce of the

Provinces, was, and continues to be regarded in the Dominion and especially in the Maritime Provinces, as the proper measure of the compensation which we are entitled to claim." And he then observes that, "as the Provincial authorities have always maintained that the United States derived corresponding advantages from Reciprocal Free Trade under the Treaty, the argument on which its value to us should be taken as the measure of compensation, fails." In other words, if the advantages of a Reciprocal Free Trade would be equally great to the United States as to us, it is difficult to see how Canada can claim from the United States compensation for the use of the in-shore fisheries, when she would have been quite ready to surrender those fisheries in return for a Free Trade policy.

Your Lordship will also see from Mr. Archibald's letter that the system of granting bounties to United States' fishermen has ceased, and that in his opinion it is not likely to be renewed. And the result at which he arrives is that, "under all the circumstances of the case, he should regard any additional compensation as so much gain."

Your Lordship will however observe that Mr. Archibald, whilst he admits that an amicable arrangement in regard to the amount of compensation to be paid by the United States would be desirable, still entertains some doubt whether it will be practicable, owing to the terms of the Treaty, and to the probable unwillingness of the United States' Government to assume any responsibility in the matter. I confess, however, that the communications, which I have had with different persons both here and in Canada, lead me to think that an amicable adjustment of the matter is not so utterly hopeless as might at first sight appear.

I inclose also copy of a letter, which I addressed on the 2nd instant to Mr. Murray, the Consul at Portland, but to which I have not as yet had any reply.

I have only to say in conclusion that I have arranged to leave for Washington on Wednesday morning next, and that I trust in my next despatch to inform your Lordship of the result of my communications with Sir Edward Thornton.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 92.

Mr. Rothery to Consul-General Archibald.

Sir,

New York, December 2, 1873.

I BEG to acknowledge the receipt of your letter dated the 23rd ultimo, but which I only received yesterday evening, forwarding to me a Report, accompanied by certain statistics upon the in-shore fisheries within your Consular district, and I have to return you my best thanks for the information which you have been good enough to afford me on the subject.

I have carefully perused these documents, and from them and from the communications which I had the honour to have with you since my arrival at New York, I understand your opinion to be that no reliable information either has been or can be obtained within your Consular District as to the quantity of fish which is likely to be brought to this country either by United States or by British vessels; nor as to the relative proportion of the fish which are caught within as compared with those caught beyond British territorial waters. I understand it also to be your opinion, so far as you have been able to form one, that the admission of fish and fish-oil into the United States free of duty is a great boon to the British fishermen, whereas the admission of United States' fishermen to fish in British waters is not likely seriously to affect British interest; and that, consequently, any compensation which we may obtain in return for the admission of United States citizens to British waters must be regarded as so much gain. Under these circumstances, and looking at all the facts of the case, I think that you concur with me in opinion that it would be very desirable to arrange with the United States Government the amount of compensation to be paid by them, if possible, by amicable arrangement, and without the intervention of a Commission, and that no time should be lost in bring about such an arrangement, as it seems not unlikely that the Treaty will be found year by year to be more and more advantageous to the British fishermen.

Trusting that I have correctly represented your views, I have, &c.

(Signed) H. C. ROTHERY.

Inclosure 2 in No. 92.

Consul-General Archibald to Mr. Rothery.

Sir,

New York, December 3, 1873.

I HAVE the honour to acknowledge the receipt of your letter of yesterday's date, and, in reply, I beg to say that you have rightly assumed my opinion to be that, the admission of fish and fish-oil into the United States, free of duty, is a great boon to the British fishermen, and that I do not regard the admission of United States' fishermen to fish in British waters, especially considering the difficulties which have been experienced in the protection of our fisheries from encroachment as affecting British interests so seriously as has been contended by our fishermen. My views on this subject were expressed in a Report made by me so long ago as the year 1849, a copy of which Report I have handed to you. The question of the additional compensation due to us for the privileges conceded to the citizens of the United States is affected, in no small degree, by the fact that, under the Treaty of 1854, the reciprocal admission into the United States and British Provinces, free of duty, of the articles specified in the Treaty, and the consequent advantage to the commerce of the Provinces, was, and continues to be, regarded in the Dominion, and specially in the maritime Provinces, as the proper measure of the value of the compensation which we are entitled to claim. But as the provincial authorities have always maintained that the United States derived corresponding advantages from reciprocal free trade under the Treaty, the argument on which its value to us should be taken as the measure of compensation fails.

Since the abrogation of the Reciprocity Treaty, the bounties heretofore granted by the United States' Government to their fishermen have ceased, and are not likely to be renewed. This is, to some extent, an advantage to our fishermen, which should be taken into account. The estimates, consequently, of the money compensation which should be made to us under the late Treaty of Washington will be, simply, speculative; and, although I think that a liberal sum should be awarded, since the Americans have so eagerly sought the privileges conceded to them, for which the admission to their fisheries is but a very trifling offset, yet, considering the free admission to the United States' market, I must admit that, under all the circumstances of the case, I should regard any additional money compensation as so much gain.

In reference to the expediency of an arrangement with the United States' Government of the amount of compensation to be paid by them, without the intervention of a Commission, I should hardly venture to offer an opinion. Any such arrangement, if practicable, is doubtless desirable. The terms of the Treaty, however, seem to render a Commission indispensable to assume a responsibility in this respect, from which they are entirely relieved by the Treaty.

I have, &c.
(Signed) E. M. ARCHIBALD.

 Inclosure 3 in No. 92.
Mr. Rothery to Consul Murray.

Sir,

New York, December 2, 1873.

I beg to acknowledge the receipt of your letter, dated the 28th ultimo, but which I only received yesterday evening, forwarding to me a copy of your replies to six questions which had been submitted by the Canadian Privy Council in the matter of the British North American Fisheries.

The document, which was inclosed in your letter, appears to have been sent by you in original to Sir E. Thornton, and was by his Excellency forwarded to the Dominion Government, by whom I had already been furnished with a copy. It contains a great deal of very useful and interesting information.

Permit me further to observe that I gather from your letter and from the communications with which I have had the honour to have with you, that no reliable information can be obtained from the local authorities in your Consular district as to the value of the fisheries or as to the quantity of fish likely, under the provisions of the Treaty, to be caught by United States' fishermen within British territorial waters.

2. That, although the permission to fish in British waters must be regarded as a great boon to United States' fishermen, the British fishermen do not anticipate any ill results from the fisheries being thrown open, or regard with jealousy the admission of United States' fishermen to our waters. And,

3. That, whilst there has been recently a very marked increase in the number of ships built for commercial purposes within your district, this increase does not apply to vessels for the fishing trade, from which I apprehend you would infer that British fishermen are likely to derive more advantage from the Treaty than the United States' fishermen are.

Under these circumstances, and looking at all the facts of the case, I understand you to be of opinion that it would be very desirable to settle with the United States the amount of compensation to be paid, if possible by amicable arrangement, rather than through the medium of a Commission, and that no time should be lost in endeavouring to effect that object.

Trusting that I have correctly represented your views, I am, &c.

(Signed) H. C. ROTHERY.

No. 93.

Sir E. Thornton to Earl Granville.—(Received December 21.)

(No. 489.)

My Lord,

Washington, December 8, 1873.

I HAD the honour to receive your Lordship's telegram of the 29th ultimo, containing the opinion of the Law Officers of the Crown relative to Mr. Fish's interpretation of the Treaty of May 8, 1871, to the effect that the two Governments could still agree upon and appoint a third Commissioner for the Fisheries Commission, which is to meet at Halifax.

Although your Lordship did not instruct me to address a further communication to Mr. Fish upon the subject, and although I had already complied with the instruction contained in your Lordship's telegram of the 11th of October last, I cannot doubt that you intended me to make a renewed representation to him upon the subject in reply to his note of the 25th of October last.

I, therefore, thought it expedient to address to him, on the 2nd instant, the note, of which I have the honour to inclose a copy, and in which I conveyed to him the substance of your Lordship's telegrams of the 11th of October and of the 29th ultimo.

I have as yet received no answer to this note.

I have, &c.

(Signed) EDWD. THORNTON.

Inclosure in No. 93.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, December 2, 1873.

I HAVE the honour to inform you that I transmitted to Earl Granville a copy of your note of the 25th of October last, in which you stated that for the reasons mentioned therein you still entertained the hope that an effort might be made by Her Majesty's Government to agree with that of the United States' upon a third Commissioner for the Fisheries Commission in the spirit of the Treaty of Washington and by the concurrent appointment of the two Governments.

In reply, I have been instructed by Earl Granville to assure you that if it had been possible Her Majesty's Government would have been glad to have met the views of the Government of the United States in this matter; but that, after consultation with the proper Law Officers of the Crown, it is of opinion that the terms of the XXIIIrd Article of the Treaty of Washington are distinct and peremptory, and that the appointment of the third Commissioner now devolves upon the Austrian Ambassador in London. Her Majesty's Government, concurring with the Law Officers, does not think that the interpretation of the Treaty, given in your note above-mentioned, can be maintained, nor does it understand how a third Commissioner can be appointed conjointly by the two Governments without a new Treaty, the Article being explicit as to his appointment being left to the Austrian Representative in London, if not made within a certain date.

Her Majesty's Government, therefore, considers that the Government of the Dominion of Canada might complain if the nomination were not made as provided for by the Treaty; and that if the Arbitrator were to give a decision unfavourable to Canada, great discontent might arise in consequence in the Colony.

Earl Granville has, therefore, desired me to express the hope of Her Majesty's Government that you will see the expediency of agreeing to an identic note to be addressed to the Austrian Government by the Representatives of the United States and of Great Britain at Vienna, requesting that the Austrian Ambassador in London may be authorized to proceed with the nomination of the third Commissioner.

I have, &c.
(Signed) EDWD. THORNTON.

No. 94.

Mr. Herbert to Lord Tenterden.—(Received December 22.)

My Lord,

Downing Street, December 22, 1873.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 19th instant, and to request that you will inform Earl Granville that his Lordship concurs in the telegram which he proposes to address to Mr. Rothery in reference to the Fisheries question.

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

No. 95.

Earl Granville to Mr. Rothery.

(Telegraphic.)

Foreign Office, December 22, 1873, 6·20 P.M.

HER Majesty's Government cannot express any opinion on plan for settlement of Fisheries question proposed in your despatch No. 19 of 2nd of December, until they have learnt Sir E. Thornton's opinion of it.

No. 96.

Mr. Rothery to Earl Granville.—(Received December 23, night.)

(Telegraphic.)

Washington, December 23, 1873.

I HAVE received your telegram of yesterday. Full reports go to-day from Sir E. Thornton and myself. Our opinions entirely concur.

No. 97.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, December 24, 1873.

WITH reference to your letter of the 22nd instant I am directed by Lord Granville to transmit to you, to be laid before Lord Kimberley, a copy of a telegram which has been received from Mr. Rothery respecting his proposal for the settlement of the Fisheries question.

I am, &c.
(Signed) TENTERDEN.

No. 98.

Earl Granville to Sir E. Thornton.

(No. 356.)

Sir, *Foreign Office, December 26, 1873.*

I APPROVE the note, of which a copy is inclosed in your despatch No. 489 of the 8th instant, which you addressed to Mr. Fish on the subject of the appointment of a third Fisheries Commissioner.

I am, &c.
(Signed) GRANVILLE.

No. 99.

*Mr. Holland to Lord Tenterden:—(Received December 29.)*My Lord, *Downing Street, December 29, 1873.*

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 24th instant, inclosing a copy of a telegram received from Mr. Rothery.

Lord Kimberley desires me to suggest, for the consideration of Earl Granville, that it may be desirable to instruct Sir Edward Thornton and Mr. Rothery by cypher telegram to send copies of the Reports to which Mr. Rothery refers direct to the Governor-General of Canada.

If Lord Granville concurs, Lord Kimberley will telegraph to Lord Dufferin that he may expect these documents, and will desire him to communicate to Her Majesty's Government his views and those of his Ministers upon them.

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

No. 100.

*Lord Tenterden to Mr. Holland.*Sir, *Foreign Office, December 29, 1873.*

I AM directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a copy of a despatch from Her Majesty's Minister at Washington respecting the appointment of a third Commissioner for the Fisheries Commission.

I am to add that the step taken by Sir E. Thornton in addressing a note to Mr. Fish on the subject has been approved.

I am, &c.
(Signed) TENTERDEN.

No. 101.

*Lord Tenterden to Mr. Holland.*Sir, *Foreign Office, December 29, 1873.*

I AM directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a despatch from Mr. Rothery reporting communications he has held with Her Majesty's Consuls at New York and Portland on the Fisheries question.

I am, &c.
(Signed) TENTERDEN.

No. 102.

Mr. Rothery to Earl Granville.—(Received December 30.)

(No. 23.)

My Lord, *Washington, December 16, 1873.*

IN accordance with the intention expressed in my despatch No. 20 of the 9th instant, I left New York early on the morning of Wednesday, the 10th, and arrived at Washington the same day. Immediately upon my arrival I received a letter from Sir

E. Thornton, saying that he would be happy to see me, and I accordingly called upon him on the same evening at about half-past 8 o'clock.

In the conversation which I then had with him the question of the Fisheries was, of course, discussed, and more especially the practicability and expediency of settling it by an amicable arrangement with the United States' Government, and, if possible, without the necessity of summoning the Commission to meet at Halifax. On this point, however, Sir Edward expressed himself as being very strongly of opinion that no good could be done. He stated that, although there would be no difficulty in obtaining payment of any sum that might be awarded by the Commissioners, he thought that the United States' Government would never consent to pay voluntarily any amount, however moderate, without it, for that they had always maintained that nothing whatever was due. He further observed that, in his opinion, any attempt to open negotiations on the subject would be attended with some danger, and might be turned against us, and that he should certainly not like to undertake it without your Lordship's express directions.

In reply I ventured to express a hope that he would not pronounce a final decision until he was in full possession of all the facts of the case; that, not knowing how far the Post-office could be trusted, I had not informed him of what I had been doing in Canada, but that it was my intention, in accordance with what I believed to be your Lordship's wishes, to lay before him the whole of the correspondence which had passed, and from which I thought he would be able to learn the exact position of the question. I stated that he would find that all the difficulties of the case were not on the side of Great Britain, but that there were reasons which, in my opinion, might lead the United States' Government to desire a settlement of the question without the intervention of a Commission. I stated that there was the Bay or Headlands Question, which the United States' Government would probably be as unwilling as the Dominion Government is to have settled even indirectly by the Halifax Commission; that there was also the difficulty of finding a third Commissioner, who should be both competent and impartial; and that there was also the question of the great expense which must necessarily be incurred by the United States' Government if the case went before the Commission. I stated that all these circumstances led me to think that possibly the United States' Government might see that it was to their interest to settle the question by a friendly arrangement; and that I was the more inclined to hope for a successful result from the fact that the Dominion Government had consented to reduce their claim from 60,000,000 dollars for the use of the Fisheries for twelve years to a payment at the rate of 200,000 dollars per annum.

In reply, Sir Edward observed that he did not think much of that; that he was under the impression that at the time of the Washington negotiations 200,000 dollars was considered to be the outside limit of the Canadian claim; that he thought that the Canadians had obtained a fair equivalent for the use of the Fisheries in the admission of fish and fish-oil duty free; and that he had hoped I had come to say that they were prepared to cry quits.

I said that I did not think that the Canadians were prepared to go to that extent, but that they were quite willing to accept a moderate sum now if it could be amicably arranged.

In conclusion, Sir Edward stated that he would certainly look carefully into the question, with a view to report to your Lordship upon the arrangement which had been suggested for the settlement of the case; but that he did not think that he could do so in time for this mail. I promised to send him a copy of all the correspondence bearing upon the subject, and I have accordingly done so with the letters, copies of which are inclosed.

I may add that since that interview I have seen Sir Edward Thornton almost daily, and, although I cannot say that he is as yet prepared to advise the adoption of the course which I have suggested, I think that I can see some modification of his first impressions, for he has told me that there can be no doubt that the proposed arrangement would be a desirable one, if it could be effected, and that the fear of having a person who would be distasteful to the United States Government appointed as third Commissioner, would probably be an inducement to them to consent to an amicable arrangement of the case. By the next mail I trust that I shall be able to report to your Lordship more fully on the subject.

I beg further to report that, on the morning after my arrival, Sir Edward took me and introduced me to Mr. Fish, the Secretary of State, but nothing passed on that occasion in regard to the Fishery Question.

I called also on Mr. Bancroft Davis, to whom I had a letter of introduction; and, in the course of the conversation which I then had with him, Mr. Davis referred to the

object which had brought me to this country, and to the difficulties that had been experienced in finding a third Commissioner, and he stated that he presumed that, after I had talked the matter over with Mr. Fish and Sir Edward Thornton, he should have an opportunity of speaking further with me on the subject. I made no reply to these observations, and I am at some loss, as is also Sir Edward, to whom I have mentioned the circumstance, to know to what Mr. Davis referred, unless it be to the proposed appointment of a third Commissioner or Arbitrator, and to the difficulty of finding one who should be both competent and impartial. If this be so, it may perhaps present a favourable opportunity of opening the negotiations, should your Lordship be of opinion that that course is desirable.

I should add that, since my arrival at Washington, I have become acquainted with Professor Baird, the United States' Commissioner of Fish and Fisheries, and to whose Report of the 16th of November, 1872, I have had occasion more than once to refer.

Professor Baird is highly thought of for his scientific attainments, and for his great knowledge of the fishes of the North American Coasts, to the culture and preservation of which he has for some years past devoted a great deal of attention. I had a letter of introduction to him from Doctor Asa Gray, of Boston, and he has most kindly offered to give me all the information in his power respecting the fish on the east coast of America, an offer of which I shall not fail to avail myself.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 102.

Mr. Rothery to Sir E. Thornton.

Sir,

Wormley's Hotel, Washington, December 13, 1873.

IN a letter which I have received from Earl Granville, bearing date the 19th of November ultimo, and of which a copy will be found in the accompanying correspondence, his Lordship states that Her Majesty's Government can form no opinion upon the arrangement which I have suggested for the settlement of the Fisheries Question until they receive a Report upon it from you, with whom his Lordship presumes that I am in communication on the subject.

The plan which I have ventured to propose for the settlement of this question is, that it should, if possible, be arranged by agreement with the United States' Government, and without the expense and delay which must necessarily attend a meeting of the Commission at Halifax. And, to enable you to form an opinion on the course suggested, I beg to send you herewith a copy, as per inclosed list, of all the correspondence which has passed on the subject.

I may add, with reference to the concluding paragraph in Lord Granville's despatch, that I should have communicated this correspondence to you as it occurred, had I not felt that there was some danger in forwarding it through the ordinary Post Office, and I have therefore preferred to keep it until my arrival at Washington.

When you have had time to peruse the accompanying correspondence, I shall have much pleasure in attending you for the purpose of answering any questions which you may be pleased to put to me, and of discussing the expediency and practicability of the proposed course, which I may observe has already received the approval of the most influential members of the late and present Dominion Ministers.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 2 in No. 102.

List of Papers communicated to Sir E. Thornton, December 13, 1873.

Mr. Rothery's Despatches to Foreign Office.

No. 4, July 12, 1873; No. 9, September 23, 1873; No. 10, October 9, 1873; No. 12, October 30, 1873; No. 13, November 5, 1873; No. 14, November 6, 1873; No. 15, November 14, 1873; No. 16, November 19, 1873; No. 17, November 20, 1873; No. 18, November 24, 1873; No. 19, December 2, 1873; No. 20, December 9, 1873.

Despatched from Foreign Office.

No. 4, July 11, 1873; No. 5, July 11, 1873; No. 8, August 11, 1873; No. 10, August 11, 1873; No. 11, August 15, 1873; No. 13, September 3, 1873; No. 16, October 31, 1873; No. 17, November 19, 1873; No. 18, November 26, 1878; No. 19, November 27, 1873.

Domestic Received and Sent.

Consul-General Archibald, November 23, 1873; Mr. Rothery to Consul-General Archibald, December 2, 1873; Consul-General Archibald, December 3, 1873; Consul Murray, November 28, 1873; Mr. Rothery to Consul Murray, December 2, 1873.

Printed Documents (communicated to Mr. Rothery by Canadian Fisheries Department).

Mr. Fish to United States' Secretary of Treasury, May 12, 1873; Canadian Memoranda connected with pursuit of Fisheries by United States' citizens in British American waters.

Inclosure 3 in No. 102.

Mr. Rothery to Sir E. Thornton.

Sir, *Washington, December 15, 1873.*
 WITH reference to my note of the 13th instant, communicating copies of correspondence relating to the question of the Canadian Fisheries, I have now the honour to inclose, for your inspection, copies of two further documents, as detailed in the margin,* which have been forwarded to me by the Minister of Marine and Fisheries.
 I have, &c.
 (Signed) H. C. ROTHERY.

No. 103.

Earl Granville to Sir E. Thornton.

(Telegraphic.) *Foreign Office, December 30, 1873, 4.15 P.M.*
 SEND direct to Governor-General of Canada copies of the Reports by yourself and Mr. Rothery, alluded to in the latter's telegram of the 23rd instant.

No. 104.

Mr. Rothery to Earl Granville.—(Received January 4, 1874.)

(No. 25.)
 My Lord,

Washington, December 20, 1873.

IN my despatch No. 23 of the 16th instant, I stated that, with a view to enable Sir Edward Thornton to report, as suggested by your Lordship, on the proposed arrangement for the settlement of the Fisheries Question, I had furnished him with a copy of my correspondence with your Lordship, from which he would see what had been done since my arrival in Canada, and the position in which the case now stood. I stated also that Sir Edward had informed me that the question should have his best consideration, and that he would, as soon as possible, appoint a time to confer with me further on the subject, but that he feared it would not be before the departure of the mail on the 16th instant.

I have now the honour to inform your Lordship that on the following day, the 17th instant, I called at the Legation by appointment, and in a long interview that I then had with Sir Edward, we discussed the whole subject of the Fisheries, including the Bays or Headlands Question, the origin and extent of the ten-mile limit for bays, the expediency and practicability of a settlement of the case without a Commission, and all the other questions connected therewith. I have in my previous despatches to your Lordship so fully expressed my views on these points, and the grounds on which I think that such a settlement would be desirable, that it will not be necessary for me to repeat them here. It is only necessary to say that, after a full discussion of the whole subject, Sir Edward

* No. 89.

stated that he saw no objection to an attempt being made to ascertain whether the United States' Government would be prepared to entertain any such proposal for the settlement of the question, and that, as he was about to see Mr. Fish on the following day, he would take an opportunity of mentioning it to him, and that he thought that he could do so in connection with the proposal for the appointment of the third Commissioner. It is hardly necessary to observe that in these proposals I entirely concurred.

On the following day Sir Edward saw Mr. Fish, and he has since informed me of what passed between them on that occasion; but, as he has reported to your Lordship, in much better and clearer terms than I could possibly do, the purport of his conversation with Mr. Fish in a despatch, of which he has been kind enough to allow me to peruse the draft, it is only necessary to say that I entirely concur with Sir Edward, not only in the views which he has expressed on the subject, but also in the propriety of the course which he proposes to adopt.

I agree with Sir Edward in thinking that no harm can possibly result from making such a proposal, even if it were rejected; that it could not be regarded as a proof of the weakness of our case, but rather of a desire on our part to avail ourselves of a more expeditious, and, I will add, a more satisfactory, mode of settling the case than by a Commission, and to avoid the discussions of many questions which the United States' Government will probably desire, even more than ourselves, should not be revived.

I agree with Sir Edward in thinking that the proper ground to take is the difficulty of finding a fit person to act as third Commissioner, and the disinclination evinced by the United States' Government to the selection being left, in accordance with the terms of the Treaty, to the Austrian Representative in London.

I agree also that the payment should be in a gross sum rather than by an annual payment, and for the reasons which he states; although I think with him that the sum might be estimated on the basis of the annual value of the privileges conceded to United States' citizens, with a view to an amicable adjustment of the question at the termination of the period mentioned in the Treaty.

I am aware also that the proposed arrangement could only be effected by a new Treaty or Convention, which must receive the sanction of the Senate, and that possibly the question would have to come before the House of Representatives; and I therefore think that it is very important that care should be taken that, in the event of failure, we should be able to fall back again upon the Treaty of 1871.

I venture to add that no more favourable time for such an arrangement could be selected than the present, for, as I have before observed in one of my previous despatches, there appears to be a very friendly feeling towards Great Britain on the part not only of the Government, but of the people and the press of this country, which would greatly facilitate an amicable solution of the question.

Under these circumstances it appears to me (and Sir Edward concurs with me in that opinion), that I had better remain here until I shall receive your Lordship's further instructions. In the interval my time will not, I trust, be wasted, for I shall take the opportunity, which Professor Baird has offered me, of making myself thoroughly conversant with the natural history of the fishes on the North American coast, and of reading all the works on the subject. I shall also be able to complete my Paper on the subject of Maritime Jurisdiction, as well as the Memorandum which I had commenced whilst in England on the history of the case from the commencement, and which will probably be found to be useful in the settlement of the case, not at the present time only, but at any future time, should the question again arise.

I have, &c.
(Signed) H. C. ROTHERY.

No. 105.

Mr. Rothery to Earl Granville.—(Received January 4, 1874.)

(No. 26.)

My Lord,

Washington, December 22, 1873.

I HAVE the honour to inform your Lordship that, since my arrival at Washington, I have received from Sir Edward Thornton a printed copy of Mr. Cutt's Report, which is referred to in the letter of the 15th of November ultimo, from the Minister of Marine and Fisheries; a copy of which was inclosed in my despatch to your Lordship of the 20th of the same month. Mr. Cutt's Report purports to contain only an account of "the resources and extent of the fishing-ground of the North Pacific Ocean opened to the

United States by the Treaty of Alaska." But there is annexed to it a paper on the "commerce in the products of the sea, shewing the markets, their capacity, and sources of supply including the principal national Fisheries and their produce, the home consumption and balance of trade of forty-eight countries in 1865." This work appears to be full of very valuable matter, and I shall make a point of studying it with attention.

Sir Edward has also allowed me to peruse a private correspondence, which passed between himself and Lord Lisgar in the latter part of 1870, and from which it would seem that the sum of 200,000 dollars, mentioned in Lord Lisgar's letter of the 28th of October, 1870, to which I have so often before had occasion to refer as being the amount which, in the opinion of Lord Lisgar and Dr. Tupper, ought to be paid annually by the United States in return for the admission of its citizens to fish in British waters, was not a mere guess, but was based upon some calculations, more or less accurate of the probable value of the Fisheries. I mention this to show how unfounded would seem to be the claim of 60,000,000 dollars for the use of these Fisheries for twelve years, which has been put forward by the late Dominion Government, for it is hardly likely that Lord Lisgar would have engaged in this correspondence, even privately, without having consulted other members of his Ministry besides Dr. Tupper. If the United States' Government should be disposed to enter into an agreement for the settlement of the case, these papers may perhaps be found to be of use in facilitating an arrangement with the Canadian Government.

I may have occasion to revert to this correspondence hereafter.

I have, &c.
(Signed) H. C. ROTHERY.

No. 106.

Mr. Rothery to Earl Granville.—(Received January 4, 1874.)

(No. 27. Confidential.)

My Lord,

Washington, December 23, 1873.

I THINK it right that I should inform you of a conversation that I have had with Mr. Sumner, the Senator for Massachusetts, and which may possibly have some influence in the decision to which your Lordship will come, in regard to the proposal for a settlement of the Fisheries Question with the United States' Government which formed the subject of my despatch to your Lordship, No. 25 of the 20th instant.

I had become acquainted with Mr. Sumner during my stay at New York, and, knowing him to have still great influence in the Senate, I made it one of my first duties on my arrival at Washington to renew my acquaintance with him. On Thursday morning last, the 18th instant, I called at his house to have some conversation with him before he went down to the Senate. In the course of our interview he asked me how long I was likely to remain in Washington. I told him that it was very uncertain, that the Treaty of 1871 provided that, in the event of our not being able to agree upon a third Commissioner, the Austrian Representative in London was to name him, and that there was great difficulty in finding a proper person, and one who would be acceptable to both sides.

After some further conversation on the subject, I said that the only question to be decided was what compensation the United States' Government should pay to us for admitting their citizens to fish in our waters; that he, as a Boston man, must know that the admission of British subjects to United States' waters was of no practical value to them, whereas the admission to our waters was of great value to United States' fishermen; and that United States' vessels would never go as they do to the number of 1,200 to 1,500 annually, to fish at such a distance, unless our fisheries were much more valuable than those of the United States. I said that this was quite enough to show that something was due to us on a balance of advantages, and that the only question was how much.

I said, that we were at the present time on excellent terms with the United States, but that the discussion at Halifax could hardly take place without a reference at all events to the unpleasant circumstances which had occurred from time to time, in connection with these Fisheries; and that this would not be agreeable to us, although it might be inevitable.

I said, also, that practically the decision must rest with the third Commissioner; that he might take a view of the case very hostile to the United States' Government; and that, in the event of his making a large award against them, it would be a triumph

for us, which would be very dearly purchased, if it raised any of the bitter feelings which had formerly prevailed in respect to the "Alabama" claims.

I said, that the Commission could not be held except at great expense to both sides, and that I hardly thought that it would be satisfactory to either; and that it did appear to be a very great pity that we should not be able to settle the question without referring it to a Commission.

Mr. Sumner asked me what sum we required. I said, that I need hardly tell him that the Canadians had a great idea of the value of these fisheries; but, that if there was a prospect of an amicable solution of the question, it would be our object as well as our duty to bring the claim within moderate dimensions; but that I could hardly tell him at present what sum we should be prepared to claim.

He then said, "Would the renewal of the Reciprocity Treaty satisfy you?" I said that I could hardly say whether it would or not; that the idea was new to me; besides which, I presumed that it would not be possible to carry such a measure. That I had always understood that the duties had been imposed with a view to reducing the National Debt; I said that the attempt was a noble one, but that possibly it had been carried too far, and that lower duties might perhaps have produced a larger revenue. He replied, that he thought that one-half of the duties would have been enough; that I had no idea what the State lost by these enormous duties; that there was a growing feeling in favour of Free Trade; and, he added, "besides which, the Nova Scotian coal is popular in Boston."

I said, that I was glad to hear it, for that, in my opinion, the true interests both of Canada and of the United States lay in the direction of a wide and more liberal commercial intercourse between them. I then said to him, that the direct effect of their restrictive policy was to drive the trade of Ontario, which, under the Reciprocity Treaty, passed directly from Ontario into the United States, down to the maritime provinces; and that the result had been to increase greatly the trade of the latter. He said, that he was well aware of it; and going to his desk, and taking up a letter, he added, "To show you that we have been thinking about it, here is a letter from one of the leading merchants in Boston, and he writes to me that it will be the brightest day in my life when I shall move the revival of the Reciprocity Treaty."

After some further conversation on the subject, Mr. Sumner said, "But it must originate with the Administration." I replied, that I knew it must do so; but I knew also that, when the matter came before the Senate, his (Mr. Sumner's opinion), would necessarily carry great weight with it. He said, that of course the Administration would never think of bringing it forward without ascertaining what were the views of some of the leading Senators; that perhaps the first thing that they would say to themselves would be, "What does Sumner think of it?"

He then told me that it was he who had moved that notice should be given for the termination of the Reciprocity Treaty; that he had drawn the notice with his own hands. That his intention was not altogether to rescind the Treaty, but that he regarded it in the same light as a lease or agreement which was about to expire, and where the landlord and tenant were not on very friendly terms. He thought that the time had arrived when the relations between the two countries might be reviewed, and the question as to which side had the best of the bargain he considered. That that was his object in giving the notice, not to terminate the Treaty altogether.

He said, therefore, that, as it was on his motion that the Treaty had come to an end, it would be only right that he should assist to revive it.

After some further conversation on the subject, I asked Mr. Sumner if I might mention what he had said to Sir Edward Thornton. He said certainly; that he was on very intimate terms with Sir Edward, and that he should be ready to talk to him on the subject at any time. He added that, without absolutely pledging himself to say what he would do if the matter came before the Senate, he thought that the settlement of the Fishery Question lay in the direction of some relaxation of the Customs duties.

I thanked Mr. Sumner for his kindness and for the open way in which he had spoken to me on the subject; and, in accordance with his permission, communicated the purport of our conversation to Sir Edward Thornton. I have seen Mr. Sumner twice since, and he has only confirmed what he said on the first occasion.

Now I do not wish to exaggerate the importance of what Mr. Sumner may have said to me; I am aware that he is not on good terms with the President, nor with the present Administration. He was formerly, as your Lordship is aware, Chairman of the Committee on Foreign Relations, but, owing to disagreements with Mr. Fish, he lost that place. At the same time Mr. Sumner has great influence in the Senate and in the country; and, as

he said to me, "If they do not count upon my support, they, at any rate, fear my hostility."

It should also not be forgotten that Mr. Sumner, notwithstanding his hostility to the present Government, is a Republican; that the Republicans, as a general rule, especially those belonging to the eastern States, are opposed to any relaxation of the Tariff, whereas the Democrats are generally free traders. If, therefore, any large portion of the Republican party is disposed to advocate the adoption of a free trade policy, a renewal of the Reciprocity Treaty may perhaps not be impossible.

That such a solution of the question would be most favourably received in Canada admits, I think, of no doubt whatever. Your Lordship will see, on reference to my despatch No. 18 of the 24th ultimo, what is Mr. George Brown's opinion of the Treaty of 1871, and how earnestly he desired a renewal of the Reciprocity Treaty. Mr. George Brown is a gentleman who has great influence with the present Dominion Ministers, and, in advocating the renewal of the Treaty, he expresses the views, not of Ontario only, but of the maritime Provinces also; and your Lordship will also remember that it was a renewal of the Reciprocity Treaty that the Canadians desired above all things, when the Treaty of 1871 was being negotiated.

I have thought it right to communicate the above particulars to your Lordship: it is by Sir E. Thornton's advice that I do so: and it is now for your Lordship to say whether it will be advisable to submit to the United States' Government a proposal for the settlement of the question, and, if so, whether on the principle of a money payment, or of a renewal in whole or in part of the Reciprocity Treaty.

I have, &c.
(Signed) H. C. ROTHERY.

No. 107.

Sir E. Thornton to Earl Granville.—(Received January 4, 1874.)

(No. 514.)

My Lord,

Washington, December 22, 1873.

MR. ROTHERY, Her Majesty's Agent to the Fisheries Commission, who arrived here on the 10th instant, has been good enough to let me have copies of several despatches which he has addressed to your Lordship, in which he has suggested the expediency of arriving at some arrangement directly with the Government of the United States, and without recourse to the Commission, for the payment by that Government of a certain annual sum in compensation for the advantages granted to the United States' citizens by the XVIIIth Article of the Treaty of May 8, 1871.

I cannot doubt that some arrangement of that nature, if the United States' Government could be induced to agree to it, would be most desirable. The questions are whether there would be any danger in making such a proposal; whether Mr. Fish would entertain it at all; and whether, if he did so, an arrangement could be agreed upon with safety.

Your Lordship is well aware of all the disagreeable questions which would probably be raised before the Commission, the discussion of which it might be very desirable to avoid. Nor can I see that there would be any danger connected with an attempt to come to an immediate arrangement with the United States' Government, and to escape by that means the necessity of the Commission altogether. Indeed, I am myself so much impressed with the expediency of such an arrangement that, with Mr. Rothery's acquiescence, I endeavoured, during a visit which I paid to Mr. Fish at the State Department on the 18th instant, to sound him as to his views upon the subject.

I began by asking him whether he intended to give me an answer, which I could forward to your Lordship, to my note of the 2nd instant, relative to the appointment, by the Austrian Ambassador in London, of the third Commissioner. Mr. Fish replied that he did not see that there was any hurry about the matter. I knew, he said, that he had always been desirous that the Commission should meet as soon as possible after the 1st July last, so that its business might have been completed during the summer months, and with that view the President had suggested the names of a number of the foreign Ministers at Washington, amongst whom he had hoped that it would very easy to select one as the third Commissioner; but as, in his opinion, Her Majesty's Government had made no effort to meet the wish of the President that the Commission should be installed during last summer, he did not think that the United States' Government was now called upon to oblige its Commissioner, as well as the third Commissioner, whoever he might

be, to expose themselves to so severe a climate as that of Halifax during the winter. Upon my observing that it might be easier on both sides to obtain the evidence which might be required from the fishermen during the winter, when they were unoccupied, than during the fishing season, he replied that their depositions could be taken now, and that he had already learnt from the United States' Consuls in Canada that the Dominion authorities had for some time been collecting evidence of all sorts and in every direction.

I then remarked that as he appeared so much to dislike the appointment of the third Commissioner by the Austrian Ambassador—a dislike which I was at a loss to understand—I was sorry that he and I could not come to some agreement as to the amount which should be paid by the United States' Government in compensation for the advantages acquired by American fishermen. Mr. Fish made no reply to this observation; but repeated his complaint that Her Majesty's Government had not contributed to the selection of a third Commissioner, and had in this matter submitted without remonstrance to the dictation of the Dominion Government. I said that as the whole question was one which almost entirely concerned the Dominion, it was next to impossible not to consult its Government upon the choice of the third Commissioner; but this made me feel still more how desirable it was that some arrangement should be come to without having recourse to the Commission. He would remember that previously to the negotiation of the Treaty of 1871, we had had some conversation upon the subject, and he had then thought that an agreement could be come to. Since the conclusion of that Treaty, I had heard of several Americans of high standing, and acquainted with the subject, who considered that the United States would be justified in paying some money compensation, provided the amount were not immoderate, for the fishing privileges granted to their citizens. Mr. Fish demurred, though not with much energy, to this statement, reminded me that in the Treaty itself the United States had declined to admit that any compensation was due, and added that there were many who believed that the free importation of fish counterbalanced the fishing privileges granted to American fishermen.

I thought it prudent to drop the conversation at this point. A positive answer Mr. Fish would not give me, unless I could make a proposal of this nature under your Lordship's instructions. I see no harm which could result from making such a proposal, even if it were rejected; it would be no proof of the weakness of our case, but would merely show that we wished to avail ourselves of a more expeditious mode of settling the matter than by a Commission, and to avoid the discussion of many questions which the United States would perhaps desire, even more than ourselves, should not be raised.

If your Lordship were to instruct me to make such a proposal, whether confidentially or otherwise, it would be well that it should be founded on the fact that the United States' Government itself seems so disinclined to the appointment of a third Commissioner by the Austrian Ambassador, which, however, is now the sole method of completing the Commission.

If the proposal should be entertained by the United States' Government, there are other considerations which ought to be weighed. It does not appear to me desirable that an agreement should be made involving the payment of an annual sum; for this would likewise render it necessary to obtain an annual grant from Congress for the amount, and would be attended with the same, and perhaps greater, difficulties and opposition every year, than an application for a gross sum, which, however, might be calculated upon the basis of the annual value of the privileges granted by the Treaty.

An agreement of the above nature must necessarily be in the form of a Convention or Treaty, which will require the sanction of the Senate. It would be a stipulation for the payment of money. In recent times doubts have been raised whether the Senate alone has the right to sanction such engagements. At any rate an application to the House of Representatives to vote the money would be necessary. No prudent Government would therefore negotiate such a Treaty, without first endeavouring to discover whether the Lower House would also acquiesce in it. But, whatever the precautions, circumstances might arise which would induce the House of Representatives to refuse the appropriation. It would therefore be advisable to take care that, in case of failure to agree upon, or to carry out such an arrangement, our full right to fall back upon the Commission as established by the Treaty of 1871 should be reserved.

I have, &c.

(Signed) EDWD. THORNTON.

No. 108.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, January 9, 1874.

I AM directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a despatch from Mr. Rothery, respecting interviews he has held with Sir E. Thornton on the subject of the Fisheries.

I am, &c.
(Signed) TENTERDEN.

No. 109.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, January 13, 1874.

I AM directed by Earl Granville to transmit to you, for Lord Kimberley's perusal, the accompanying despatches from Sir E. Thornton and Mr. Rothery on the Fisheries Question.

Lord Kimberley will see that Mr. Rothery, in his despatch No. 27 of the 23rd ultimo, suggests that the United States might be induced to revive the Reciprocity Treaty of 1854 in lieu of a payment for the Fisheries.

Lord Granville considers that Sir E. Thornton should not be authorized to take any steps for a settlement of the matter otherwise than through the Commission, as provided in the Treaty of 1871, until the consent of the Canadian Government has been formally and unmistakeably given to the arrangement.

Lord Granville will be glad to be favoured with an early reply, as Mr. Rothery has specially requested that instructions may be sent to him by telegraph.

I am, &c.
(Signed) TENTERDEN.

No. 110.

Mr. Holland to Lord Tenterden.—(Received January 16.)

(Confidential.)

My Lord,

Downing Street, January 15, 1874.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your letter of the 13th instant, inclosing despatches (herewith returned) from Sir E. Thornton and Mr. Rothery on the Fisheries Question.

Lord Kimberley gathers from these despatches that two suggestions are made by Sir E. Thornton and Mr. Rothery. One, that an attempt should be made to induce the United States to revive the Reciprocity Treaty of 1854 in lieu of payment for the Fisheries; the other, that a direct negotiation with the United States as to the amount of payment for the Fisheries should be substituted for the mode of settlement by means of the Commission as provided by the Treaty of Washington, reserving, however, a right to fall back on that Treaty if the negotiation failed.

Lord Kimberley entirely agrees with Earl Granville that Sir E. Thornton should not be authorized to take any step for a settlement of the matter otherwise than through the Commission, as provided in the Treaty of 1871, until the consent of the Canadian Government has been formally and unmistakeably given to the arrangement.

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

No. 111.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, January 16, 1874, 6.55 P.M.

I HAVE received your despatch No. 514 and Mr. Rothery's despatches Nos. 25, 26, and 27, and have consulted Colonial Office.

Her Majesty's Government cannot authorize you to take any step for a settlement

of the Fisheries Question otherwise than through the Commission, as provided in Treaty, until consent of Canada has been formally and unmistakeably given to the arrangement.

No. 112.

Mr. Rothery to Earl Granville. — (Received January 19.)

(No. 1. Confidential.)

My Lord,

Washington, January 3, 1874.

SINCE my despatch No. 27 of the 23rd of December ultimo, in which I reported to your Lordship the purport of the conversation I had had with Mr. Sumner, I have become acquainted with several other persons who, from their position and character, seemed to have influence either in the Legislature or with the Administration; and I have not hesitated, when the occasion offered, to discuss freely with them the subject of the Fisheries.

In the first place, it appeared to me that if, as I had reason to think, the public were imbued with but one view of the question, as presented to them in the writings of Colonel Cutts and others, namely, that nothing whatever was due to Great Britain or to Canada in return for the privileges which had been accorded to the United States' fishermen, it might be well that they should hear the other side of the question, and might thus be led to think that an amicable settlement of the question without a Commission would perhaps not be undesirable. It also appeared to me, and in that view Sir Edward entirely concurred, that it might be advisable to prepare the minds of those with whom the decision in this country would ultimately rest for such a solution of the question, in case your Lordship should approve of that course being adopted. We thought that it would greatly facilitate the settlement of the case if when Mr. Fish came to discuss the question with the leading Senators and Representatives he should find them already more than half prepared to accept the proposal.

I was careful, in discussing the question with them, to avoid saying anything which would admit of doubt, or upon which any controversy could arise. The arguments which I chiefly used were as follow:—

I began by stating that, under the Treaty, the question to be decided was: Having regard to the privileges accorded to the subjects of Her Britannic Majesty, what amount ought to be paid by the Government of the United States in return for the privileges accorded to the United States' citizens? These privileges were the admission of fish and fish-oil from the one country into the other duty free, and the liberty accorded to the subjects or citizens of the one State to fish in the territorial waters of the other.

I stated that, as regards the admission of fish and fish-oil duty free, it could practically apply only to the admission of British fish and fish-oil into the United States; and that, although this was no doubt a boon to the British fishermen, it was equally a boon to citizens of the United States, and that, consequently, it might fairly be disregarded in any estimate of the compensation to be awarded.

With regard, however, to the reciprocal right of fishing in the territorial waters of the other, I stated that it was a fact which was not and could not be denied that the privilege accorded to British fishermen of fishing in United States' waters was practically valueless, for that those waters were, for all fishing purposes, exhausted; and that, owing to the rights claimed by and accorded to the respective States and private individuals, it would be impossible to adopt any measures by which those fisheries could be restored; and I stated that it was well known that neither under the Reciprocity Treaty nor since the Treaty of 1871 had any British fisherman ever availed himself of the right to fish in United States' waters.

On the other hand, the privilege accorded to United States' citizens of fishing in British waters was of considerable value, as evidenced by the fact of the very large number of United States' vessels which annually frequented those waters. That the British waters were practically inexhaustible, and that the measures which have been taken for the culture and preservation of the fish had been found to be very effectual. That on comparison of these respective privileges the balance of advantage would be found to be with the United States' citizens, and that for this, therefore, they were bound to make some compensation to Great Britain.

Turning then to the subject of the Halifax Commission, I stated that so long as this

question remained undecided it could not be said that all differences between the two countries had been settled; that there would still be a *lis pendens* between them; that if the case had to be discussed before a Commission at Halifax it would be impossible not to refer to the many difficult questions which had been raised, or the differences which had from time to time occurred between the two countries on the subject, and that this was especially to be avoided, seeing the very cordial relations which at present existed between them.

I further stated that I had understood that there was some difficulty in regard to the appointment of the third Commissioner; that it was clear that neither an Englishman, an American, nor a Canadian could be selected, and that, consequently, some foreigner must be chosen, with whom would, of course, rest the final decision, in case of any difference of opinion between the English and American Commissioners. I stated that under the Treaty, in the event of our not being able to agree upon an Arbitrator, the selection would rest with the Austrian Representative in London; that I understood that the United States' Government had an objection to the appointment being left to him, but that under the Treaty this was obligatory. I added that it was quite possible that the Arbitrator might know nothing whatever of the matter, and in that event he might make an award either against us or against the United States; that in either case it would be distasteful to one or other of the Contracting Parties, and that an award which either Party thought unjust would be dearly purchased, if it revived any of the former differences between us. I thought also that it was very desirable, if it could be avoided, not to have to discuss our differences on a matter of so purely municipal a character before a foreigner.

I stated that, in addition to this, there was the question of Maritime Jurisdiction, and the difficulty of the Headland or Bays' Question; that the Commission to meet at Halifax would have no authority to decide this much-vexed question, but that it would be impossible for them to make any award without in some manner considering the question. I stated that I did not doubt that it would be very desirable that the question of the Headlands should, if possible, be set at rest, but not, I ventured to think, by a tribunal, constituted as the Halifax Commission would be, without authority and without the necessary qualifications for determining the question. I stated that, if that Commission was called upon to act, it must at all events inferentially decide what were the territorial limits not of Canada only but of the United States, and that the decision would practically rest with a foreigner, a condition of things which neither they nor we could desire. I stated that this was one reason, and, in my opinion, a very strong reason, why the matter should, if possible, be settled amicably, and without the intervention of a Commission.

I then referred to the repeal of the Reciprocity Treaty, and I stated that during my stay in Canada I had ascertained that the direct effect of that repeal had been that the trade, which during the continuance of that Treaty had flowed freely across the frontier from Ontario into the United States, had passed into the British maritime provinces. I stated that it appeared from the Budget Speech of the Minister of Finance, delivered in the Dominion Parliament on the 1st of April, 1873, that, since the repeal of the Reciprocity Treaty, the trade of the country had enormously increased; that comparing the year ending the 30th of June, 1868, the first year after the repeal of that Treaty, with the year ending the 30th of June, 1872, the exports had increased during that short period from 57,567,888 dollars to 82,639,663 dollars, and that during the same period the imports had increased from 71,985,306 dollars to 107,709,116 dollars.

I may add that from returns just published the increase during the past year has been even greater, the exports for the year ending the 30th of June, 1873, having been 90,610,573 dollars, and the imports 126,587,523 dollars. I inclose a Table showing the exports and imports for each year from the time of the repeal of the Reciprocity Treaty.

I stated further that it also appeared from that speech that the revenue of the Dominion was in such a flourishing state that, notwithstanding the repeal of the duty on tea and coffee in the preceding year, amounting to 1,200,000 dollars, notwithstanding a refund of 200,000 dollars during the year of duties previously collected, notwithstanding an increased expenditure on account of the subsidies to the new Provinces of British Columbia and Manitoba, and increased subsidies under the new Census to Nova Scotia and New Brunswick, notwithstanding a large expenditure for public works, there was at the end of the preceding year found to be a surplus of no less than 3,595,951 dollars of income over expenditure, although no additional taxes had been imposed, so great had been the elasticity of the revenue.

I stated that, during my late residence in Canada, I had seen at Quebec, at Montreal,

and at Ottawa, literally speaking, miles and miles of stacks of lumber, ready and waiting for shipments; that it was an article which was urgently required, but that it could not be procured in the United States, and the importation of which was greatly limited by their Protective Tariff. That, in consequence, Canada had sought markets in other parts of the world, and had found them; and that, from returns recently published, it appeared that the export of lumber from Canadian ports during the past year were double what they were in the year 1871; and that it was worthy of note that no less than 379 Norwegian vessels, of an aggregate tonnage of 196,736 tons, had loaded at seven ports of the Dominion during the past season.

I stated that if the object of the repeal of the Reciprocity Treaty was to injure the trade of Canada, it had wholly failed in its purpose, as the above facts seemed to show. That, on the contrary, their own restrictive, I might almost say prohibitive, tariff had, if I was rightly informed, materially injured the commerce of the United States, and diminished its revenue. Thus, taking one instance, I found that the duties on fish imported from the British North American Provinces, which in the year following the repeal of the Reciprocity Treaty had amounted to 322,675 dollars, had fallen in the past year to 166,580 dollars, or nearly one-half; that this was due partly to an evasion of the Customs dues, partly to a practice which had grown up of Americans buying fish from the British fishermen, and then importing them into the United States as American-caught fish, the British and American fishermen dividing the duty between them, to the manifest injury of the revenue and of the country.

I stated then that, if there was any objection on the part of the United States to the payment of a money compensation, which would have somewhat the appearance of an annual subsidy, I thought that possibly that objection might be removed by a renewal in part or in whole of the Reciprocity Treaty. I stated that I had no authority to make the offer, but that it seemed to me that it was one mode of escaping from the difficulty by an arrangement which would be equally beneficial to the United States and to Canada.

These generally are the arguments which I have used in my communication with those persons to whom I have spoken on the subject. They are in accordance with what, in my view, would be right and fair between the two countries, and I can, therefore, urge them with perfect candour. And I think that I am justified in saying that they have in general been received with favour by those to whom they have been addressed.

Amongst the most influential of those with whom I have conversed on the subject since my interview with Mr. Sumner, is General Garfield, a Representative from Ohio, and who, as Chairman of the Committee on Appropriations, holds a very important position in the country. I met General Garfield at dinner on Wednesday last, the 31st ultimo, at the house of Professor Baird, the United States' Commissioner for Fish and Fisheries. Mr. Sumner was also present, and during dinner very kindly directed the conversation to the subject of the commercial relations existing between Canada and the United States. Accordingly, after dinner, I spoke to General Garfield on the subject; and, on my explaining to him my views, I found that he was very strongly opposed to the restrictive Customs policy which had been pursued towards Canada. He told me that he had always objected to the repeal of the Reciprocity Treaty, and, as an instance, stated that the quantity of coal imported into the eastern States from Nova Scotia was about equal in amount to that exported in the west from Pennsylvania into Ontario; and yet that every impediment was put in the way of the free interchange of this commodity by Tariff restrictions and Customs duties. He said that he thought the plan, which I had indicated for the settlement of the Fisheries Question, was very feasible, that it should have his support, and that he thought that a renewal of the Reciprocity Treaty would be a much more satisfactory mode of settling the question, than by a money payment. He added that he should take an early opportunity of sounding his colleagues in the Committee on the subject.

Professor Baird also, in the conversation that I had with him on the subject, seemed to think favourably of the plan. He is, as I have stated, the United States' Commissioner for Fish and Fisheries, and is said to be better acquainted with the Fisheries than any person in this country. He admitted at once that the New England Fisheries were practically exhausted, and that, owing to the existence of certain State and private rights, it would not be possible for the Federal Government to take any effective measures for their restoration.

On another occasion I met at dinner at Mr. Sumner's Senator Morrill of Vermont. I had not then any conversation with him on the subject of the Fisheries, as there were also present on the occasion Mr. Caleb Cushing, Mr. Clement Hill, the Assistant Attorney-General, and Mr. Hunter of the State Department. But on my subsequently

calling upon Mr. Morrill at his own house, he spoke to me very openly on the subject of the Fisheries, and on their commercial relations with Canada. Senator Morrill is, I should state, a staunch Protectionist, and the author of the Morrill Tariff; and Mr. Sumner said to me that if we could get Senator Morrill over the game was won. He seemed to think that the trade with Canada stood upon a very different footing from that with other countries; and that it was worthy of consideration whether the Reciprocity Treaty might not be renewed. He said that the plan proposed should have his best consideration; and that he thought that any compensation that might be due for admission to the Fisheries might be better satisfied by a relaxation of the Tariff than by a money payment.

Another gentleman with whom I have spoken on the subject is Senator Frelinghuysen, of New Jersey. I was introduced to him on the 1st instant by Sir Edward Thornton in the round of visits, on which he was so good as to take me on that day. Senator Frelinghuysen was the last person on whom we called, and finding that he was willing to speak with me on the question of the Fisheries, I stayed and had a long conversation with him about them. After explaining to him the views which I entertained on the subject, he said to me that he had always been opposed to the repeal of the Reciprocity Treaty. He said that the object of a great many in voting for its repeal was an expectation that the Canadians would find themselves so hampered by the commercial restrictions imposed upon their commerce that they would be desirous of joining the Union. I told him that, as far as I could judge, the result had been directly the reverse; that the restrictive policy pursued by the United States had induced the Canadians to seek other markets for their goods, and that the friendly commercial relations which at one time prevailed, especially between Ontario and the States, had now almost wholly ceased. He said that he was aware that this was the case. I told him that the effect of their Customs Laws was to put their own fishermen at a great disadvantage with the British fishermen; for that, whilst fish and fish-oil were admitted duty free into the States, the instruments by which the fish are captured (the hooks, the lines, their vessels, their cordage, sails, and nets) and the materials from which they were made, were heavily taxed in the United States, whereas in Canada they were free, and that this was greatly to the advantage of the British fishermen.

In the course of our conversation I said something in favour of Free Trade, and he immediately replied: "Oh, I am not in favour of Free Trade, but I consider that our commercial relations with Canada stand upon quite a different footing." I said that that was no doubt so, for that along a frontier such as that which separates Canada from the United States it was absolutely impossible to prevent smuggling, and that the higher and more prohibitive the duties, the more would the arts and machinery of smuggling be perfected. He said he was aware of this, and that it was mainly on that account that he was in favour of a revival or renewal of the Reciprocity Treaty; and that he thought the proposal for thus settling the Fisheries Question was well deserving of consideration.

I should state that Senator Frelinghuysen is a member of the Committee on Foreign Relations, before which any new Treaty must, in the first instance, come; and he asked me if I should have any objection to appear before the Committee to explain my views. I stated that I thought that I could hardly do this, and that although I had no fear as to the result, and that there might be some advantage in explaining my views *vis à vis* to the Committee, I could certainly not do so without your Lordship's express sanction. I added that, whilst I had no intention of lobbying the members, I should be always happy to explain my views on the subject to any gentleman to whom I might be introduced.

I may here observe that on my mentioning this circumstance to Sir Edward Thornton, he stated that he thought there would be an evident impropriety in my appearing before the Committee, and that he could not advise it, for that it would be likely to produce an unfavourable impression upon the Executive, as having the appearance of passing them by.

In further conversation with Senator Frelinghuysen, he informed me that he would sound his colleagues on the subject, and would be prepared to give the proposal his support. He told me that Senator Morton had given notice of his intention to bring the subject of their commercial relations with Canada before Congress; that he thought I ought to see him; and that he would call upon Mr. Morton on the following day, and speak to him on the subject. I replied that, if Senator Morton wished to see me, I should be happy to call upon him when and where he pleased.

I have, of course, communicated to Sir Edward Thornton the purport of my conversations with the gentlemen whom I have mentioned above, and I have shown him the draft of this letter.

The conclusion, then, to which I have come from my conversation with these

gentlemen and others, is that on the whole the country is not unprepared for a renewal of the Reciprocity Treaty, not that they would be willing to accept it as a measure of free trade; but they would admit that their restrictive policy, so far as Canada is concerned, has failed; and they would, therefore, probably, be willing to satisfy the money claim which Great Britain has for the privileges accorded to United States fishermen, by a relaxation of the Tariff. That such a settlement of the question would be very acceptable to Canada I have no doubt whatever; and it only remains, therefore, for your Lordship to decide whether or not the proposal shall be made to the United States' Government.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure in No. 112.

TABLE of Exports and Imports of the Canadian Dominion.

For the year ending—	Exports.	Imports.	Total of Exports and Imports.
	Dollars.	Dollars	Dollars.
June 30, 1868	57,567,888	71,985,306	129,553,194
.. 1869	60,474,781	67,402,170	127,876,951
.. 1870	73,573,490	71,237,603	144,811,093
.. 1871	74,173,618	86,947,482	161,121,100
.. 1872	82,639,663	107,709,116	190,348,779
.. 1873	90,610,573	126,587,523	217,208,096

No. 113.

Mr. Rothery to Earl Granville.—(Received January 19.)

(No. 2.)

My Lord,

Washington, January 5, 1874.

IN my despatch No. 26 of the 11th ultimo, I stated that I had received a copy of Colonel Cutts' pamphlet on the "Products of the Sea," &c., and that I should make a point of studying it attentively. I have since done so, and I propose now to address to your Lordship such observations as occur to me thereon. With this view I inclose two copies of the pamphlet, which I have obtained from Colonel Cutts himself. The part which relates more especially to the British North American Fisheries, will be found in pages 28 to 31 inclusive.

Colonel Cutts begins on page 28 by stating that "the Legislative History of the Fisheries is comprised in the three following Tables," &c., and he then sets out at length the Tables referred to. The first of these Tables contains a statement of the bounties granted to the United States' fishermen by Act of Congress from 1789 down to their final abolition in 1866; the second, a statement of the rates of duty levied on the importation into the United States of the produce of foreign fisheries; and the third Table contains a statement of the importation of fish and fish-oil from the British North American Colonies for the year 1866-67, showing the quantities and values of fish, &c., imported, and of the amount of duties collected in that year.

Colonel Cutts then proceeds as follows: "these Tables, in connection with the annual catch, the tonnage employed, and the rates of duty imposed upon the importation of foreign articles used in and required for the prosecution of the Fisheries, will afford all the necessary data for a comparison between the relative condition of the Fisheries at three important epochs—before, during, and after the Reciprocity Treaty—so far as that condition was or is affected by any action taken by the general Government."

Further on Colonel Cutts observes, "the Reciprocity Treaty secured to our fishermen the privilege they had long desired of pursuing their calling on the provincial coasts without regard to distance from the shore. This privilege was enjoyed for a period of eleven years. What was the actual value of the concession beyond a release from the petty persecutions and illegal seizure by the local authorities of the provinces, and especially of Nova Scotia, it is difficult to say, while it may be safely asserted that the surrender on the part of the provincials of the exclusive right which they undoubtedly possessed to all the fisheries within three miles of their respective coasts, was more than compensated by the admission of their products free of duty into the nearest and highest market."

In support of this position, Colonel Cutts observes that, the duties collected on fish and fish-oil, imported from the British North American Colonies, amounted in 1866-67, to 382,303 dollars, which, as he says, was "nearly 22 per cent. of the value of the imports, and equal to 16 per cent. of the average value of all the mackerel taken by the American fishermen in their own or the neighbouring seas." And he thence argues, that "the concession of the in-shore fisheries must have been considered to be worth at least the surrender on the part of our fishermen of a discriminating duty of 20 per cent., imposed by the Tariff of 1853; or the additional catch, resulting from the privilege of taking fish within the hitherto prohibited limits, would amount to more than was sufficient to counter-balance the equal footing on which the foreign and domestic products would meet in the Boston market."

It is not very clear to me what precisely Colonel Cutts means by the above passage; but I presume he means that it must have been considered that the privilege accorded to United States' fishermen of catching fish within British waters, was equivalent to a discriminating duty in their favour of 20 per cent., or that it would put them upon an equality with the foreigner in the Boston market. The passage is very obscure, but I take this to be the meaning of it.

Colonel Cutts then observes, that "the price of the privilege, as proposed by the Dominion in 1868, was 2 dollars per ton." And he proceeds to argue that a duty of 2 dollars per ton on "50,000 tons, supposed to be annually employed on the provincial coasts," would give a sum of 100,000 dollars, which he says is less than one-third of the sum indirectly received by the provinces while the Treaty lasted; by which I suppose he means less than one-third of the duties which would have been imposed upon the fish imported from the British Colonies, had the Treaty not been in existence.

It is, however, to be observed, first, that the Dominion Government never did estimate the price of the privilege at 2 dollars per ton; secondly, that 50,000 tons is a very low estimate for the tonnage of the vessels engaged in the Fisheries; and, thirdly, that the duties collected on fish and fish-oil, instead of being above 300,000 dollars, did not, as appears from the official Returns, exceed 166,000 dollars in the past year; circumstances which materially alter the conditions of the calculation,

Colonel Cutts then proceeds to state, that a comparison of the Tables shows that in the year 1853, the United States' fishermen were not only allowed a bounty, but that they were also protected by the usual duty on the imports of foreign products; that during the time of the Reciprocity Treaty they continued to receive the bounties, or allowances, as he calls them, but that they had no protective duties; and that in 1866, when the Reciprocity Treaty came to an end, the bounties were withdrawn, but the duties were re-imposed. And he thence argues, "that so far as the market of the United States was concerned, the condition of the fisheries" (by which I presume he means of the United States' fishermen) "was evidently better before, and immediately after, the Treaty than while it was in force." And instituting a comparison between the year 1853 and 1867, the year before and the year after the Reciprocity Treaty, he says that "a comparison between these two years shows that the advantage is altogether in favour of the former." And he thus proceeds: "the contrast in the condition of the respective fisheries of the United States and the provinces is now" (that is to say, in January 1869, when the paper was written), "still more in favour of the latter than in 1853. The advantages possessed by the provinces of proximity to the fishing-grounds, and of the employment of boats, rendering it unnecessary, in a great degree, to invest a large capital in vessel and outfit; the low duties imposed upon tea, coffee, sugar, molasses, &c., and on woollens, cerdage, duck, &c., in comparison with those imposed by the Tariff of the United States; the cheaper labour; the light dues exacted from American fishermen, all tend to enable the provinces to undersell the United States in exterior markets." And he adds, "This is a mere statement of the case, and one to a great extent beyond remedy."

Such, then, are the arguments which are used to show that the concession of the British in-shore Fisheries is, after all, not a very great boon to the United States' fishermen, certainly not more than would be amply satisfied by the admission of British fish and fish-oil duty free into the United States. I should not have referred to these arguments at such length had they not been advanced by a gentleman who was for many years employed, under the Treaty of 1854, as the United States' Commissioner in determining, in conjunction with the British Commissioner, what rivers and mouths of rivers should be reserved for the exclusive use of the fishermen of the respective countries, and who is consequently regarded as having an intimate knowledge of the fisheries on the coasts both of Canada and of the United States. I thought also that it might be interesting to your Lordship to see on what grounds one of the staunchest supporters of

the United States' rights is disposed to rest their case. I ought, however, to observe that the object which Colonel Cutts seems to have had in view, was to show that the United States' fishermen would be unable to compete with the British fishermen, even with a differential or discriminating duty of 2 dollars per barrel on mackerel, and 1 dollar per barrel on herring; equal to from 22 to 30 per cent. upon the value, unless the bounties also were restored to them. This paper, as I have already stated, was written in January, 1869, before the Washington Treaty was negotiated, so that, if Colonel Cutts was right in his conjectures, the United States' fishermen will be still less able to compete with the British fishermen now that there are not only no bounties, but that British fish and fish-oil are admitted into the States duty free. I may add that, from what I am told, there is very little probability that the bounty system, which it is well known led to such scandalous abuses, will ever be restored.

At the same time it must be admitted that there is probably some ground for Colonel Cutt's statement that, with the heavy duties imposed on all the articles which enter into their consumption, and which are essential for carrying on their trade, it will be very difficult for United States' fishermen to compete successfully with fishermen whose goods are more lightly taxed. But I can hardly say with Colonel Cutts, that this is "to a great extent," or, indeed, to any extent, "beyond remedy," for it is clear that the United States' Government have the remedy entirely within their own hands by reducing their import duties within reasonable limits.

On this point it may be well to refer to a passage from the speech of the Hon. D. A. Wells, which was delivered at the last dinner of the Cobden Club. It will be found in a little work entitled "Free Trade and Free Enterprise," which contains a Report of the proceedings at that dinner, and is edited by Sir Louis Mallet. I do not inclose a copy of the pamphlet, as it can be readily obtained at the publishers' in London, Messrs. Cassell, Petter, and Galpin. At page 63 of that work it will be seen that Mr. Wells thus expresses himself: "I would also remind you that the late Treaty between the United States and Great Britain was not only a long step in the way of settling international difficulties, without the intervention of arms and the useless expenditure of money, but that it was also a great advance in the direction of Free Trade; for amongst the various Articles of that Treaty there was none which gave more satisfaction to the people as a whole, or which is likely to be productive of more important consequences than the Article which admitted fish, the product of British Colonial waters, free of duty into the United States. For not only is this admission certain to be a great boon to the labouring classes in the way of affording a supply of cheaper food, but it is sure to be the entering wedge for other commercial reforms, inasmuch as it will not be long before the representatives of the great fishing interests of the United States, who have so long been deceived into sustaining protection, will come to the conclusion that, if there is to be no longer any protection on what the hook catches, it is not for their interest to keep it up on the hook itself, on the line attached to the hook, upon their boats, food, clothing, and upon all other articles which enter into their production and consumption."

One word more, and I have done with Colonel Cutt's pamphlet. At the bottom of page 29 he talks of "the petty persecutions and illegal seizures by the local authorities of the Provinces, and especially of Nova Scotia." He here refers to the seizures made by our cruizers of United States' vessels found fishing in British waters in clear violation of our rights and of Treaty obligations. That such seizures were occasionally made cannot be denied; but I think that I am justified in saying that they were neither vexatious nor illegal, and that in general the power was exercised, both by the Imperial and Dominion cruizers, with the greatest moderation; a moderation, however, which did not save them from the most violent attacks, not in the newspapers only, but in official documents. It is curious, however, to see the very different language in which these seizures are spoken of when the encroachments are not on British, but on United States' fishing grounds. In the "National Republican" of the 2nd instant (a Washington paper, and a supporter of the present Administration), I find the following article, headed "Maryland Oyster Pirates:"—"Captain Lemuel Mitchell, of the Oyster Police boat 'Mamie Merriman,' has captured seventeen oyster schooners since the middle of November for violation of the Oyster Laws of Maryland. The fines collected amounted to 3,200 dollars. This oyster piracy is quite common, and is carried on by desperate characters. The use of firearms is sometimes necessary to make them surrender." I do not remember ever to have heard the United States' vessels, which systematically encroached upon British waters when they had no right to be there, called pirates, although it was a well-known fact that many of them carried with them arms to resist capture, in case the size or character

of the seizing vessel was such as to make it probable that resistance could be successfully offered.

I have, &c.
(Signed) H. C. ROTHERY.

No. 114.

Earl Granville to Sir E. Thornton.

(No. 20.)

Sir,

Foreign Office, January 20, 1874.

I HAVE received and laid before the Queen your despatch No. 514 of the 22nd of December and Mr. Rothery's despatches numbered 25, 26, and 27 of the 20th, 22nd, and 23rd of December relative to the Fisheries Question.

I communicated these despatches to Her Majesty's Secretary of State for the Colonies, and I inclose for your information a copy of a letter from the Colonial Office relating to them.

As I informed you by telegraph on the 16th instant, Her Majesty's Government cannot authorize you to take any step for a settlement of the matter otherwise than through the Commission, as provided in the Treaty of 1871, until the consent of the Canadian Government has been formally and unmistakeably given to the arrangement.

You will communicate this decision to Mr. Rothery.

I am, &c.
(Signed) GRANVILLE.

No. 115.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, January 23, 1874.

WITH reference to your letter of the 15th instant, I am directed by Lord Granville to transmit to you, to be laid before Lord Kimberley, the draft of a despatch which, with His Lordship's concurrence, Lord Granville proposes to address to Sir E. Thornton and Mr. Rothery respecting the proposal for an arrangement of the Fisheries Question without the intervention of the Commission.

I am, &c.
(Signed) TENTERDEN.

No. 116.

Mr. Holland to Lord Tenterden.—(Received January 24.)

Sir,

Downing Street, January 24, 1874.

IN reply to your letter of the 23rd instant, I am directed by the Earl of Kimberley to state that he concurs in the terms of the draft despatch which Lord Granville proposes to address to Sir E. Thornton and Mr. Rothery respecting the proposal for an arrangement of the Fisheries' Question without the intervention of the Commission.

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

No. 117.

*Earl Granville to Mr. Rothery.**

(No. 1. Confidential.)

Sir,

Foreign Office, January 24, 1874.

HER Majesty's Government have had under their consideration the despatches received from Sir E. Thornton and yourself respecting an arrangement with the Government of the United States for the settlement of the compensation to be paid by the United States.

* A similar despatch, *mutatis mutandis*, was addressed to Sir E. Thornton.

for admission to the Canadian fisheries, without awaiting the award of the Commission appointed to meet at Halifax under the provisions of the Treaty of Washington.

Her Majesty's Government are fully sensible of the weight of the reasons adduced by you in favour of such an arrangement, and are glad to recognize the tact and ability which you have displayed in your communications with the members of the Canadian Government and other persons of influence in Canada and the United States in regard to it.

Her Majesty's Government are, however, of opinion that no settlement of the fishery Question, other than in the manner provided in the Treaty, should be entered into unless the Government of the Dominion express a spontaneous and unmistakable desire that such a settlement should be attempted, and state the precise terms which they wish to be offered, and then only after the matter has been duly submitted for the further consideration and instructions of Her Majesty's Government.

I have to add that you should not make an unnecessary stay at Washington, as it might create an unfavourable impression in Canada; but Her Majesty's Government leave this to your own judgment.

I have addressed a similar despatch to Sir E. Thornton.

I am, &c.
(Signed) GRANVILLE.

No. 118.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, January 24, 1874, 3 P.M.

HER Majesty's Government have been anxiously expecting the reply of the United States' Government to the note which you addressed to Mr. Fish on the 2nd December, relative to the appointment of the third Fisheries Commissioner, and they cannot be any further responsible for the delay in carrying out the provisions of the XXIIIrd Article of the Treaty of Washington.

You will accordingly explain this to Mr. Fish, and state to him that if the United States' Government cannot agree to join in an identic communication to the Austrian Government, Her Majesty's Government will feel themselves bound to instruct Her Majesty's Ambassador at Vienna to apply forthwith to the Austrian Government to authorize their Ambassador in London to proceed to the nomination of a Commissioner.

No. 119.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, January 24, 1874, 3.45 P.M.

AFTER full consideration of despatches from you and Mr. Rothery respecting proposed arrangement of Fisheries Question, Her Majesty's Government are of opinion that no settlement other than in the manner provided in the Treaty should be entered into unless Canadian Government express spontaneous and unmistakable desire that such a settlement should be attempted, and state the precise terms which they wish to be offered, and then only after the matter has been duly submitted for the further consideration and instructions of Her Majesty's Government.

Inform Mr. Rothery of above, and add that he need not make an unnecessary stay at Washington, as it might create an unfavourable impression in Canada, though Her Majesty's Government leave this point to his own judgment.

No. 120.

Earl Granville to Sir E. Thornton.

(No. 34.)

Sir,

Foreign Office, January 24, 1874.

HER Majesty's Government have been anxiously expecting the reply of the United States' Government to the note which you addressed to Mr. Fish on the 2nd of December

relative to the appointment of the third Fisheries Commissioner, and they cannot be any further responsible for the delay in carrying out the provisions of the XXIIIrd Article of the Treaty of Washington.

You will accordingly explain this to Mr. Fish, and state to him that, if the United States' Government cannot agree to join in an identic communication to the Austrian Government, Her Majesty's Government will feel themselves bound to instruct Her Majesty's Ambassador at Vienna to apply forthwith to the Austrian Government to authorize their Ambassador in London to proceed to the nomination of a Commissioner.

I am, &c.
(Signed) GRANVILLE.

No. 121.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, January 24, 1874.

WITH reference to my letter of yesterday, I am directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, the accompanying copy of a further despatch on the subject of the Fishery Commission which his Lordship addresses to Sir E. Thornton by the mail of this evening.*

I am, &c.
(Signed) TENTERDEN.

No. 122.

Lord Tenterden to Mr. Holland,

(Secret.)

Sir,

Foreign Office, January 24, 1874.

WITH reference to my other letter of this day's date on the subject of the Fishery Commission, I am directed by Earl Granville to transmit to you, for the confidential information of the Earl of Kimberley, copies of the telegrams which are being sent in cypher to Sir E. Thornton,† informing him of the instructions contained in the despatches, of which copies were forwarded to you in my letter above referred to and in my letter of yesterday.

I am, &c.
(Signed) TENTERDEN.

No. 123.

Mr. Rothery to Earl Granville.—(Received January 25.)

(No. 3. Confidential.)

My Lord,

Washington, January 10, 1874.

IN my despatch No. 1 of the 3rd instant, I stated that in a conversation that I had had with Senator Frelinghuysen, he had asked me if I had seen Senator Morton, who had a motion on the paper on the subject of the relations between the United States and Canada, and, on my informing him that I had not, Mr. Frelinghuysen had said that he thought I ought to see him, that he would speak to Senator Morton on the subject, and would get him to appoint a time to see me. On my mentioning the fact to Sir Edward Thornton, he stated that he was of opinion that it would be desirable for me to see Mr. Morton.

I heard nothing further on the subject until about the middle of the day of Wednesday the 7th instant, when I received a letter from Mr. Morton, asking me to call upon him in his rooms at the Ebbitt House at seven o'clock the same evening, and saying that he would have called upon me, but that he was somewhat lame and got about with difficulty. I was in the Senate when the letter was brought to me, and I accordingly arranged to see him that evening at half-past seven.

I should state that Mr. Morton is Senator for Indiana, and is said to have considerable influence in the Senate. I did not know, nor could I learn, what precisely were

* No. 120.

† Nos. 118 and 119.

his views in regard to the relations that ought to subsist between Canada and the United States, but I assumed that he was in favour of a renewal of the Reciprocity Treaty, as the suggestion that I should see him had come from Senator Frelinghuysen. I accordingly took with me a copy of Mr. Tilley's Budget speech, and of the Return showing the progress that had been made in the trade of Canada since the repeal of the Reciprocity Treaty, and a few other papers of the same kind.

On my arrival I found that, besides Mr. Morton, there were present Mrs. Morton, his son, his secretary, and another gentleman. All, however, left very shortly afterwards except Mrs. Morton, who remained during the interview; and Mr. Morton's secretary returned, but only towards the close of it.

It is not easy to give a clear and detailed account of a conversation, which lasted for two hours and a-half, and where I was obliged to follow rather than to lead; but the whole scene is so clearly impressed upon my mind that I think I shall have no difficulty in conveying to your Lordship a general outline of what passed on the occasion.

I was, as I have said, under the impression that Mr. Morton was in favour of reciprocity with Canada, and, accordingly, I began by telling him of the great progress that had been made by Canada, notwithstanding the repeal of the Reciprocity Treaty, and I showed him the Tables to which I have referred. I stated that it was well understood that the Reciprocity Treaty had been repealed and a Restrictive Policy adopted, partly from a feeling of irritation against the Canadians, but mainly from an impression that, by restricting the trade between Canada and the United States, the Canadians would find themselves so hampered in their commercial operations that they would be desirous of annexation to the United States, in order to obtain a freer commercial intercourse. I stated that, whilst I was in Canada, I had taken great pains to inform myself upon the subject, and that I had ascertained that, so far from their restrictive policy having attained the end which they desired, it had had a directly opposite effect. I stated that the commercial relations which had subsisted between the two countries during the existence of the Reciprocity Treaty had now in a great degree ceased, and that Canada, having been excluded from the markets of the United States, had sought and found markets in other parts of the world. I stated that, as this policy had failed, and had been found to be injurious to the trade of both the countries, it might, perhaps, be well to consider whether it would not be better to endeavour to place the relations between them on a more friendly footing.

Mr. Morton stated, in reply, that the feeling in the United States was that, so long as the present relations continued to exist between England and Canada, they did not see why Canada should be treated differently to England or any other State. He said that, so far as England was concerned, the connection with Canada could only be a source of weakness to her, for that, in case of any difficulty with England, the United States would immediately attack Canada as being the weakest point, and that, with forty railroads to the frontier, they could have no difficulty in thus inflicting a severe blow on England.

He said that, on the other hand, Canada might find herself involved in a war with the United States from no fault of her own, but merely from some dispute between England and the United States, with which she had no concern whatever, as for instance in the case of the Alabama claims; and that he could prove to the Canadians that it was to their interest to be independent. For these reasons he thought that the connection between the two countries should be severed, and that in that case the United States would, no doubt, be disposed to agree to liberal tariff arrangements with Canada.

I said that these were questions which I had no authority whatever to discuss, and that in what I might say he must understand that I was expressing only my own private opinion; but that I had always understood that, if Canada really desired to be independent, or even if she desired to be annexed to the United States, England would offer no opposition. I stated that, even if our connection with Canada was attended with inconvenience (a fact which I did not admit), or even if it was, as he said, a source of weakness, England could never sever that connection so long as Canada desired to maintain it. I stated that I had during my recent stay in that country, endeavoured to ascertain what were the views of the Canadians on this subject, and that I found that at the present time they desired neither independence or annexation. I told him that, so far as independence was concerned, I believed that there were few, if any, Canadians who now desired it; what they felt was, that a country like Canada, with its 4,000,000 of inhabitants, could never maintain its independence by the side of the United States with its 40,000,000 of inhabitants; and that, even if they had their independence, they could never keep it. The question therefore was between annexation to the United States and connection with England, and that the Canadians preferred the latter.

I said that their reasons for objecting to annexation were two-fold. They felt that, owing to the restrictive Customs policy that had been adopted, the cost of everything in the United States was much greater than it was in Canada, and that, in their opinion, annexation to the United States implied confiscation of their property to the extent of 50 per cent. They also felt that their position as a small, a very small part of a nation of 44,000,000 of people would be very different to what it was now, with an amount of liberty and of practical independence which they could hardly hope for under any other condition of affairs. And I added that, if both England and Canada desired the connection, and if it was no injury to them, I did not see why the United States should object to it, or why it should desire to force a separation which neither of the parties to the connection desired.

Mr. Morton said that the United States did not wish to force the Canadians to do anything that they did not wish to do; that the time for military conquests had passed away, and that they would not have annexation with Canada unless she sought it of her own accord; that they would not allow her to join the Union unless she came voluntarily and asked for it; that they had already had sufficient trouble from having discordant elements in their body, and that they did not want any more such disturbing influences. He added, that they would be quite willing, in case Canada became independent, to enter into an engagement with England to respect her independence.

I stated that I did not see how, with such an engagement in existence, the position of Canada would be different from what it now was; that the engagement itself would create a dependence on the part of Canada, as great as that which now existed; that at present Canada had as much practical independence as she could desire; that she made her own laws and selected her own Ministers, and that all England did was to guarantee her from attack by any foreign power; and that so far as I could see, that was what he (Mr. Morton) contemplated. I stated that, if Canada sometimes felt that there might be some inconvenience from her connection with England, in the fact that she might be involved in England's wars; on the other hand, she thought that the advantages of the connection far outweighed the disadvantages. I stated that the Canadians liked their present form of Government; that, if the Governor-General was at issue with the people, he could be recalled, and that if the Ministers were at issue with the people, they could be dismissed, as we had lately seen in the case of Sir John Macdonald and his colleagues; and that this gave them an amount of freedom and independence, which they could not obtain under any other system. I stated that these were the reasons which, whether good or bad, induced the Canadians to prefer the present connection with England to annexation with the United States; and that, if both countries desired it, I could not see why the United States, who had admitted that the Canadians had a right to choose their own form of Government, should object.

Mr. Morton said that this might be so, but that the whole thing was anomalous, and ought not to be allowed to continue; that the fruit was ripe, and ought to be severed from the parent tree. What precisely Mr. Morton meant by saying that it was anomalous, I am not able to say; but as to the fruit being ripe, I said that that was a matter of opinion; that, if neither Canada nor England thought that the fruit was ripe, I did not see why the United States should insist that it was. That he admitted that Canada had a perfect right to select its own form of Government, and if it thought that its connection with England was beneficial to it, I could not see why the United States should insist upon it being severed. I said that it appeared to me that what he was asking for was this, that because the United States thought that it was for the interest of England and of Canada that they should separate, the connection between them ought at once to cease, although the two parties to that connection thought otherwise, and the United States, according to its own showing, had no interest in the matter. It seemed to me, that this was exactly denying to Canada that which we both contended it had a right to, namely, the choice of its own form of Government.

I then went on to say that, situate as Canada and the United States were, with a conterminous frontier of some thousands of miles, it appeared to me that it was of the greatest importance that a kindly feeling should exist between them; that the time would no doubt come when Canada would be either independent or annexed to the United States, and that when that time arrived, it would be far better for the United States that their relations should be of the most friendly character, and that nothing would more conduce to such a result than an intimate commercial connection existing between them. That this commercial intercourse was daily becoming weaker, owing to the markets of the United States having been closed to them, and to their having been obliged to seek for markets for their products in other places; and that I had been assured in Canada that, whereas during the existence of the Reciprocity Treaty, there

were many who were unfavourable to annexation, there was now hardly a single annexationist to be found in Canada.

Mr. Morton said that they had thought that the intimate commercial relations said to have subsisted between the two countries under the Reciprocity Treaty had not produced that friendly feeling towards the United States on the breaking out of the Civil War, which they had a right to expect from the people of Canada. I replied, that the blame of this was not wholly with the Canadians; that he must not forget that this alleged unfriendly feeling was due in great part to the hostile incursions which had from time to time been made from United States' territory into Canada; that there was formerly the affair of the "Caroline," and, in very recent times, the Fenian incursions. I told him that I had heard Canadians express themselves very strongly on the subject of the murder of the sons of some of their most wealthy and influential families, mere school boys, by a set of miscreants; and they felt that the United States' Government had not done all that they could to prevent these incursions.

Mr. Morton replied that he could not justify those incursions, nor the action of the Government in regard to them. He said, however, that he had never known a time when the relations between England and the United States were on so good a footing, and that it was a pity that anything should be allowed to interfere with such a good understanding. But that they felt that, so long as the present connection between England and Canada existed, Canada would always remain on the same cordial terms with England that she was now. I asked him whether he thought that it was an object that cordial relations should not exist between England and Canada; that if this was to be the result of a severance of the connection between the two countries, I did not see how he could urge us to adopt it, or how it could tend to strengthen the good understanding which now existed between ourselves and the United States.

To this Mr. Morton could make no reply, his position was, of course, untenable; and I cannot but think that he felt himself hampered by not being able to use an argument, which he probably had in his mind, namely, that the presence of England on this continent was an offence to the United States; otherwise I can hardly understand how a man, so able as he is reputed to be, should have used such an argument.

I then said to Mr. Morton that, as he had treated me with so much candour in explaining his views, I would treat him with the same openness in speaking of the business, which had brought me to this country. I told him that there could be no question that admission to our waters was of great value to the United States' fishermen, whereas admission to their waters was of no value to our fishermen; that, therefore, something was due to us on a balance of benefits conferred, a proposition which he did not deny. I then said that, as an International lawyer, which I understood he was, he would see the very great difficulty that there was in the Bay or Headland's Question; that in default of any agreement limiting our rights, our jurisdiction would extend over all bays, no matter what their extent, which were to be found on the coasts of British North America; that this was the doctrine laid down by all writers on International law, and was the principle on which they had acted with respect to their own bays; and I referred him to the different authorities on the subject. I explained to him the special arrangements that had been made with France, Germany, Norway, and Denmark, with regard to bays having a width of more or less than ten miles at their entrance; and I said that, although this regulation was not binding as between England and the United States, it might be a question whether it would not be desirable, with a view to avoid complications in the future, that some such arrangement should be made; but that in default of such an arrangement, the rule must be taken to be that all bays, all waters within headlands, *intra fauces*, were to be regarded as territorial waters.

A good deal more conversation passed on the subject, all having for its object to show that it would be expedient to settle the question here, and without the intervention of a Commission, but with which it is quite unnecessary that I should here trouble your Lordship, and to all of which Mr. Morton offered no objection.

In the end, Mr. Morton said that he had a motion on the paper, for calling attention to the relations existing between the United States and Canada, and which he could bring on at any time, but that he did not think that he should now do so. He then proceeded to observe that he saw no objection to a relaxation of the tariff restrictions; that, for instance, he would be willing to admit lumber.

I said to him that I had no doubt of that; that, when in Canada, I had conversed with some of the lumber merchants, and had been told by them that they did not care for the imposition of the duty, inasmuch as the United States required the lumber and must have it, having none of their own, and that any duty which they chose to impose would have to be paid by the consumer. I said that I did not quite concur in this

reasoning, for that I believed that if the duty was taken off, a larger quantity would be taken in the United States, which would manifestly be to the interest of the lumber merchants in Canada. At the same time I stated that their prohibitive duty had led the Canadians to seek for new markets, and that they had found them in South America and elsewhere; that the Returns showed that no less than 379 Norwegian vessels had come during the past season to load lumber in the St. Lawrence. I said that the longer this continued, the more markets would the Canadians discover, and that the price would then be enhanced to the United States' purchaser.

I instanced also the case of coal, stating that I had been informed that the quantity imported into the Eastern States from Nova Scotia was about equal to that imported into Ontario from Pennsylvania; that the two never came into competition, but yet that by their Tariff Regulations on the one side and on the other, they did all that they could to stop the trade.

Mr. Morton said that, if wool was admitted from Canada, it would enter into competition with the wool from Michigan and Illinois; and that the same would apply to corn and other agricultural produce, for that labour was cheaper in Canada, the taxes were lighter, and indeed everything could be procured at a lower rate.

I replied that this might be so, but that much of this arose from their protective or prohibitive tariff; that there were many articles which would not enter into competition with the produce of the United States; and that, whether they did or not, it was not a wise policy, for that the cost of maintaining Custom-houses along so extensive a frontier was very great, and that it was practically impossible to prevent smuggling. Mr. Morton immediately replied that, if he thought that a renewal of the Reciprocity Treaty would do away with, or materially diminish, the cost of the Custom-houses, he should certainly vote for it.

I think that I have now told your Lordship the purport of my conversation with Mr. Morton. I should have hardly troubled your Lordship at such length, were it not that Mr. Morton is reputed to be a good lawyer, and to have considerable influence with his Party. Mr. Morton, too, is a supporter of the present Administration, and is one of the gentlemen who has been recently mentioned for the post of Chief Justice of the United States, since the nomination of the Attorney-General, Mr. Williams, has been withdrawn. I thought, too, that it would be interesting to your Lordship to know the different views which are entertained in this country on the subject of the relations subsisting between Canada, the United States, and England.

I have only to add, in conclusion, that I have since seen Mr. Frelinghuysen, and have told him the purport of the conversation that I had had with Senator Morton. Mr. Frelinghuysen then asked me if the Senator had expressed himself in favour of a renewal of a Reciprocity Treaty. I said no further than this, that he had begun by saying that he saw no reason why Canada should be treated differently from England, or any other country, and had ended by an admission that he should not object to some relaxation of the tariff arrangements with Canada.

Mr. Frelinghuysen then said that no doubt Senator Morton would speak with some caution on the subject; and that for himself, without expressing a very decided opinion on the point, he thought that the suggestion which I had made was worthy of consideration. He said that what lay at the bottom of it was their inability to prevent smuggling being carried on. He further informed me that in introducing the subject to Senator Morton, he had mentioned the difficulties of the Headlands' Question, and the objection that there was to their being decided, as he said by the Austrian Arbitrator; and that the reasons which I had given him for settling the question here, and without the intervention of a Commission, were in his opinion very strong. Senator Frelinghuysen further stated, in the course of our conversation with reference to the statement that the duty on lumber was paid by the consumer, that it was now an admitted fact in this country that two-thirds of the duty were paid by the consumers, a fact which I shall take care not to forget, if I have to discuss the relative advantage to Canada and the United States of the remission of the duties on fish and fish-oil.

I venture to think that my conversation with these gentlemen is not likely to be attended with any inconvenience, as it will prepare them for giving a favourable consideration to the question, should the proposal which has been made by Sir Edward Thornton and myself meet with your Lordship's approval.

I have, &c.
(Signed) H. C. ROTHERY.

No. 124.

Mr. Rothery to Earl Granville.—(Received January 25.)

(No. 4.)

My Lord,

Washington, January 12, 1874.

IN my despatch No. 1 of the 3rd instant, reference was made to a speech pronounced in the Dominion Parliament on the 1st of April last by Mr. Tilley, the late Finance Minister of Canada, from which it would appear that the trade and revenue of the Dominion had, during the last few years greatly increased, notwithstanding the repeal of the Reciprocity Treaty.

I have since received from Mr. Tilley a number of copies of his speech, and as it is not unlikely that I shall again have occasion to refer to it, I inclose four copies thereof for your Lordship's information, and for reference in case of need.

I have, &c.

(Signed) H. C. ROTHERY.

No. 125.

Mr. Rothery to Earl Granville.—(Received January 25.)

(No. 5.)

My Lord,

Washington, January 13, 1874.

I HAVE the honour to acquaint your Lordship that I have forwarded to Lord Dufferin and have handed to Sir Edward Thornton copies of my despatches to your Lordship, as enumerated in the margin.

I have, &c.

(Signed) H. C. ROTHERY.

No. 126.

Sir E. Thornton to Earl Granville.—(Received January 25.)

(Telegraphic.)

Washington, January 24, 1874.

WITH reference to your telegram of to-day, relative to third Fishery Commissioner, I much fear that the communication of its contents to Mr. Fish might seriously affect any prospect of success with regard to suggestions made, that the question should be decided without a Commission. May I not wait until Canada shall have expressed herself as to an arrangement at Washington, on the basis of a money payment or of reciprocity?

No. 127.

Sir E. Thornton to Earl Granville.—(Received January 26.)

(Telegraphic.)

Washington, January 25, 1874.

WITH reference to my telegram of yesterday, the Governor-General of Canada writes to Mr. Rothery that he cordially concurs in his views, and will speak to his Ministers on his return to Ottawa about the 20th instant.

No. 128.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, January 26, 1874.

I AM directed by Earl Granville to transmit to you to be laid before the Earl of Kimberley the accompanying despatches from Mr. Rothery, in regard to the Fisheries Question;* and I am to request that these despatches may be returned when done with.

I am, &c.

(Signed) TENTERDEN.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, January 26, 1874.

WITH reference to my letter of the 24th instant, respecting the Fishery Commission, I am directed by Earl Granville to transmit to you the accompanying copies of two telegrams received from Sir E. Thornton on the subject; and I am to request that, in laying the same before the Earl of Kimberley, you will move His Lordship to favour Earl Granville with any observations he may have to offer thereupon.

I am, &c.

(Signed) TENTERDEN.

Mr. Holland to Lord Tenterden.—(Received January 27.)

(Confidential.)

My Lord,

Downing Street, January 27, 1874.

IN reply to your letter of yesterday's date, inclosing two telegrams for Sir E. Thornton with respect to the arrangement of the Fishery question suggested by Mr. Rothery in lieu of a settlement under the Treaty of Washington, I am directed by the Earl of Kimberley to state that it would be desirable to telegraph to Sir E. Thornton and Mr. Rothery that Her Majesty's Government have no intention to make any proposal to the United States or to the Canadian Government with respect to any arrangement on the Fishery Question other than that provided by the Treaty, and that all they could do would be to take the matter into consideration upon a spontaneous desire expressed by the Canadian Government.

As it is stated that Lord Dufferin contemplates communicating with his Ministers on this subject on the 28th, Lord Kimberley has sent the following telegram to Lord Dufferin:—

“Thornton states that you concur in Rothery's views as to Fisheries, and intend to speak to your Ministers. Take care not to pledge Her Majesty's Government to any opinion on the subject, or to let it be supposed that they suggest or initiate any proposal to proceed otherwise than by Commission under Treaty.”

His Lordship would further propose, on learning from Lord Granville that he has telegraphed to Sir E. Thornton, to communicate the substance of such telegram confidentially to Lord Dufferin.

As regards the communication to Mr. Fish on the subject of the third Commissioner, Lord Kimberley thinks that no harm could arise from the postponement of the communication for a short time.

I am, &c.

(Signed) H. T. HOLLAND.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, January 27, 1874.

I AM directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a copy of a despatch from Mr. Rothery, giving a list of the despatches on the Fisheries Question which he has communicated to the Governor-General of Canada.

I am, &c.

(Signed) TENTERDEN.

No. 132.

Earl Granville to Sir E. Thornton.(Telegraphic.) *Foreign Office, January 27, 1874, 7.25 P.M.*

WITH reference to your telegrams of the 24th and 25th instant, Her Majesty's Government have no intention to make any proposal to the United States' or to the Canadian Government with respect to any arrangement on the Fishery Question other than that provided by the Treaty, and all they could do would be to take the matter into consideration upon a spontaneous desire expressed by the Canadian Government, as intimated in my telegram of the 24th.

Lord Kimberley has sent the following telegram to Lord Dufferin:—

“Thornton states that you concur in Rothery's views as to Fisheries, and intend to speak to your Ministers. Take care not to pledge Her Majesty's Government to any opinion on the subject, or to let it be supposed that they suggest or initiate any proposal to proceed otherwise than by Commission under Treaty.”

You may postpone for a short time the communication to Mr. Fish respecting the third Commissioner.

No. 133.

Lord Tenterden to Mr. Holland.

(Secret.)

Sir,

Foreign Office, January 27, 1874.

WITH reference to your letter of this day's date, I am directed by Lord Granville to state to you, for the information of Lord Kimberley, that he has sent the following telegram to Sir E. Thornton, respecting the proposed arrangement of the Fishery Question:—

“Her Majesty's Government have no intention to make any proposal to the United States or to the Canadian Government, with respect to any arrangement on the Fishery Question, other than that provided by the Treaty, and all they could do would be to take the matter into consideration upon a spontaneous desire expressed by the Canadian Government, as intimated in my telegram of the 24th.”

Lord Kimberley has sent the following telegram to Lord Dufferin:—

“Thornton states that you concur in Rothery's views as to Fisheries, and intend to speak to your Ministers. Take care not to pledge Her Majesty's Government to any opinion on the subject, or to let it be supposed that they suggest or initiate any proposal to proceed otherwise than by Commission under Treaty.”

You may postpone for a short time the communication to Mr. Fish respecting the third Commissioner.

I am, &c.
(Signed) TENTERDEN.

No. 134.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, January 30, 1874.

I AM directed by Earl Granville to transmit to you, confidentially, for the perusal of the Earl of Kimberley, the accompanying despatch from Mr. Rothery, reporting his conversation with Senator Morton, respecting Canada and the United States.

I am to request that this despatch may be returned as soon as convenient.

I am also to transmit to you, for Lord Kimberley's information, a copy of a further despatch from Mr. Rothery, inclosing a printed copy of a speech of Mr. Tilley, the late Finance Minister of Canada which was pronounced in April last, respecting the revenue of the Dominion.

I am, &c.
(Signed) TENTERDEN.

Mr. Rothery to Earl Granville.—(Received February 1.)

(No. 7.)

My Lord,

Washington, January 20, 1874.

SIR EDWARD THORNTON has communicated to me the telegraphic message, which he had received from your Lordship in cypher, and which was in the following terms:—

“ I have received your despatch No. 514 and Mr. Rothery’s despatches Nos. 25, 26, and 27, and have consulted Colonial Office. Her Majesty’s Government cannot authorize you to take any step for a settlement of the Fisheries Question otherwise than through the Commission as provided in Treaty, until consent of Canada has been formally and unmistakably given to the arrangement.”

I observe that, at the time when this telegram was sent, your Lordship had received only my despatches of the 20th and 23rd ultimo relative to my interviews with Sir Edward Thornton and Mr. Sumner, and not those of the 3rd instant, which contained an account of my conversations with General Garfield, and Senators Frelinghuysen and Morrill.

Awaiting your Lordship’s further instructions, I have, &c.

(Signed)

H. C. ROTHERY.

No. 136.

Mr. Herbert to Lord Tenterden.—(Received February 3.)

My Lord,

Downing Street, February 2, 1874.

I AM directed by the Earl of Kimberley to return the despatches from Mr. Rothery on the subject of the North American Fisheries which accompanied your letter of the 26th ultimo.

His Lordship will be glad to have copies of these papers for reference, in print if possible.

I am, &c.

(Signed)

ROBERT G. W. HERBERT.

No. 137.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, February 4, 1874.

I AM directed by Earl Granville to transmit to you, to be laid before the Earl of Kimberley, a copy of a despatch from Mr. Rothery, upon the subject of the North American Fisheries.

I am, &c.

(Signed)

TENTERDEN.

No. 138.

Sir E. Thornton to Earl Granville.—(Received February 8.)

(No. 50. Confidential.)

My Lord,

Washington, January 26, 1874.

DURING my visit to Mr. Fish at the State Department on the 22nd instant, he alluded to the possibility of the renewal of a Reciprocity Treaty with Canada, and he asked me whether I thought that the Dominion would be willing to agree to such a measure instead of submitting the Fisheries Question to a Commission in accordance with terms of the Treaty. I replied that I had received no such official information from your Lordship, or from the Governor-General of Canada. He went on to say that,

personally, he had always been opposed to the cessation of the Treaty of 1854, and that he was in favour of reciprocity with Canada as far as certain Articles were concerned; but that such an arrangement would involve the necessity of another Treaty between the two countries which would require the sanction of two-thirds of the Senate, and which could not be carried without a majority in the House of Representatives. He added that recently the latter House had shown a disinclination to agree to modifications of the Tariff which had not been initiated by itself, and which had been stipulated in a Treaty sanctioned by the Senate. It was, however, possible that such an arrangement might be managed by legislation alone on the part of Canada and of the United States.

I had no wish to encourage a continuance of the conversation, which I presume arose from the observations made by Mr. Rothery to Mr. Bancroft Davis, and repeated by the latter to Mr. Fish. It seems to me, however, that it would be unsafe to trust to legislation alone upon such a matter, and, indeed, that it would be impossible to do so; for some international engagement would be indispensable to insure the duration of the arrangement. But I know Mr. Fish too well to suppose that his saying that he was personally and privately in favour of a reciprocal reduction of duties between Canada and the United States, would make him hesitate, as Secretary of State, to refuse to entertain such a proposal if he should find it convenient to do so.

I have always found that he, like most statesmen in this country, endeavours to find out the opinions of influential members of Congress before he commits himself upon any question, and, however desirable it may be that I should obtain Mr. Fish's private feelings and opinions upon any subject, he supposes that I understand that his letting me know them does not in any way commit him.

I have, &c.
(Signed) EDWD. THORNTON.

No. 189.

Mr. Rothery to Earl Granville.—(Received February 8)

(No. 8.)

My Lord,

Washington, January 24, 1874.

IN my despatch No 1 of the 3rd instant I showed, by reference to the Budget speech of Mr. Tilley, the late Finance Minister of the Dominion, delivered on the 1st of April, 1873, that the trade of the British North American Provinces had, notwithstanding the repeal of the Reciprocity Treaty, greatly increased between years 1867 and 1872. I now proceed to show your Lordship what has been the condition of the trade of the United States during the same period, so far as relates to Canada and the British Provinces on the Atlantic.

With this view I have prepared from the Returns annually published by the United States' Government a statement, which I now inclose, showing the declared values of the imports into the United States for each year from 1867 to 1872, of all the more important articles which, under the Reciprocity Treaty, were admitted duty free into the United States, but which, since the repeal of that Treaty, have been subjected to a heavy and, sometimes almost prohibitive Tariff.

I have taken for comparison the period from 1867 to 1872, because the year ending June 30, 1867, is the first complete year after the termination of the Reciprocity Treaty (the Treaty having expired on the 17th March, 1866), and the year ending the 30th June, 1872, is the last, for which the Returns have been published. Moreover, this period corresponds to that during which, as I have already stated, the trade of the Dominion has so greatly increased.

The articles which have been selected, and which, it will be at once admitted, include all the most important articles of trade between Canada and the United States, are the following:—

1. Grain, flour, and breadstuffs of all kinds.
2. Timber and lumber of all kinds, including firewood,
3. Fish of all kinds.
4. Living animals of all kinds.
5. Coals.
6. Hides and skins.
7. Provisions, including poultry, butter, lard, chese, tallow, &c.

I will proceed to examine the returns relating to each of the above articles in order.

1. "Grain, flour, and breadstuffs of all kinds." In this article it will be seen that the importations were actually greater in 1867 than they were in 1872, the declared

values thereof having been 7,520,306 dollars in the former year as against 7,302,151 dollars in the latter.

2. In the article of "timber, lumber, and firewood," there has no doubt been a slight increase during the period in question; but this arises probably from the fact that the United States, having comparatively none of their own, are obliged to obtain their lumber from Canada. But it is to be observed that any duty that may be imposed must necessarily fall upon the consumer.

3. Again in the article of "fish," the importations in 1867 were actually greater than they were in 1872, being of the declared values of 1,473,177 dollars in the former year, as against 1,019,315 dollars in the latter.

4. In the article of "living animals of all kinds," there has certainly been an increase, but the increase would appear to have been accidental and temporary, for the importations in 1872 were only half what they were in 1870.

5. In "coals," again, the falling off has been considerable, the number of tons imported in 1867 having been 338,377 as against 257,447 in 1872; and the declared values thereof, 855,007 dollars, as against 608,623 dollars.

6. In the article of "hides and skins" again, there is an increase over 1867, but the falling off has been steady and continuous since 1869, when, owing to some cause or other with which I am not acquainted, the increase was sudden and considerable.

7. In the article of "provisions, including poultry, lard, butter, cheese, tallow, &c.," the falling off since 1870 has been very great, the amount shown by the returns for 1872 being only about half what it was for the year 1870. It is true that the returns for 1872 show a slight excess over those for 1869, but I am inclined to think that some articles were omitted from the last mentioned return, as it was the first year in which they were made up in that form.

It will thus be seen that, since the repeal of the Reciprocity Treaty, the import trade from the Dominion and the other British Provinces on the Atlantic has not only not increased in proportion to what might have been expected from the increased population and wealth of the two countries, but that in some of the most important items it has actually gone back, showing the injury that has been done to the trade and commerce of the country, as well as the revenue by the imposition of these high Tariff charges. The loss, however, as I have before stated, has fallen chiefly on the United States, Canada having found other outlets for her produce, since the markets of the United States have been practically closed against her.

Before leaving the subject of imports it may be as well to refer also to the article of "furs and fur skins." Up to 1871 there was a duty on furs and fur skins, both dressed and undressed; but in that year the duty was taken off the undressed furs, and the result is shown in the Inclosure No. 2, herewith sent; which is a statement of the declared values of furs and fur skins, both dressed and undressed for the six years from 1867 to 1872, both inclusive. In the years 1869 and 1870 the Returns do not show the distinction between the dressed and the undressed furs imported, but in the years 1871 and 1872 the distinction is made; and it will be seen that immediately the duty was taken off the undressed furs, the amount rose in one year from 146,544 dollars to 305,339 dollars, or above 100 per cent.

I will now proceed to compare the Returns of the exports from the United States into Canada, with those which have been already given of the imports from Canada into the United States. It has been already stated that between the years 1867 and 1872 the imports of coal from Canada into the United States fell from 338,377 tons in the former year to 257,447 tons in the last year, and the declared values from 855,007 dollars to 608,623 dollars. If now we compare this with the exports during the same period, of coal from the United States to Canada, as shown in the Returns published by the United States, and from which the accompanying inclosure is an extract, it will be seen that the quantity rose from 139,406 tons in 1867 to 291,891 in 1872; and the declared values thereof from 888,729 dollars to 1,455,591 dollars. In other words, whilst the quantity of coal imported from Canada into the United States during the period from 1867 to 1872 actually diminished, the quantity exported from the United States into Canada was more than doubled.

I shall deliver a copy of this letter and of its inclosures to Sir Edward Thornton, and shall forward another copy to Lord Dufferin, as in the event of any discussion taking place in regard to the renewal of the Reciprocity Treaty, these Returns may possibly prove to be of use.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 139.

STATEMENT of the Value of the Imports into the United States from Canada and the other British American Provinces on the Atlantic, of the principal Dutiable Articles, for the Years ending the 30th of June, 1867 to 1872, both inclusive.

	1867.	1868.	1869.	1870.	1871.	1872.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1. Grain, flour, and breadstuffs of all kinds	7,520,306	7,066,838	7,100,613	7,022,052	5,148,072	7,302,151
2. Timber and lumber of all kinds, including firewood	6,304,599	6,593,235	7,170,339	8,642,828	8,122,949	8,131,361
3. Fish of all kinds	1,473,177	931,495	1,117,757	1,169,407	1,201,175	1,019,315
4. Living animals of all kinds	1,902,360	2,275,501	3,471,880	6,130,082	5,520,158	3,213,186
5. Coals.—Quantity imported	Tons. 338,377	Tons. 228,132	Tons. 287,745	Tons. 243,679	Tons. 262,713	Tons. 257,447
" Declared value thereof	Dollars. 855,007	Dollars. 653,251	Dollars. 758,588	Dollars. 613,106	Dollars. 639,469	Dollars. 608,623
6. Hides and skins	73,912	114,480	435,507	331,840	224,624	270,437
7. Provisions, including poultry, lard, butter, cheese, tallow, &c. {	Not specified.	Not specified.	1,429,349	3,633,937	2,374,604	1,876,728

Inclosure 2 in No. 139.

STATEMENT of the Declared Values of Furs and Fur Skins imported from Canada and the other British American Provinces on the Atlantic into the United States, in each of the Years ending June 30, 1867 to 1872.

	1867.	1868.	1869.	1870.	1871.	1872.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Furs and fur skins, dressed	32,542	7,052	239,104	290,992	91,615	57,090
" undressed	60,678	85,574				

Inclosure 3 in No. 139.

STATEMENT of the Export of Coal from the United States to Canada and the other British American Provinces on the Atlantic, in each of the Years ending the 30th of June, 1867 to 1872, showing the Tonnage and declared Value thereof.

	1867.	1868.	1869.	1870.	1871.	1872.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Quantity exported	139,406	165,843	176,805	181,672	216,892	291,891
Declared value thereof	Dollars. 888,729	Dollars. 915,920	Dollars. 954,026	Dollars. 1,048,347	Dollars. 1,100,732	Dollars. 1,455,591

No. 140.

Mr. Rothery to Earl Granville.—(Received February 8.)

(No. 9. Very Confidential.)

My Lord,

Washington, January 26, 1874.

ON Thursday the 15th instant Sir Edward Thornton informed me that, at the usual weekly visit which he had on that day paid to Mr. Fish, that gentleman had towards the conclusion of their conversation suddenly asked him, what I was doing, and what exactly was my position here; that he, Sir Edward, had replied that my position was only that of Agent to Her Majesty's Government on the Fisheries Question; that Mr. Fish had

then said that he understood that I had been speaking to some of the Senators, and he wished to know whether I had any authority to treat on the Fisheries Question; and that Sir Edward had immediately replied that I had no such authority, but that I was no doubt interested in examining the working of their institutions. Some further conversation I was informed had passed between them in regard to myself, but not at all in the way of complaint of anything that I had been doing, for I understood from Sir Edward that Mr. Fish had spoken in very kind and complimentary terms of me. Sir Edward further informed me that Mr. Fish was generally very jealous of any interference with the business of his department, but that on the present occasion he had not shown any appearance of irritation, but quite the contrary.

On discussing the matter further with Sir Edward, we came to the conclusion that Mr. Fish might possibly not be unwilling to settle the question upon some such arrangement as that which has been suggested, namely, a renewal in whole or in part of the Reciprocity Treaty; and as it was quite clear that he knew of the conversations, which I had had with some of the Senators, most probably with Senator Frelinghuysen, who is a staunch supporter of the present Administration, it was thought advisable that I should take an early opportunity of speaking to Mr. Fish privately on the subject, lest he should feel hurt at the subject having been discussed behind his back. Sir Edward did not think it advisable that I should go to the State Department to see him, as probably my presence there would be noticed, and commented upon in the newspapers; but on my informing him, that we had been invited to dine at Mr. and Mrs. Fish's on the Saturday following, Sir Edward said that after dinner Mr. Fish generally retired into his room to smoke, and that I might then find a good opportunity to speak to him on the subject.

Sir Edward also thought that, seeing the very great kindness, which had been shown to us by Mr. and Mrs. Bancroft Davis ever since our arrival in Washington, I had better take an early opportunity of speaking to Mr. Bancroft Davis on the subject; and on my informing him that we had been invited by them to sit in their pew on the following Sunday, he said that he thought that, if I walked home with him after church, I might conveniently moot the question.

Accordingly, on Saturday, on our leaving the dinner-table Mr. Fish asked me and the other gentlemen present to come into his library to smoke. And on our going there I took a seat next to Mr. Fish, and we then had a very long and interesting conversation together, Mr. Fish spoke to me about the constitution of the State Department, its relation to the other departments, the difficulties that surrounded the question of the appointment to the office of Chief Justice, and a variety of other questions. He spoke also on the subject of the Plimsoll Commission, of which I was a Member, of the necessity of organizing a more complete establishment than at present existed in this country for inquiring into loss of life and property at sea, and he seemed much pleased that I had been to the Treasury Department for the purpose of giving them some information in regard to the mode in which that duty was carried out in England, and as to the establishment of a wreck register similar to that issued annually by the Board of Trade in England. He also approved of the suggestion that I had made as to their obtaining increased legislative powers to enable them to inquire into casualties occurring to United States' vessels elsewhere than on the coasts of this country.

After a great deal of very interesting conversation on these and other subjects for about an hour and a half, and just before I took my departure, I said to Mr. Fish that Sir Edward Thornton had informed me of the conversation that they had had together respecting myself, and I observed that he would quite understand that not the slightest disrespect was intended to him, but that without instructions it was not possible to lay any distinct proposal before him on the subject, and that we even felt some delicacy in speaking to him at all about it, until we were fully authorized. He immediately smiled, and in a very good natured way said, "Oh! yes, I quite understand that. It came out quite by accident. I asked Sir Edward what you were doing, and told him that I knew you had been talking to some of the Senators." I replied that I had not hesitated to express my views on the subject to those gentlemen, with whom I had come in contact, and whom I knew to be gentlemen of character and position, but that it would give me very great pleasure to speak with him about it, but quite unofficially, should he desire it. He immediately replied, "I shall be very happy to see you, whenever you like to talk the matter over with me." He then added, "you can quite understand that, after all that has happened about the third Arbitrator, the Commission could hardly be expected to meet at Halifax during the winter." I replied "I hope it may not be necessary for the Commission to meet at all, and that it may be settled here." He answered at once, "And I hope so too."

Nothing could have been kinder throughout than Mr. Fish's manner, and the impression left on my mind was, that he is desirous of having the question amicably arranged here, but whether by a money payment or by a relaxation of tariff arrangements I could not say.

I saw Sir Edward the same evening and informed him of what had passed between Mr. Fish and myself, and he thought that it was only on additional reason for my speaking to Mr. Bancroft Davis on the subject. Accordingly, on the following day, Sunday, I walked with Mr. Davis, after service, to his house, and, having gone with him into his library, I began the conversation by saying that I felt some reluctance at having had to act what might appear to him to be a deceitful part after the very great kindness that we had received both from him and from Mrs. Davis; but that, in the position which he occupied, I had felt some difficulty in speaking to him at all upon the question, being without any precise instructions on the subject: that I had been informed of what had passed between Mr. Fish and Sir Edward on the preceding Thursday, and that nothing was further from my intention in speaking to any of the Senators and others than to show any want of respect either to himself or to Mr. Fish. I told him also what Mr. Fish had said to me, when I had dined at his house on the preceding evening. I then informed him that I proposed to treat him in the most frank manner, for that I felt that I could do so; but that anything that I might must be regarded as quite private and unofficial. I stated that the question in dispute between us under the Treaty was simply what amount they had to pay us as a compensation for the excess of advantages which had been accorded to United States' citizens under the Treaty. I said that, so far as regarded the American fisheries, they could be of no use whatever to British fishermen; to which he immediately replied that he thought that the American fisheries might be put aside, for that they could be of no use to us. I then said that, on the other hand, the British waters were undoubtedly of great value to American fishermen, as evidenced by the numbers of American vessels which annually frequented them; and that it would often happen that these vessels would have to return with incomplete fares, unless they had the right to follow the fish into British waters. This he admitted, but said that that applied almost entirely to the mackerel and herring fisheries, and not to the cod fishery.

I observed, however, that the Treaty also conferred a benefit on the cod fishermen, inasmuch as it allowed them to land and dry their fish on parts of the coast, from which they had been before excluded. He said that he was not aware that they had got any advantage in this respect under the Treaty, but I showed him, on reference to the Treaty, that this was so.

I then stated that, as regards the revision of the duty on fish and fresh oil, the benefit was not wholly to the British fisherman, for that I understood that it was generally admitted, even in the United States, that two-thirds of the remission of any duty went to the consumer, whilst only one-third went to the produce—a position which he did not contest. And I said that it was clear, therefore, that, on a balance of advantages, something was due to us by the United States.

I then proceeded to call his attention to the difficulties which surrounded the question—the Bays or Headlands Question—with which, from his knowledge of the case, he must be perfectly familiar; the question of the Third Arbitration, and other matters, all of which the United States' Government must be as anxious not to have discussed as we could be. Besides which there was the risk lest the agitation of these questions before the Commission at Halifax might lead to a renewal of the former differences which had existed between us. I said that all this seemed to lead to the conclusion that an amicable settlement of the question at Washington would be more conducive to the interests of both parties than an adjudication of the case at Halifax, and that, so long as the case remained unsettled, there would always be a *lis pendens* between the two countries.

Mr. Davis thereupon said that, as I had spoken to him so openly, he would treat me with the same candour. He stated that he had always been opposed to the settlement of the Fisheries Question in the mode provided for by the Treaty. He said that if the arrangement had been in perpetuity there would have been less objection to the principle of a money payment, but that, as it was, the question must be again revived at the end of twelve years, and the same difficulties would then again be experienced. He said that if a large award were made by the Commission at Halifax the United States would be unwilling to renew the Treaty; and if a small one were made, probably the Canadians would not renew it. On these grounds, he thought the arrangement provided for by the Treaty of a money payment was not a desirable one.

I then said that, since my arrival at Washington, it had been suggested to me that possibly the matter might be arranged on the footing of a renewal of the Reciprocity

Treaty; that I had no authority for saying that it would be acceptable either to your Lordship or to the Canadians, but that to myself personally it seemed to be a feasible mode of settling the question. I added that it would have this advantage, that it would perhaps prevent a reopening of the matter; for that, of course, any Tariff arrangements that might be made would continue only so long as their fishermen were admitted to our waters: the one would be dependent on the other.

I then stated that it was no secret that one of the principal reasons with some people for not wishing to renew the Reciprocity Treaty was the expectation that Canada would be so hampered by the restrictions upon her commerce that she would be eager to join the Union. I said that I did not think that this was the motive with the United States' Government, but that this consideration, undoubtedly, influenced the votes of many of the Senators. And I added that, if this was their object, it had certainly failed; for that the Canadians were now much less disposed to join the Union than they had formerly been. Mr. Davis replied that he thought that that was undoubtedly the case.

I then told him of the conversation that I had had with Senator Morton, as already reported to your Lordship; and on my saying to him that, so long as Canada desired to continue the connection, Great Britain could never throw her off, Mr. Davis immediately replied, "Of course not."

Some further conversation passed between us, and I then told him that, during my stay in Canada, I had ascertained that since the repeal of the Reciprocity Treaty the trade of Canada had largely and steadily increased; and that the effect of their restrictive commercial policy had been to injure themselves rather than Canada. I stated that Canada, finding herself excluded from the markets of the United States, had sought other outlets for her produce; and I instanced the case of lumber, in which a considerable trade had lately sprung up between Canada and South America, and the fact that no less than 379 Norwegian vessels had loaded during the past season in the St. Lawrence. And I concluded by saying that, from all I could learn, the trade which had during the existence of the Reciprocity Treaty flowed freely across the frontier now found its way into other channels, and that the intimate commercial relations which formerly existed between the two countries had thereby been seriously affected.

Mr. Davis then said that, personally, he had been always opposed to the repeal of the Reciprocity Treaty, for that he thought it was to their advantage to cultivate friendly relations with Canada; that he did not know what were Mr. Fish's views on the subject, but that, of course, the first step must be to ascertain whether he would be disposed to take the question up, and, after that, it would be necessary to see whether there would be any possibility of carrying it. He said that it must be by a new Treaty, and that it would require a majority of two-thirds of the Senate to confirm it.

I stated that he would probably have the support of the Democratic party on a question of this description, and that, as regarded the Republican Party, there were, no doubt, some of the Senators upon whose support they might fairly count; and that thus probably, a two-thirds majority might be obtained. Mr. Davis said that no doubt this was so, and that such was Mr. Fish's influence with his own party that he thought that he could carry any question which he really wished.

I then told him that, probably, the Senator whose opposition he would dread most would be Mr. Sumner; but that Mr. Sumner had assured me more than once, and had repeated it again only the preceding day that, if Mr. Fish would take the initiative it should have his support. Mr. Davis seemed to think that this was important and he added that, even if they could not get a two-thirds majority in the Senate, they might proceed by legislative action, but that, in that case, they must have a majority both in the Senate and in the House of Representatives.

Some further conversation passed and, in the end, Mr. Davis stated that he would take an opportunity of speaking to Mr. Fish and of ascertaining his views on the subject.

On my communicating what had passed between Mr. Bancroft Davis and myself to Sir Edward Thornton, he thought that the matter had better stand for the present as it did, for that it was clearly more advisable to have the case laid before Mr. Fish in the first instance by a gentleman in whom Mr. Fish had confidence, and who was, at the same time, not unfavourable to the proposal.

Nothing further occurred until the following Thursday, the 22nd, when I was informed by Sir Edward Thornton that, on his paying his usual weekly visit, Mr. Fish again referred to the subject, and asked him whether he thought that the Canadians would be willing to accept a renewal of the Reciprocity Treaty in settlement of the Fisheries Question. Some further conversation ensued, which, however, I will not presume to detail, but the impression, as I understood, left upon Sir Edward's mind was, that Mr. Fish was thinking about the matter, and that he was not altogether unfavourable to

the proposal. That this is so, is, I think, confirmed by what passed between Mr. Bancroft Davis and myself yesterday. I met him after service and told him that I hoped he would not think that we were neglecting the business altogether; but that it was, of course, necessary, before making any definite proposal to them on the subject, to communicate both with your Lordship and with the Canadian authorities. He immediately replied that he quite understood that; that Mr. Fish was not unwilling to ascertain the views of Senators on the subject, and that he thought that the matter was not in a sufficiently forward state for any definite proposition to be made. That before that could be done it would be necessary for us to ascertain the views of Her Majesty's Government and of the Canadian authorities on the subject, and for Mr. Fish to learn what prospect there was of being able to pass such a measure through the Senate. He added that this was, in his opinion, the best mode of conducting a negotiation, so that no proposal might be officially made of which there was not a fair prospect that it would be accepted.

Thus the matter stands at present. The communications which I have had with Mr. Fish and Mr. Bancroft Davis, were, as I have already said, of a strictly confidential character, and expressed, as I understood, their opinions as private individuals, and not as officers of the State. As such I forward them to your Lordship, feeling that it is my duty to inform your Lordship of everything that may occur, however private, however confidential it may be. Any more formal negotiations will, of course, be conducted by Her Majesty's Minister, and I quite understand that they are not to be entered upon until, in the words of your Lordship's telegram of the 16th instant, the "consent of Canada has been formally and unmistakably given to the arrangement." But whatever may be the result, I cannot think that any harm can result from these informal communications, as they could only indicate our desire to have the question amicably arranged and upon terms which we believe to be mutually advantageous to both countries. That both Mr. Fish and Mr. Bancroft Davis are sincerely desirous of settling this question amicably, I firmly believe; I think also that a settlement on the basis of a renewal of the Reciprocity Treaty, would be very acceptable to the Dominion. And I have only to say in conclusion that, should so desirable a result be obtained, it would be due mainly to the good-feeling which at present exists between Great Britain the United States, and which Sir Edward Thornton has himself done so much to bring about.

I have, &c.

(Signed) H. C. ROTHERY.

No. 141.

Mr. Rothery to Earl Granville.—(Received February 8.)

(No. 10. Confidential.)

My Lord,

Washington, January 26, 1874.

SIR EDWARD THORNTON has communicated to me your Lordship's telegram of the 24th instant, from which I learn that Her Majesty's Government is of opinion that no settlement other than that provided for by the Treaty should be entered into, unless the Canadian Government express the spontaneous and unmistakeable desire that such a settlement should be attempted, and state the precise terms they wish to be offered, and then only after the matter has been duly submitted for the further consideration and instruction of Her Majesty's Government. Your Lordship adds that I need not make an unnecessary stay at Washington, as it might create an unfavourable impression in Canada, though Her Majesty's Government leave this point to my judgment.

Your Lordship will perceive from my despatch No. 9 of this day's date, the present position of the case, and the probability there is that, if Canada agrees to the proposal for a settlement of the question on the basis of a renewal of the Reciprocity Treaty, Mr. Fish would at all events not be indisposed to take the matter up. Until, therefore, the views of Canada have been ascertained, and your Lordship's directions have been expressed thereon, it seems undesirable that I should leave Washington, as, in the event of the matter being finally decided here, there would be no necessity for my going to Halifax at all. I may add that, by a letter which I received only on Sunday last from Lord Dufferin, his Lordship informs me that he will use every effort to promote the accomplishment of our views, with which he cordially concurs; that, unfortunately, his Ministers are all away at their elections, and that it would be quite impossible to expect them to consider so important a topic until after the elections are over; but that directly they are over, which will not be until the 28th instant, he will see Mr. Mackenzie, his Prime Minister, and will open the subject with him. This, he observes, will after all only occasion a delay of a little more than a week.

Under these circumstances, both Sir Edward and I think that it would be better for me to remain here until something more definite has been arranged. It may be that Lord Dufferin may require me to proceed to Ottawa, to explain more fully than I can do by letter the course which it is proposed to adopt; and I have informed his Lordship that I shall hold myself in readiness to start at a moment's notice on receiving an intimation of his wish to see me.

Your Lordship may be well assured that I shall not prolong my stay here unnecessarily; I have too many reasons for wishing to terminate this business as speedily as possible. Nor have I any apprehension that my stay at Washington is likely to create an unfavourable impression in Canada, as I came here with the knowledge and approval of both the late and present dominion Ministries, and with the avowed intention, if it met with your Lordship's sanction, of endeavouring to effect an amicable settlement of the question with the United States' Government, as I have in several of my previous despatches already informed your Lordship.

I have, &c.
(Signed) H. C. ROTHERY.

No. 142.

Mr. Holland to Lord Tenterden—(Received February 8.)

My Lord,

Downing Street, February 7, 1874.

I HAVE laid before the Earl of Kimberley your letter of the 4th instant, inclosing a despatch from Mr. Rothery, on the subject of the North American Fisheries.

I am to state that, in Lord Kimberley's opinion, the unofficial conversations which Mr. Rothery held with the persons named in his letter do not affect the decision arrived at by Her Majesty's Government, and communicated to Sir E. Thornton in the telegram referred to by Mr. Rothery.

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

No. 143.

Sir E. Thornton to Earl Granville.—(Received February 10.)

(Telegraphic.)

Washington, February 9, 1874.

RECENT occurrences make me tolerably certain that both President of the United States and Mr. Fish favour idea of a Reciprocity Treaty with Canada.

Mr. George Brown, of Toronto, has arrived here with a letter from the Governor-General of Canada, who writes that he has the entire confidence of the Canadian Government. Brown states that Canada desires a renewal of Reciprocity Treaty in preference to any money payment for the fisheries. He suggests that we should propose renewal of Article III of Treaty of 1854. He has telegraphed to Canadian Government to-day requesting that the Governor-General may be asked to express by telegraph the same desire to Lord Kimberley in the hope that instructions may be forthwith sent me.

Looking at all the circumstances Rothery and I think it of great importance that there should be no delay.

No. 144.

Lord Tenterden to Mr. Herbert.

(Confidential.)

Sir,

Foreign Office, February 10, 1874.

I AM directed by Earl Granville to transmit to you, for the consideration of Lord Kimberley, the accompanying copy of a telegraphic message received this morning in cypher from Sir E. Thornton respecting the project for a renewal of the Reciprocity Treaty, instead of awaiting the decision of the Fishery Commission.

I am, &c.
(Signed) TENDERDEN.

No. 145.

Mr. Holland to Lord Tenterden.—(Received February 11.)

(Confidential.)

Sir,

Downing Street, February 11, 1874.

IN reply to your letter of the 10th instant, I am directed by the Earl of Kimberley to state that he proposes, with Lord Granville's concurrence to telegraph to Lord Dufferin confidentially as follows:—

“Thornton reports that Brown states Canada favours renewal of Reciprocity Treaty in preference to money payment for fisheries. We could not, I think, in present circumstances, deal with such a proposal.”

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

No. 146.

Mr. Rothery to Earl Granville.—(Received February 11)

(Telegraphic.)

Wormley's Hotel, Washington, February 11, 1874.

MR. FISH has privately informed me that the President is prepared to entertain proposal of a Reciprocity Treaty in lieu of money payment.

I am informed that Dominion Government has telegraphed home its assent to the proposal.

It appears to me that if Her Majesty's Government adopt proposal no time should be lost in opening negotiations.

No. 147.

Earl Granville to Sir E. Thornton.

(No. 54.)

Sir,

Foreign Office, February 11, 1874.

I COMMUNICATED to the Earl of Kimberley Mr. Rothery's despatch No. 7 of the 20th ultimo, reporting his unofficial conversations with the persons named therein, and I now transmit to you a copy of a letter which I have received in reply from his Lordship.*

I am, &c.
(Signed) GRANVILLE.

No. 148.

Earl Granville to Mr. Rothery.

(No. 2.)

Sir,

Foreign Office, February 11, 1874.

I COMMUNICATED to the Earl of Kimberley your despatch No. 7 of the 20th ultimo, reporting your unofficial conversations with the persons named therein, and I now transmit to you a copy of a letter which I have received in reply from his Lordship.*

I am, &c.
(Signed) GRANVILLE.

No. 149.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, February 11, 1874.

I AM directed by Earl Granville to transmit to you confidentially, for the information of the Earl of Kimberley, the accompanying copy of a despatch from Sir

E. Thornton, reporting a conversation he has held with Mr. Fish respecting the Fisheries Commission.*

I am, &c.
(Signed) TENTERDEN.

No. 150.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, February 12, 1874.

WITH reference to my letter of the 10th instant, I am directed by Earl Granville to transmit to you herewith, for the consideration of the Earl of Kimberley, a copy of a telegraphic despatch from Mr. Rothery, stating that he is led to believe that the President of the United States is prepared to entertain a proposal for a renewal of the Reciprocity Treaty instead of awaiting the decision of the Fishery Commission.

I am, &c.
(Signed) TENTERDEN.

No. 151.

Mr. Holland to Lord Tenterden.—(Received February 13.)

(Confidential.)

My Lord,

Downing Street, February 13, 1874.

WITH reference to my letter of the 11th instant, on the subject of the telegram proposed to be sent to the Governor-General of Canada, respecting the renewal of the Reciprocity Treaty, I am directed by the Earl of Kimberley to transmit to you, for the consideration of Earl Granville, a copy of a telegram which has been received in cypher from Lord Dufferin.

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

Inclosure in No. 151.

Lord Dufferin to the Earl of Kimberley.

(Telegraphic.)

February 11, 1874.

MY Government is most anxious that Sir E. Thornton should be authorized to negotiate on the basis mentioned, and deprecates delay as likely to compromise the success of an arrangement so beneficial to Canada. I was on the point of telegraphing when yours arrived.

No. 152.

Mr. Rothery to Earl Granville.—(Received February 14.)

(No. 11.)

My Lord,

Washington, January 28, 1874.

I HAVE the honour to acquaint you that I have forwarded to Lord Dufferin, by the ordinary post, copies of my despatches to your Lordship of the numbers and dates following:—

No. 8 of January 24; No. 9 of January 26, Most Confidential; No. 10 of January 26, Confidential.

I had submitted the drafts of these despatches to Sir Edward Thornton before they were sent off, and I have now delivered to him copies thereof.

I have, &c.
(Signed) H. C. ROTHERY.

Mr. Rothery to Earl Granville.—(Received February 14.)

(No. 12.)

My Lord,

Washington, January 29, 1874.

I BEG to send you herewith copy of a letter and its inclosure which I have addressed to Sir Edward Thornton, forwarding to him, at his request, a copy of all the papers which were printed at the Foreign Office previous to my departure from England. As Sir Edward justly observed, it is more than probable that the greater part, if not the whole of the despatches contained in the four volumes of correspondence, which I have sent him, are to be found in the archives of the Legation; but in the form in which they are now printed they will be much more easy of reference, in case it should be necessary to enter into any negotiations with the United States' Government on the subject of the Fisheries Question.

The rest of the printed documents relate almost entirely to the question of maritime jurisdiction, the three miles limit, and the bays or headlands difficulty, and will probably be found useful in the event of there being any desire shown by the United States' Government to fix, in agreement with Her Majesty's Government, the limits of maritime jurisdiction.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 153.

Mr. Rothery to Sir E. Thornton.

(Confidential.)

Sir,

Washington, January 28, 1874.

IN accordance with your request, I have the honour to send you herewith, for your private information, copies of the several documents, of which a list is inclosed, and which were printed for the use of the Fisheries Commission at the Foreign Office previous to my departure from England.

It is probable that most, if not all, the documents contained in the four volumes of correspondence relating to British North American fisheries, are to be found in the archives of the Legation, but the form, in which the correspondence has now been printed, will probably render it more easy of reference in case of your having to undertake any negotiations with the United States' Government in connection with a settlement of the Fisheries Question.

You will observe that there are two volumes required to complete the correspondence, but of which I regret to say that I have no copies. They were published some years since, and it is possible that there are copies thereof amongst the archives of the Legation. They are—

1. "Correspondence respecting the British North American Fisheries, and the Commercial Convention with the United States," printed in May 1854.

2. "Correspondence respecting the appointment and proceedings of the Washington Joint High Commission."

The rest of the papers relate mainly to the question of maritime jurisdiction, and the three miles limit, and to the bays or headlands question; and they contain the communications which have passed between Great Britain and the Governments of France, the United States, Spain, Norway, Germany, Denmark, and Russia on these subjects. They will probably be found useful in case of any negotiations taking place with the United States' Government with a view to the settlement of the limits of maritime jurisdiction.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 2 in No. 153.

List of Documents inclosed.

CORRESPONDENCE relating to the British North American Fisheries :—

- | | | |
|----------------------------|--|----------------------------|
| 1. For the years 1803-51 ; | \| | 3. For the years 1865-70 ; |
| 2. For the years 1854-63 ; | \| | 4. For the years 1871-73. |

Treaties with the United States from 1873 to 1871.

Memoranda on the Bays or Headlands Question, by Mr. Farrer and Mr. Reilly.

Memoranda on the Bays or Headlands Question, by Dr. Deane.

Communications, relative to the Bays or Headlands Question, with :—

- | | | |
|------------------------|--|------------------------|
| 1. France in 1824-28 ; | \| | 4. Norway and Sweden ; |
| 2. France in 1839 ; | \| | 5. Denmark ; |
| 3. Germany ; | \| | 6. Spain. |

Papers relating to the cases of the "Washington" and "Argus."

Correspondence with the United States on the subject of the case of the "Grange," and the limits of maritime jurisdiction.

Correspondence between the United States, Great Britain, and Russia, relative to the limits of maritime jurisdiction claimed by the latter in the Pacific.

No. 154.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, February 16, 1874.

I AM directed by Earl Granville to transmit to be laid before the Earl of Kimberley, for his perusal, the accompanying despatches from Mr. Rothery, upon the subject of the North American Fisheries.*

I am, &c.

(Signed) TENTERDEN.

No. 155.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, February 18, 1874, 3.50 P.M.

THE following telegrams have passed between the Colonial Office and Lord Dufferin :—

*"The Earl of Kimberley to Lord Dufferin.**"Downing Street, February 11, 1873.*

"Thornton reports that Brown states Canada favours renewal of Reciprocity Treaty in preference to money payment for fisheries. We could not, I think, in present circumstances deal with such a proposal."

*"Lord Dufferin to the Earl of Kimberley.**"February 11, 1874.*

"My Government is most anxious that Thornton should be authorized to negotiate on the basis mentioned, and deprecates delay as likely to compromise the success of an arrangement so beneficial to Canada. I was on the point of telegraphing when yours arrived."

In the present condition of the Ministry I cannot deal with the matter, but will call the early attention of my successor to it.

No. 156.

Sir E. Thornton to Earl Granville.—(Received February 22.)

(No. 66.)

My Lord,

Washington, February 9, 1874.

MR. ROTHERY will have informed your Lordship that Mr. Fish had spontaneously spoken to him upon the subject of a renewal of the Reciprocity Treaty with Canada as a

* Nos. 139, 140, and 141.

substitute for any money payment which the United States might be called upon to make with reference to the Fisheries Question. From all appearances I think it pretty certain that the United States' Government would receive very cordially a proposal to negotiate a Reciprocity Treaty with Canada, and would prefer that mode of settling the Fisheries Question to a payment of money in accordance with either an arrangement between the two Governments, or the decision of the Commission to be established under the Treaty, May 8, 1871.

Mr. George Brown of Toronto, of whom Mr. Rothery has already spoken in his despatches to your Lordship, and who has recently been appointed a Senator of the Dominion, arrived here this morning bringing with him a letter from the Governor-General of Canada, in which his Lordship says that Mr. Brown is in possession of the entire confidence of the present Canadian Government.

Mr. Rothery and Mr. Brown called upon me together this afternoon, and during a conversation upon the subject of the suggestion that the Fisheries Question might best be settled by a renewal of the Reciprocity Treaty between Canada and the United States, Mr. Brown repeatedly assured me that the Government of the Dominion would very much prefer the conclusion of such an arrangement to the receipt of a sum of money. I replied that I did not doubt that such was the case, but that I could take no step in the matter until I should receive instructions to do so from your Lordship. It would therefore be necessary, with a view to carry out the wishes of the Canadian Government, that it should inform the Earl of Kimberley of its desire that such an arrangement should be proposed to the United States' Government, and of its readiness to waive the stipulations of the Treaty of 1871 with regard to the Fisheries Commission, if the arrangement should be carried out.

Mr. Brown has telegraphed this afternoon in the above sense to Mr. Mackenzie, and has requested that a communication may at once be forwarded to the Earl of Kimberley.

If Her Majesty's Government should authorize me to make a proposal to Mr. Fish of the nature which Mr. Brown assures me that the Canadian Government desires, I have advised that it should be proposed to the United States' Government simply to renew the IIIrd Article of the Treaty of 1854, leaving it to that Government to suggest any modifications or additions which it may think expedient and which can then be submitted for consideration to Her Majesty's and the Canadian Governments. But although there might be some reasons for thinking that such an arrangement should be effected merely by Legislation on both sides, I am of opinion that it would be unsafe to trust to that alone, and that a Convention between the two countries, concluded and confirmed in the usual way, would be indispensable. To this Convention it would be necessary to add a stipulation that, in case the arrangement should fail to be carried out within a given time, which need not be long, seeing that Congress is in session and that the Dominion Parliament will shortly be so, Articles XXII to XXV inclusive of the Treaty of 1871 should remain in full force.

I have, &c.
(Signed) EDWD. THORNTON.

No. 157.

Mr. Rothery to Earl Granville.—(Received February 22.)

(No. 14.)

My Lord,

Washington, February 7, 1874.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 1 of the 24th January ultimo, informing me that Her Majesty's Government are fully sensible of the weight of the reasons adduced by me for an arrangement of the Fisheries Question, without awaiting the award of the Commission at Halifax, and approve of the manner in which my communications with the members of the Canadian Government and other persons of influence in Canada and the United States in regard to it, have been conducted. In thanking your Lordship for the very kind and flattering terms in which you have been pleased to speak of me, I beg to assure your Lordship that no effort shall be wanting on my part to bring this matter to a successful termination.

The rest of your Lordship's despatch, together with that of the 20th, addressed to Sir Edward Thornton, and of which a copy has been communicated to me, contain instructions similar to those which were conveyed in your Lordship's telegram of the 24th ultimo, and to which my despatch No. 10 of the 26th ultimo was a reply.

Awaiting your Lordship's further instructions, I have, &c.,

(Signed)

H. C. ROTHERY.

Mr. Rothery to Earl Granville.—(Received February 22.)

(No. 15. Confidential.)

My Lord,

Washington, February 9, 1874.

AFTER my conversation with Mr. Fish and Mr. Bancroft Davis, as reported to your Lordship in my despatch No. 9 of the 26th of January, I thought that it would be better not to attend the Senate and House of Representatives as frequently as I had before done, nor to invite discussions on the subject of the Fisheries Question, as I was very anxious to avoid any appearance of lobbying the members, and of seeking to influence their judgment, before the opinion of the Administration had been definitely pronounced upon the Question. I felt, too, that, after your Lordship's telegram of the 24th ultimo, in which it was said that Her Majesty's Government could not entertain any proposal for the settlement of the question other than that provided by the Treaty, until the Canadian Government had expressed a spontaneous and unmistakable desire that such a settlement should be attempted, and had stated the precise terms which they wished to be offered, there might be some inconvenience in discussing the question further than I had already done.

Under these circumstances I thought that my time might be usefully employed in examining the Trade Returns published by the United States' Government, with a view of ascertaining to what extent the trade between the two countries had been affected by the Reciprocity Treaty, and by its repeal: in other words, what the trade was before, during, and after the Reciprocity Treaty. The result of those inquiries, as well as the present state of the trade of Canada, as shown in the Returns lately forwarded to me by Lord Dufferin, formed the subject of my despatch No. 13 of the 6th instant.

I also procured a copy of the volume of the "Congressional Globe" which contained a report of the debates that had taken place at the time, when it was resolved that notice of the repeal of the Treaty should be given; and made a careful analysis of those debates, with a view of ascertaining what were the motives which at that time influenced the Senators and Representatives to vote for the repeal of the Treaty. It appeared to me that such a knowledge might be very useful, in case the question of the renewal of the Treaty should come again before the Senate.

But, although, as I have said, I ceased to invite discussions on the Fisheries Question, I did not hesitate to converse freely on the subject with those Senators and Representatives to whom I had already spoken on the subject, as well as with others, upon whom I felt that reliance could be placed.

Amongst those to whom I had not previously spoken, and with whom I thought it expedient to converse, was Senator Schurtz, a gentleman, who is justly considered to be one of the most able and honourable men in the Senate. Although a foreigner, and a refugee for political reasons from his native country, Germany, he has so completely mastered the English language that he is considered to be the most eloquent member in the Senate. With Senator Schurz, however, I had no difficulty; he is a free trader, and was fully prepared to advocate the renewal of the Reciprocity Treaty.

Another gentleman, to whom I have spoken, is Mr. Blaine, the Speaker of the House of Representatives, from whom I have received the greatest attention, since I have been here. He was at first not prepared to accept the principles of the Reciprocity Treaty, holding, as so many of his countrymen do, that Canada ought to belong to the United States. But he is a man of very great ability, and when I pointed out to him that it would be no advantage to the United States, to have a country like Canada annexed to it, unless Canada herself desired it; and that they had already had sufficient trouble from the union of discordant elements; when too I showed him, as I was able to do from the statistics which I had collected, that the trade between the United States, and the dominion, had largely increased during the existence of the Reciprocity Treaty, notwithstanding the existence of the civil war during four years of that time, and that immediately on the repeal of that Treaty it had again fallen; when too I showed him that, although the trade between Canada and the United States had fallen since the repeal of the Reciprocity Treaty, the trade of Canada with other countries had during the same time enormously increased; and when it was thus apparent that the repeal of the Reciprocity Treaty had been even more injurious to the trade of the United States than to that of Canada, I could see from Mr. Blaine's manner that his views were changed. The details of the trade of the two countries were evidently new to him; and with his ability and independence of character he could not but admit that a renewal of the

Reciprocity Treaty was a right and proper measure, and one which must be greatly beneficial to both countries.

Another gentleman to whom I spoke on the subject was Mr. Godkin, the Editor of the "Nation," undoubtedly the first newspaper in this country, and perhaps the first in the world. Mr. Godkin is a free trader, and, as such, is quite prepared to advocate the renewal of the Reciprocity Treaty; but I thought it desirable to furnish him with the statistics which I had collected on the subject of the trade of Canada and the United States, which were new to him, and about which he told me there was very great ignorance, even amongst the Statesmen of this country.

The above are the principal persons to whom I have spoken on the subject since my conversation with Mr. Fish and Mr. Bancroft Davis. Of course, I have freely conversed with those with whom I had already discussed the question, and notably with Mr. Sumner. My practice has been to call upon him at his house two or three times every week, at about half-past 10 o'clock in the morning, and before he leaves for the Senate. He has always expressed the greatest pleasure at seeing me, and appears to me to become on every occasion more and more favourable to the project. On one of these occasions he gave me a copy of the speech which he had made when he moved that notice be given to terminate the Treaty; and in afterwards discussing the subject with him, he said to me that he felt that he could take up the question where he had left it in his former speeches, for that his intention was not to terminate the Treaty, but merely to inquire; that since then they had had time to examine into the subject, and that he is now of opinion that it would be to the interest of both countries that the Treaty should be renewed. That Mr. Sumner is in earnest and sincere in his support of the proposal I have no doubt whatever. Only yesterday he said that he was convinced that the Administration could, "with his assistance," carry a two-thirds majority in the Senate.

With Mr. Bancroft Davis also, with whom I am on the most friendly and intimate terms, I have, of course, had further conversations. I have explained to him that the cause of the delay in laying any formal proposition on the subject before the United States' Government arose from the fact that we had to communicate with the Dominion as well as with the Home Authorities, and that this necessarily took time; to which he has replied that he did not think that any time was being lost, for that they were making inquiries with a view to ascertain what chance there was of their being able to carry such a measure through the Senate. Mr. B. Davis also went with me over the different States, showing me where they might look for support and where for opposition; and he added that, when the matter was further advanced, he thought that the first person whose support Mr. Fish would endeavour to secure would be that of General Butler. He said that General Butler could carry a good many votes with him in the House of Representatives. He said that he thought it would not be opposed by General Butler, for that his principal protégés were the fishermen, and that, now that fish and fish-oil were admitted duty-free, he thought that they could have no object in excluding articles which they consumed; and that, consequently, General Butler would perhaps not be unlikely to support a Reciprocity Treaty. Mr. Davis further stated that they had carried the Treaty of 1871, notwithstanding General Butler's strenuous opposition, and that if he now gave them his support he thought that the measure would be carried.

I mention these details, as they lead to show that both Mr. Fish and Mr. B. Davis are, in my opinion, sincerely desirous of obtaining a renewal of the Reciprocity Treaty, believing as they do that it will be as much, if not more, for the interest of the United States than that of Canada. When, too, I spoke to Mr. Davis of the results which I had obtained from an examination of the Statistical Tables, he said: "You need not trouble yourself about the statistics so far as the State Department is concerned. We know exactly what has been the effect upon our trade of the repeal of the Reciprocity Treaty."

Such, then, was the position of affairs, when yesterday, immediately after morning service, Mr. Fish came up to me and told me that he had been speaking with the President on the subject of a renewal of the Reciprocity Treaty, and that the President was prepared to entertain the proposal. Mr. Fish then added that he wished I would see some of the Senators and Representatives and discuss the question with them. I told Mr. Fish that, after our conversation, I had purposely refrained from doing so, not wishing to do anything of which he might not altogether approve. He replied that, on the contrary, he thought that it would do good, and that I might speak to any one I pleased on the subject. I said that I understood that General Butler had great influence in the House; but that, although I had been introduced to him, I had avoided speaking to him, as I had not much confidence in him. Mr. Fish smiled. He did not say whether he thought that it would or would not be desirable to speak to General Butler, and I did not pursue the subject; but I will learn from Mr. Bancroft Davis, to whom I can speak

freely on the subject, what I had better do in this respect. I had some further conversation with Mr. Fish on the subject of the fisheries and other matters, but I have stated above the purport of all that was most important.

On leaving Mr. Fish I immediately went to Sir Edward Thornton, and informed him of what had passed, and he told me that he thought that Mr. Fish's declaration was the most important circumstance that had yet taken place, for that it showed him that they were seriously considering the question, and were sincerely desirous of renewing the Treaty. He stated also that, having now obtained Mr. Fish's permission, he thought it very advisable that I should see and discuss the question with as many of the Senators and Representatives as possible. He added that he thought that the fact that the matter had not yet been discussed in the newspapers was a proof that those, to whom I had spoken on the subject, were sincerely desirous of a renewal of the Reciprocity Treaty, for, otherwise, a hint to the papers that it ought to be opposed might do us a great deal of harm.

As soon, then, as we receive your Lordship's instructions to make to the United States' Government a proposal for the settlement of the Fisheries Question in the manner suggested, I shall lose no time, now that Mr. Fish has given his permission, in seeing and discussing with those persons whose position and influence might be of use to carry the measure.

I have, &c.
(Signed) H. C. ROTHERY.

No. 159.

Mr. Rothery to Earl Granville.—(Received February 22.)

(No. 16. Confidential.)

My Lord,

Washington, February 10, 1874.

I HAVE the honour to inform your Lordship that, in the early part of last week, Sir Edward Thornton informed me that he had received a letter from Lord Dufferin stating that Mr. George Brown of Toronto, the editor of the "Globe" newspaper, and the gentleman mentioned in my despatch No. 18 of the 24th of November last, was coming to Washington charged with instructions from the Canadian Ministers. As I have already informed your Lordship, Mr. Brown is a strong supporter of the present Canadian Ministry, having formerly been himself Prime Minister, and he has been recently appointed a member of the Canadian Senate. Your Lordship may well believe that, after the receipt of this letter, both Sir Edward Thornton and myself were anxious to see Mr. Brown with as little delay as possible, and I went daily to the principal hotels in the city, but could get no information of his arrival.

In the meantime I heard that Mr. Czowski, of Toronto, the gentleman to whom I referred in my despatch No. 17 of the 20th of November last, had passed through Washington on his way to Richmond, but that he was shortly expected to return, and that he was most anxious to see me. Mr. Czowski is, as I have already informed your Lordship, a gentleman of great ability and an engineer of eminence. Amongst other large works, he has lately completed the international bridge across the Niagara River at a place where the depth of the water was nearly 50 feet with sudden and considerable fluctuations; where the rapidity of the current was from $5\frac{1}{2}$ to 12 miles an hour; where the foundations had to be sunk to a great depth in a treacherous and shifty bottom; and where the works were exposed for several months in each year to the action of floating masses of ice. Such a work required, I need hardly say, a person of no ordinary genius for its completion, and he is deservedly esteemed both here and in Canada, not only for his great ability, but for his upright and honourable character.

I accordingly left word at his hotel that I should be very glad to see him immediately upon his return from Richmond.

Early on Saturday morning last, the 7th instant, Mr. Czowski returned to Washington, and immediately called upon me. Feeling certain that from the commercial relations which he had established in both countries, he would feel a deep interest in the renewal of the Reciprocity Treaty, I explained to him the exact position of the case. He told me that he heartily concurred with me in my views, that it was true that the repeal of the Reciprocity Treaty had compelled the Canadians to seek new markets for their produce and that they had found them, but that there was no reason why they should not renew the Reciprocity Treaty with the United States, for that they were quite disposed to have her trade as well as the trade of the new markets which they

had established and which they intended to keep. He added that he was very intimate with Mr. Dawes, the Chairman of the Committee of Ways and Means, and one of the most important persons in the House of Representatives; that on his way through to Richmond he had seen Mr. Dawes for a short time, and that Mr. Dawes had spoken of me in very favourable terms and had expressed a wish to see me. I told Mr. Czowski of the position in which I stood for I had not then had the conversation with Mr. Fish, which I have reported in my despatch No. 15 of yesterday's date. I gave him, however, the particulars of the trade of the two countries as shown by the statistical tables published by the United States' Government, and by the returns forwarded to me from Canada, which were new even to him; and he told me that he would see Mr. Dawes, and would have a long talk with him on the subject; and on my again seeing him, he told me that he had talked the matter over very freely with Mr. Dawes: that Mr. Dawes was quite in favour of a renewal of the Reciprocity Treaty, and that he should be most happy to see and discuss the question with me whenever it might be convenient for me to do so. This I shall have no hesitation in doing, now that Mr. Fish informs me that he wishes me to speak with any of the Senators and Representatives on the subject.

I asked Mr. Czowski if he knew of Mr. Brown's movements, or if he had heard that he had left Toronto, but he had not. However, yesterday morning, the 9th instant, on sending to the Ebbitt House, I found that Mr. Brown had just arrived, and that he proposed to call upon me without delay. He soon afterwards came, and on his informing me that he was fully charged with the views of the Dominion Ministers, I explained to him at length the present position of the question. I began by reminding him of what he had said to me, when I saw him at Toronto, of his desire to cancel the provisions of the Treaty of 1871, so far as related to the money payment, provided that in lieu thereof the Reciprocity Treaty could be revived. I told him of the disposition of the United States' Government and of the Senators and others to whom I had spoken on the subject, and stated that I thought that they were quite prepared for a renewal of the Reciprocity Treaty, but that before any proposal could be made to them, it was necessary that the Canadian Government should express a spontaneous and unmistakeable desire that such a settlement should be attempted, and of the terms which they were willing to accept. I said that, if this were done, I thought that the matter might be concluded at once.

Mr. Brown said, that he had no idea that the matter had gone as far as it had done, that he had come rather with a view of inquiring into the question. He said that the renewal of the Reciprocity Treaty would be a great thing, but that there were other questions, for instance the coasting trade, the repeal of the navigation laws so far as they prevented the purchase of British vessels by Americans; and that he thought that the best mode of proceeding was by a Commission consisting partly of English and partly of Canadian Commissioners. I stated that I considered that despatch was of the utmost importance in this matter; that any Treaty that might be made would have to be confirmed by the Senate of the United States and by the Legislature of Canada; that the appointment of a Commission must necessarily take some time; and that a further delay would necessarily occur if they came to discuss the question of what relaxations should or should not be made; and, that I thought it was far better to take the Reciprocity Treaty of 1854 as our guide, and confine it to the items mentioned in the IIIrd Article of that Treaty. After some further discussion Mr. Brown said that he must go for about an hour, but that he would return at 2 o'clock, and accompany me to Sir Edward Thornton's.

I saw clearly that Mr. George Brown was desirous of being appointed in a Commission for the settlement of this question, but I thought that this was in every way undesirable. Accordingly, as soon as he had left me, I went to the Legation to inform Sir Edward of what had occurred, and to tell him that we should be with him soon after 2 o'clock. He quite concurred with me that it would be most important not to have a Commission, joint or otherwise, to discuss the question.

At 2 Mr. Brown called for me, and we went together to the Legation. On the way Mr. Brown stated that, since he had seen me, he had thought over the matter of the Commission, and that he was more firmly convinced of its necessity. I stated in reply that I could not see the least use in having any persons associated with him, that he had the full confidence of the Canadian Ministry, that no one knew more than he did of the trade relations between the two countries; that anything like a Commission would cause great delay, and perhaps ruin the question. By this time we had arrived at the Legation.

On entering Mr. Brown presented to Sir Edward Lord Dufferin's letter of introduction, and after a very full discussion, which lasted over an hour, we arrived at an entire agreement on the subject. Mr. Brown consented to waive the question of a

Commission, Sir Edward observing that, apart from the delay which it would occasion, there was fear lest, if a Commission came out either from England or from Canada, the Americans might think that it was a matter on which we set very great store, and that this might tend to defeat our object. It was ultimately arranged that Mr. Brown should telegraph to the Canadian Ministry to request that a telegram should be sent at once to Lord Kimberley stating that the Canadian Government desired a renewal of the Reciprocity Treaty, in preference to any money payment for the fisheries.

Mr. Brown then left, and Sir Edward requested me to stay to settle with him the telegram which was forwarded to your Lordship yesterday, and of which a copy will no doubt have been sent to your Lordship by the present mail. I beg to add that Mr. Brown stated that he was so fully possessed of the views of the Canadian Ministry that he felt sure that a telegram in the sense which we had agreed upon would go to Lord Kimberley to-day.

Such, then, is the present position of the question: and I have only to say in conclusion that it appears both to Sir Edward and to myself that it is a matter of the utmost importance that this matter should be forthwith settled; for after the Treaty has been concluded, it will have to be carried through the United States' Senate, and to be passed by both Houses of the Canadian Legislature. How long the Legislatures of this country and of Canada will sit it is difficult to say, but notice has been given in the House of Representatives here of a motion to close Congress in May; and it is not likely, in view of the short season for agricultural operations in Canada, that the Legislature of that country will sit late into the summer. Under these circumstances it is of the utmost importance that no time should be lost in hastening forward this measure. Mr. Brown is so entirely in the confidence of the Canadian Ministry that his presence here will at all events for the present obviate the necessity of my going to Canada, as he will be able to afford them all the explanations they may require, and to remove any difficulties that may present themselves in the course of the negotiations.

Awaiting your Lordship's further instructions, I have, &c.

(Signed)

H. C. ROTHERY.

No. 160.

Mr. Herbert to Lord Tenterden.—(Received February 23.)

(Confidential.)

My Lord,

Downing Street, February 23, 1874.

I AM directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, a copy of a telegram which his Lordship proposes, with Lord Derby's concurrence, to address to the Governor-General of Canada, in reply to his telegram, transmitted to you on the 13th instant.

I am, &c.

(Signed)

ROBERT G. W. HERBERT.

Inclosure in No. 160.

Proposed Telegram from Lord Carnarvon to Lord Dufferin.

I ANTICIPATE no serious difficulty here in agreeing to substitution of a Reciprocity Treaty for present Treaty arrangements with respect to fisheries if Canada desires it and the United States seem likely to agree. But we cannot initiate the proposal. It is impossible to entertain the question unless we receive a formal and explicit request from your Government to be embodied in a Minute of Council, which may be telegraphed if thought urgent.

All this is on understanding that your Government can rely on full support of Dominion Parliament in this matter.

No. 161.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, February 23, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a further despatch from Mr. Rothery, in regard to the North American Fisheries.*

I am, &c.
(Signed) TENTERDEN.

No. 162.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, February 23, 1874.

WITH reference to your letter of this day's date I am directed by Lord Derby to state to you, for the information of Lord Carnarvon, that he concurs in the telegram which his Lordship proposes to address to Lord Dufferin in regard to the proposed substitution of a Reciprocity Treaty for the existing Treaty arrangements in regard to the fisheries.

I am, &c.
(Signed) TENTERDEN.

No. 163.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, February 25, 1874, 3.50 P.M.

THE following telegram has been sent to the Governor-General of Canada:—

“I anticipate no serious difficulty here in agreeing to substitution of a Reciprocity Treaty for present Treaty arrangement with respect to fisheries if Canada desires it and would seem likely to agree. But we cannot initiate the proposal. It is impossible to entertain the question unless we receive a formal and explicit request from your Government to be embodied in a minute of Council, which may be telegraphed if thought urgent. All this is on understanding that your Government can rely on full support of dominion Parliament in this matter.”

No. 164.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, February 26, 1874.

I AM directed by the Earl of Derby to transmit to you to be laid before the Earl of Carnarvon, for his perusal, the accompanying despatches upon the subject of the North American fisheries.†

I am, &c.
(Signed) TENTERDEN.

No. 165.

Mr. Holland to Lord Tenterden.—(Received February 27.)

(Confidential.)

My Lord,

Downing Street, February 26, 1874.

I AM directed by the Earl of Carnarvon to acknowledge your letter of this day's date, inclosing a despatch from Sir E. Thornton of the 9th instant, with reference to a renewal of a Reciprocity Treaty between Canada and the United States, in lieu of any money payment which the Canadian Government might be entitled to under the XXIInd Article of the Treaty of Washington.

* No. 152.

† Nos. 156, 158, and 159.

It will be seen from the accompanying telegram from Lord Dufferin, in answer to one sent by Lord Carnarvon on the 23rd instant, and a copy of which was forwarded to you for the Earl of Derby's concurrence, that the Canadian Government consider the present a favourable occasion for a renewal of negotiations for a Reciprocity Treaty, and make a formal and urgent request that such negotiations may be at once entered into; and I am to state that Lord Carnarvon is of opinion that it would be desirable that Sir E. Thornton should now be instructed to take without delay the course which he suggests, and to bring the subject under the consideration of the Government of the United States.

Lord Carnarvon concurs with Sir E. Thornton in thinking that the best course would be to propose to the United States' Government simply to renew the IIIrd Article of the Treaty of 1854, leaving it to that Government, as indeed to that of Canada, to suggest any modifications or additions which it might think expedient; and that the Convention, which would be necessary for this purpose should contain a provision for preserving in force Articles XXII and XXV of the Treaty of 1871 in case the arrangement now proposed should fail to be carried out within a limited time to be fixed for that purpose.

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

Inclosure in No. 165.

Lord Dufferin to the Earl of Carnarvon.

(Telegraphic.)

February 24, 1874.

I FORWARD the following Order in Council, dated February 23, 1874:—

“The Council consider the present a most favourable opportunity for a renewal of negotiations for a Reciprocity Treaty between Canada and the United States of America, by which the claim for compensation as it regards the fisheries might be settled without the reference provided for by the Treaty of Washington, and they recommend that the Imperial Government be requested to authorize the British Minister at Washington to enter into negotiations on that subject with the Government of the United States.

“A preponderating majority has been returned at the last elections, pledged to support my present Ministers, and I have no doubt Parliament will approve the policy proposed.

“My Government believe that complications arising out of the Congressional elections in the United States may compromise the proposed negotiations if they be not speedily initiated.”

No. 166.

Lord Tenterden to Mr. Holland.

(Confidential.)

Sir,

Foreign Office, February 27, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of confidential correspondence on the subject of the North American Fisheries, which has been printed at this Office.

I am, &c.
(Signed) TENTERDEN.

No. 167.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, February 27, 1874.

I HAVE laid before the Earl of Derby your letter of yesterday on the subject of the proposed arrangement for the substitution of a revival of the Tariff provisions of the Reciprocity Treaty of 1854 for the money payments to be claimed before the Commission at Halifax under the Treaty of Washington; and I am to transmit to you the accompanying copy of a telegraphic instruction which his Lordship proposes to address to

Her Majesty's Minister at Washington in accordance with your letter, and to request that, in laying the same before the Earl of Carnarvon, you will move him to cause Lord Derby to be informed, at his early convenience, whether it meets with his concurrence.

I am, &c.
(Signed) TENTERDEN.

No. 168.

Mr. Herbert to Lord Tenterden.—(Received February 27.)

(Secret.)

My Lord,

Downing Street, February 27, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of this day, transmitting a copy of a telegraphic instruction which the Earl of Derby proposes to address, with Lord Carnarvon's concurrence, to Her Majesty's Minister at Washington, on the subject of the proposal for a renewal of the Reciprocity Treaty; and I am to state that his Lordship concurs in the terms of the proposed telegram, and will communicate them by telegraph to the Governor-General of Canada.

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

No. 169.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, February 27, 1874, 3.35 P.M.

WITH reference to my telegram of the 25th instant, the following telegram has been received from Lord Dufferin:—

“February 24.—I forward the following Order in Council dated February 23, 1874:—

“The Council consider the present a most favourable opportunity for a renewal of negotiations for a Reciprocity Treaty between Canada and the United States of America, by which the claim for compensation, as it regards the fisheries, might be settled without the reference provided for by the Treaty of Washington, and they recommend that the Imperial Government be requested to authorize the British Minister at Washington to enter into negotiations on that subject with the Government of the United States.

“A preponderating majority has been returned at the last elections pledged to support my Ministers, and I have no doubt Parliament will approve the policy proposed.

“My Government believe that complication arising out of the Congressional elections in the United States may compromise the proposed negotiations if they be not speedily initiated.”

Her Majesty's Government now authorize you to take without delay the course suggested in your despatch No. 66 of the 9th instant, and to propose to the United States' Government to enter into a Treaty to renew the IIIrd Article of the Reciprocity Treaty of 1854, with a provision for preserving in force Articles XXII and XXV of the Treaty of Washington, in case the arrangement now proposed should fail to be carried out within a limited time to be fixed for that purpose.

No. 170.

*The Earl of Derby to Sir E. Thornton.**

(No. 78. Confidential.)

Sir,

Foreign Office, February 28, 1874.

I TRANSMIT to you herewith, for your information, a copy of a confidential correspondence on the subject of the North American Fisheries, which has been printed at this Office.

I am, &c.
(Signed) DERBY.

* A similar despatch was addressed to Mr. Rothery.

No. 171.

The Earl of Derby to Sir E. Thornton.

(No. 79.)

Sir,

Foreign Office, February 27, 1874.

I TRANSMIT to you herewith a copy of a telegraphic despatch, received by Her Majesty's Secretary of State for the Colonial Department from the Governor-General of Canada, from which it appears that the Council of the Dominion are of opinion that the present is a most favourable opportunity for a renewal of negotiations for Reciprocity Treaty between Great Britain and the United States, by which the claim of Canada for compensation on account of the admission of American fishermen to the Canadian Fisheries might be settled without the reference to a Commission provided by the Treaty of Washington; and the Council accordingly recommend that Her Majesty's Government may be requested to authorize you to enter into negotiations on the subject with the United States. The Governor-General adds that he has no doubt that the Parliament of the Dominion will approve this policy.

Her Majesty's Government are ready to make, on behalf of Canada, the proposal which the Council desire, and they now authorize you to take without delay the course suggested in your despatch No. 66 of the 9th instant, and to propose to the United States' Government to enter into a Treaty to renew the IIIrd Article of the Reciprocity Treaty of 1854, with a provision for preserving in force Articles XXII and XXV of the Treaty of Washington, in case the arrangement now proposed should fail to be carried out within a limited time to be fixed for that purpose.

It will, of course, be understood that, if the United States' Government suggest any modifications in the Article of the Reciprocity Treaty which you are now to propose to renew, it will be equally open to Her Majesty's Government to suggest on behalf of Canada any modifications or additions which, after communication with the Government of the Dominion may appear expedient.

I am, &c.
(Signed) DERBY.

No. 172.

Sir E. Thornton to the Earl of Derby.—(Received February 28.)

(Telegraphic.)

Washington, February 28, 1874.

WITH reference to your telegram of yesterday I proposed to Mr. Fish this morning the negotiation of a Treaty to renew Article III of the Treaty of 1854, as a substitute for Articles XXII and XXV of the Treaty of Washington.

Mr. Fish replied that, for that alone, it would hardly be worth while to delay the fulfilment of the Treaty of Washington. The United States wished for a more enlarged Treaty.

On my inquiring in what way, he spoke of the admission of American manufactures, to which I positively demurred, unless English manufactures were put on the same footing. He then mentioned enlargement of canals, which, I said, might be open to negotiation. He concluded by saying that he would consider the matter and would consult the President and Senate.

I have telegraphed the above to the Governor-General of Canada, and have added that it would be well that I should be thoroughly informed of the views of the Dominion Government upon the subject.

No. 173.

Lord Tenterden to Mr. Holland.

Sir,

Foreign Office, February 28, 1874.

WITH reference to your letter of the 27th instant, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch that his Lordship has addressed to Her Majesty's Minister at Washington, instructing him to take immediate steps for entering into negotiations with the United States' Government with a view to the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 174.

Lord Tenterden to Sir H. Holland.

(Immediate and Confidential.)

Sir,

Foreign Office, March 2, 1874.

WITH reference to my letter of the 28th ultimo I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegram from Her Majesty's Minister at Washington reporting the communication to Mr. Fish of the proposal which he was instructed to make for the renewal of the Reciprocity Treaty.*

I am, &c.

(Signed) TENTERDEN.

No. 175.

Sir H. Holland to Lord Tenterden.—(Received March 2.)

(Immediate and Confidential.)

Sir,

Downing Street, March 2, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of this day, inclosing copy of a telegram from Sir E. Thornton, and to transmit to you, to be laid before the Earl of Derby, copy of a decypher of a telegram which has been received from Lord Dufferin.

With reference to the proposal that the Canadian Commissioners should be authorized to proceed to Washington to act in concert with the British Minister in negotiating the proposed Treaty, Lord Carnarvon would suggest that a copy of this telegram should be sent to Sir E. Thornton, and that he should be requested to report his views with respect to this proposal.

As this telegram now received in conjunction with that from Sir E. Thornton seems to open a larger field of discussion than was originally contemplated, and to make it likely that the negotiations may be protracted, Lord Carnarvon thinks it may be well to have it already understood that, in the event of the failure of these negotiations, the right to an adjudication of the fisheries claim under the Treaty of Washington is in no degree waived. The question raised by Sir E. Thornton as to the admission of English manufactures on the same footing as American seems, to Lord Carnarvon, important, but also one of which the consideration may, for the moment, be removed.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 175.

Lord Dufferin to the Earl of Carnarvon.

(Telegraphic.)

February 28, 1874.

I AM requested to submit an Order in Council to the following effect:—The Privy Council of Canada (consider?) of the greatest importance that Canada should be represented in the negotiations for the establishment of reciprocal trade between the United States and Canada, and recommended that the Imperial Government be requested to authorize Canadian Commissioners to proceed to Washington to act in concert with the British Minister in negotiating the proposed Treaty, and also that negotiations should not be (absolutely?) restricted to a restoration of the IIIrd Article of the Treaty of 1854.

No. 176.

Mr. Rothery to Earl Granville.—(Received March 2.)

(No. 19. Confidential.)

My Lord,

Washington, February 17, 1874.

IMMEDIATELY after I had sent off my despatches to your Lordship on the 10th instant, I received, from Mr. George Brown a letter, informing me that he had received

* No. 172.

from Mr. Mackenzie a telegraphic message in the following words:—"Message is sent Imperial Government as you wished." The conclusion we put upon this message was, that Canada had given her assent to the proposal for a renewal of the Reciprocity Treaty, in lieu of a money payment for the fisheries; and it was under these circumstances that I forwarded to your Lordship the telegram of the 11th instant, a copy of which is inclosed in my despatch No. 17 of the same date.

Feeling confident from what had passed that, if Canada agreed to the proposal, Her Majesty's Government would not withhold her assent, Mr. Brown and I thought that it would be well for us to see some of the Members of the Senate and the House of Representatives, and ascertain their views on the subject of a renewal of the Reciprocity Treaty, and we agreed to work separately.

Amongst those whom I undertook to see, were Senator Chandler, of Michigan, the Chairman of the Committee on Commerce; and Senator Edmunds, of Vermont, the Chairman of the Committee on the Judiciary. Both of these gentlemen have a good deal of weight in the Senate; and it was thought that, if only their support could be secured, a great difficulty would be removed. I discussed the subject fully with them; and although I cannot say that I had much success with them, I think that they were surprised at the statistics which I was enabled to lay before them; and they were quite prepared to admit that the trade with Canada stood upon a different footing from that with other countries, owing to the facilities which such an extensive frontier afforded for smuggling.

I also discussed the subject again with Mr. Morrill, of Vermont, the Senator mentioned in my despatch No. 1, Confidential, of the 3rd of January. He stated, that his first objection to the proposal of a Reciprocity Treaty was, that it was unconstitutional, for that all measures relating to the remission of duties ought to originate with the House of Representatives; but, I replied, that such an objection would hold good as regards the Treaty of 1871 itself, for that that Treaty provided for the payment of a sum of money, in return for the fisheries; and that all proposals for the payment of public moneys ought to originate with the House of Representatives. I had a good deal more conversation with him on the subject, but without being able to make much impression, for he is a strong Protectionist; but he was willing to admit that a great deal of smuggling went on along the frontier; and that this was the great difficulty, for that, besides other evils, it tended to create a lawless set on each side of the frontier.

With other Senators, however, I had better success, as, for instance, with Mr. Buckingham of Connecticut, Mr. Boutwell of Massachusetts, Mr. Fenton of New York, and others, all of whom expressed their intention of supporting the measure.

Mr. Brown also himself saw some of these gentlemen, and, by his knowledge of the trade between the British provinces and the United States, he was able to supply them with information on local matters with which I was not acquainted. He was also particularly successful with the Representatives of the border States, with whose views and wishes on the subject he was thoroughly acquainted.

But the most important person whose adherence Mr. Brown was able to secure was General Butler. Your Lordship may remember that, in my despatch No. 15 of the 9th instant, I stated that Mr. Bancroft Davis had informed me that, if the matter went on, the first person whom Mr. Fish would endeavour to secure would be General Butler. It was, therefore, with great pleasure that I heard from Mr. George Brown that he had spoken with General Butler, and that that gentleman had given his full assent to the proposal. Mr. Brown informed me that, in his conversation with General Butler, that gentleman had stated that probably the lumber interest would make some objection, but that that would easily be got over; that as to the matter of salt, that was a small affair; and that, in conclusion, he had said that the time was now come when the Reciprocity Treaty ought to be renewed, and that it must be done. I think, therefore, that we may fairly count upon General Butler's support. I stated in some of my former despatches that General Butler's interest lay with the fishermen of the New England States, and that there could be little doubt, since fish and fish-oil had been admitted duty free, that his constituents would eagerly welcome the admission duty free of other articles which they use in their trade—for instance, wood with which to build their vessels, salt to cure their fish, coal, and a variety of other things, which could be much more cheaply procured from Canada. And, as General Butler has the reputation of always consulting the interests of his constituents, I think that there is no reason to suppose that he will go against us.

The person, however, whom both Mr. Brown and I have found most strongly opposed to the suggestion for a renewal of the Reciprocity Treaty, is Judge Hoar, of Massachusetts; and I confess that I greatly regret it, as he is a gentleman of very high character.

So far, however, as I can judge, his opposition does not arise from any strong Protectionist views on the subject, for he is not likely to share the opinions of Senator Morrill and others of the extreme Protectionist school; but he is a gentleman who holds strongly, some people would say obstinately, any view which he has once taken up. He thinks that Canada ought to belong to the United States, and that so long as she does not she should be treated as any other foreign country, and should, therefore, be held at arm's length; whilst other persons, who hold the same opinions, think that friendly commercial intercourse between the two countries is much more likely to hasten their union. It may be also that Judge Hoar has not a very pleasant recollection of the differences that are said to have arisen between himself and Sir John Macdonald at the time of the Washington Treaty in regard to this very question of the fisheries; and he probably feels some unwillingness that a measure, in the framing of which he played so important a part, should in any degree be altered. At the same time, Judge Hoar is a new member in the House of Representatives, and has comparatively little weight, and the fact that he has formed a very decided opinion on the question is not unlikely to confirm General Butler in his opinions, as these two gentlemen seldom, I understand, take the same view of any public questions. I do not, therefore, so much fear Judge Hoar's opposition now that General Butler's support has been secured.

I have, of course, informed both Mr. Fish and Mr. Bancroft Davis of all that passed between Mr. George Brown and General Butler.

On the whole, I think that the result of our conversations during the past week with members of the Senate and House of Representatives has been satisfactory. Mr. Brown, who has seen many more Representatives than I have, thinks that a majority will be obtained in both Houses in favour of the proposal, and that there is a fair prospect of the measure being carried. He thinks, however, and I agree with him in that opinion, that the matter has now been sufficiently ventilated with the Senators and Representatives, and that it will be much better, until we have your Lordship's definite instructions on the subject, to pause. He has, accordingly, left Washington this morning, with the intention of proceeding to Ottawa, where he will explain the state of the case to the Ministry; and, if necessary, either he or one of the Ministers (possibly Mr. Mackenzie himself) will return here, in case your Lordship should decide that the matter is to be further proceeded with.

On the whole, it appears to me that Mr. Brown's visit to Washington has been attended with very great success. He has, in his communications with members, been able to remove their objections; he knows their wants, and can state on behalf of Canada what she is willing to offer them in return, which neither Sir Edward Thornton nor I could have done. He thinks that, if it could be announced on the opening of the Canadian Parliament in March next that a Reciprocity Treaty had been entered into, or was about to be entered into, it would be attended with the best results. Seeing, too, that the Treaty must be confirmed by the Senate, and that afterwards the necessary measures for remitting the duties will have to be carried through both Houses of Parliament, it would seem that it ought not much longer to be delayed. And I cannot, therefore, too urgently press upon your Lordship the importance that a decision should be come to upon the question.

Awaiting your Lordship's further instructions, I have, &c.
(Signed)

H. C. ROTHERY.

No. 177.

Sir H. Holland to Lord Tenterden.—(Received March 3.)

(Secret.)

My Lord,

Downing Street, March 3, 1874.

I AM directed by the Earl of Carnarvon to transmit to you the accompanying draft of a despatch which his Lordship proposes, with the concurrence of the Earl of Derby, to transmit to the Governor-General of Canada by the mail of Thursday next, respecting the question of a renewal of negotiations with the Government of the United States for a Reciprocity Treaty.

I have, &c.
(Signed) H. T. HOLLAND.

Inclosure in No. 177.

Proposed Despatch to Lord Dufferin.

(Secret.)

My Lord,

Downing Street, March , 1874.

WITH reference to your telegram of the 24th February forwarding an Order in Council of the 23rd of that month, from which it appears that your Ministers are of opinion that the present is a most favourable occasion for a renewal of negotiations for a Reciprocity Treaty, and in which they make a formal request that an attempt may be made to settle in this manner, and without reference to a Commission, the claim for compensation in regard to the fisheries, I have now the honour to transmit to you a copy of a despatch, addressed by the Earl of Derby to Her Majesty's Minister at Washington, instructing him to take immediate steps for entering into negotiations with the United States' Government, with a view to the renewal of the Reciprocity Treaty.

2. Upon learning the strong desire of your Ministers that a renewal of the Reciprocity Treaty should be sought for Her Majesty's Government, though they had been fully prepared to abide by, and were in no way apprehensive of the results of, the reference contemplated by the provisions of that Treaty, did not hesitate to accede to that desire; and it will be seen, from the tenor of the instructions addressed to Sir E. Thornton, that full effect was at once given to what were understood to be the wishes of your Government.

3. As a simple and obvious course of procedure the IIIrd Article of the Reciprocity Treaty was suggested as the basis of the negotiation, it being, of course, open alike to Her Majesty's Government, on behalf of Canada, as to the Government of the United States, to propose any modifications of, or additions to, that Article, or to widen the field of discussion by introducing questions which were not disposed of by the Treaty of 1854.

4. Your Ministers may rest assured that Her Majesty's Government are desirous to meet, as far as it may be practicable to do so, their reasonable wishes upon this subject, and that they will be prepared to give careful consideration to any further proposals which may be made by your Ministers during the course of the negotiations.

5. I may add that, with a view to save delay, you are at liberty to communicate unreservedly, though, of course, confidentially, with Sir E. Thornton as to the views of your Government, taking care, however, to transmit to me, at the earliest opportunity, copies of such correspondence.

I have, &c.

No. 178.

Sir H. Holland to Lord Tenterden.—(Received March 3.)

(Immediate and Confidential.)

Sir,

Downing Street, March 3, 1874.

WITH reference to my letter of yesterday's date, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, the decypher of a further telegram from the Governor-General of Canada, explaining the wishes of his Government in regard to the proposed negotiations with the United States' Government for a partial renewal of the Reciprocity Treaty of 1854.

Lord Carnarvon would suggest, for Lord Derby's consideration, that this further telegram should be communicated to Sir E. Thornton, and that he should be instructed to negotiate with the United States' Government, in accordance with the wishes of the Canadian Government, which appear to coincide in a great degree with the suggestions of Mr. Fish, as reported in Sir E. Thornton's recent telegram to Lord Derby.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 178.

The Earl of Dufferin to the Earl of Carnarvon.

(Telegraphic.)

Ottawa, March 2, 1874.

MY Government desire to explain that, in seeking to extend the provisions of the proposed Reciprocity Treaty beyond the terms contained in Article III of the Treaty of

1854, they do not wish to contravene the commercial policy of England or to include any articles that are imported from Great Britain; but they would wish to include timber manufactured in Canada, such as doors and window-frames, and a few other items of that description. They also think that concessions in regard to the navigation of the canals by United States' vessels, which were provided for in Article IV of the Treaty of 1854, might be introduced into the new Treaty, on condition of the coasting trade of the United States being opened to British and Canadian ships.

They pray that Sir E. Thornton may be instructed to negotiate in this sense in cert with Canada.

No. 179.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 3, 1874.

I HAVE laid before the Earl of Derby your letter of yesterday, inclosing a copy of a telegraphic message received from Lord Dufferin, submitting an Order in Council of the Dominion Privy Council, recommending that the Imperial Government be requested to authorize Canadian Commissioners to proceed to Washington to act in concert with the British Minister, in negotiating the proposed Treaty of Reciprocity, and also that negotiations should not be absolutely restricted to a restoration of the IIIrd Article of the Treaty of 1854.

I am, in reply, to request that you will state to the Earl of Carnarvon that Lord Derby will cause this message to be repeated to Sir E. Thornton for his opinion, as suggested by his Lordship; but that he considers that it would be advisable to intimate at once to the Governor-General of Canada that, although it may be useful that persons in the confidence of the Canadian Government should proceed to Washington to consult and advise Sir E. Thornton, the negotiations with the Government of the United States should be conducted entirely by him as Her Majesty's Representative.

Lord Derby agrees with Lord Carnarvon that it would be well that it should be clearly understood that, in the event of the failure of these negotiations, the right to an adjudication of the Fisheries claim under the Treaty of Washington is in no degree waived. He believes that the instructions sent to Sir E. Thornton on the 27th ultimo have already provided for this, but he will again remind Sir E. Thornton by telegraph how essential it is that this point should be most distinctly agreed upon beforehand.

I am to add that it appears to Lord Derby that the reply given by Mr. Fish to Sir E. Thornton's overtures indicates a disposition on the part of the United States' Government to treat the admission of American fishermen to the fisheries as an inadequate equivalent for the Tariff privileges accorded under the IIIrd Article of the Treaty of 1854, and to require other concessions from Canada in the shape of an enlargement of the canals, and reduction or abolition, without reciprocity, of the duties on American manufactures; and that, although Her Majesty's Government may well leave the determination of this part of the question to the consideration of the Dominion Government, it might be as well that the possibility of a claim of this description being asserted should not be overlooked.

I am, &c.
(Signed) TENTERDEN.

No. 180.

Mr. Herbert to Lord Tenterden.—(Received March 5.)

My Lord,

Downing Street, March 5, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 3rd instant, on the subject of the proposal for a renewal of the Reciprocity Treaty between Canada and the United States; and, with reference to that letter, and to mine on the same subject, also of the 3rd instant, which transmitted to you a further telegram from Lord Dufferin, I am to inclose, for the information of the Earl of Derby, a copy of a telegram which Lord Carnarvon has caused to be sent this day to Lord Dufferin:

The first portion of this telegram refers, as Lord Derby will perceive, to a point.

which either had been overlooked, or had not been made sufficiently clear in Lord Dufferin's telegram of March 2, as to the navigation of the canals.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

Inclosure in No. 180.

The Earl of Carnarvon to the Earl of Dufferin.

(Telegraphic.)

YOUR telegram of March 2, proposing concessions as to navigation of canals refers to Article IV of Reciprocity Treaty. Have your Ministers considered effect of Articles XXVII and XXX of Treaty of Washington? Please state precise proposal which they would make to United States. As to appointment of Canadian Commissioners, although it may be useful that persons in confidence of Canadian Government should go to Washington to consult and advise Sir E. Thornton, negotiations with Government of United States should be conducted entirely by him as Her Majesty's Representative.

No. 181.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 5, 1874.

IN reply to your letter of the 3rd instant, I am directed to the Earl of Derby to state to you, for the information of the Earl of Carnarvon, that he concurs in the despatch that his Lordship proposes to address to the Governor-General of Canada respecting a renewal of negotiations with the United States' Government for a Reciprocity Treaty.

I am, &c.

(Signed) TENTERDEN.

No. 182.

Earl Granville to Sir E. Thornton.

(Telegraphic.)

Foreign Office, March 5, 1874, 6.25 P.M.

WITH reference to your telegram of the 28th ultimo, Lord Dufferin telegraphed on the 28th ultimo as follows:—

“I am requested to submit an Order in Council to the following effect. The Privy Council of Canada consider it of the greatest importance that Canada should be represented in the negotiations for the establishment of reciprocal trade between the United States and Canada, and recommend that the Imperial Government be requested to authorize Canadian Commissioners to proceed to Washington to act in concert with the British Minister in negotiating the proposed Treaty, and also that negotiations should not be absolutely restricted to a restoration of the IIIrd Article of the Treaty of 1854.”

Report your views with respect to this proposal.

It has been intimated by telegraph to Lord Dufferin that, although it may be useful that persons in the confidence of the Canadian Government, should go to Washington to consult and advise you, negotiations with the Government of the United States should be conducted entirely by you as Her Majesty's Representative.

It should be most distinctly agreed upon beforehand that, in the event of the failure of these negotiations, the right to an adjudication of the Fisheries claim under the Treaty of Washington is in no degree waived.

No. 183.

Sir E. Thornton to the Earl of Derby.—(Received March 6.)

(Telegraphic.)

Washington, March 5, 1874.

WITH reference to your telegram of to-day I am decidedly of opinion that some one should come from Canada to consult and advise me, and even to take part in the

negotiation, if Mr. Fish has no objection ; but it seems to me that one person would be sufficient.

Much irritation has been caused here to-day by the arrival of a Proclamation by the Governor-General of Canada, prohibiting the carriage of goods and passengers between Canadian ports in any but British vessels ; Mr. Fish mentioned it to me to-day as singularly ill-timed and an aggressive and unfriendly act towards American shipping.

No. 184.

The Earl of Derby to Sir E. Thornton.

(No. 83.)

Sir,

Foreign Office, March 6, 1874.

I RECEIVED on the 1st instant, and communicated to Her Majesty's Secretary of State for the Colonies, your telegram of the 28th ultimo, reporting that you had proposed to Mr. Fish the negotiation of a Treaty to renew the IIIrd Article of the Treaty of 1854, as a substitute for Articles XXII to XXV of the Treaty of Washington.

On the same day Lord Dufferin telegraphed to the Earl of Carnarvon the substance of an Order in Council of the Canadian Government urging the importance of Canada being represented in the negotiations, and recommending that application should be made to Her Majesty's Government to authorize Canadian Commissioners to proceed to Washington to act in concert with you in negotiating the proposed Treaty, and at the same time suggesting that the negotiations should not be absolutely restricted to a restoration of the IIIrd Article of the Treaty of 1854.

Her Majesty's Government, although they consider that it may be useful that persons in the confidence of the Canadian Government should proceed to Washington to advise and consult with you, are of opinion that the negotiations with the United States' Government should be conducted entirely by you, as Her Majesty's Representative ; and an intimation to this effect was sent yesterday, by telegraph, to the Governor-General of Canada.

You will be careful to bear in mind that it should be most distinctly agreed, before negotiations for the renewal of the reciprocity Treaty are commenced, that, in the event of their failure, the right to an adjudication of the claim of Canada to compensation for the fisheries under Articles XXII to XXV of the Treaty of Washington is in no degree waived.

I requested you by telegraph yesterday to report your opinion with respect to the proposal of the Canadian Government to send Commissioners to Washington, and I have received your reply, stating that you consider that some one should come from Canada to consult and advise you, and even to take part in the negotiation, if Mr. Fish has no objection.

I still think, however, that it is desirable that you should be the sole negotiator, and I have so informed the Secretary of State for the Colonies:

I am, &c.
(Signed) DERBY.

No. 185.

Lord Tenterden to Sir H. Holland.

(Confidential.)

Sir,

Foreign Office, March 6, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, for his perusal, the accompanying despatch from Mr. Rothery, upon the subject of the North American Fisheries.*

I am, &c.
(Signed) TENTERDEN.

No. 186.

Lord Tenterden to Sir H. Holland.

(Immediate and Confidential.)

Sir,

Foreign Office, March 6, 1874.

WITH reference to your letter of this day's date, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegram which has been sent to Sir E. Thornton on the subject of the negotiations for a renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 187.

Lord Tenterden to Sir H. Holland.

(Immediate and Confidential.)

Sir,

Foreign Office, March 6, 1874.

WITH reference to my letter of this day's date, I am directed by Lord Derby to transmit to you a copy of a telegram which has been received from Sir E. Thornton,† in answer to the one which was sent to him yesterday, on the subject of the negotiations for a renewal of the Reciprocity Treaty.

Lord Carnarvon will see that Sir E. Thornton is of opinion that some one should come from Canada to consult and advise him, and even to take part in the negotiation; but I am to request that you will state to his Lordship that, as Lord Derby still adheres to the opinion that the negotiations should be conducted by Sir E. Thornton alone as Her Majesty's Representative, he would suggest that it will be sufficient to inform the Canadian Government that Sir E. Thornton concurred in the proposal that some one should go to Washington to advise and consult with him.

I am to add that it might be useful to repeat to Lord Dufferin the concluding paragraph of Sir E. Thornton's telegram referring to the Proclamation issued by the Governor-General of Canada.

I am, &c.
(Signed) TENTERDEN.

No. 188.

The Earl of Derby to Sir E. Thornton.

(No. 82.)

Sir,

Foreign Office, March 7, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.‡

I am, &c.
(Signed) DERBY.

No. 189.

Mr. Herbert to Lord Tenterden.—(Received March 7.)

My Lord,

Downing Street, March 7, 1874.

IN reply to your letter of yesterday, forwarding a copy of a telegram which had been received from Sir E. Thornton relative to the Canadian Fisheries Question, I am directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, a copy of a telegram which his Lordship has sent in cypher to the Governor-General of Canada to-day, in accordance with the suggestion contained in the concluding paragraph of your letter.

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

* No. 182.

† No. 183.

‡ Nos. 174, 177, 178, 179, 180, and 181.

Inclosure in No. 189.

The Earl of Carnarvon to the Earl of Dufferin.

(Telegraphic.)

Downing Street, March 7, 1874, 2.55 P.M.

I TRANSMIT to you at once the following important telegram from Sir E. Thornton:—

“Much irritation has been caused here to-day by the arrival of a Proclamation by the Governor-General of Canada, prohibiting the carriage of goods and passengers between Canadian ports in any but British vessels. Mr. Fish mentioned it to me to-day as singularly ill-timed, and an aggressive and unfriendly act towards American shipping.”

No. 190.

Mr. Herbert to Lord Tenterden.—(Received March 9.)

(Immediate and Confidential.)

My Lord,

Downing Street, March 9, 1874.

WITH reference to your Confidential letter of the 6th, and to the reply from this Office of the 7th instant, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, the decypher of a telegram received this day from the Governor-General of Canada, on the subject of the Proclamation issued by him relating to the coasting trade referred to by Sir E. Thornton in his telegram of the 5th of this month.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

Inclosure in No. 190.

The Earl of Dufferin to the Earl of Carnarvon.

(Secret)

(Telegraphic.)

Ottawa, March 7, 1874.

REFERRING to your telegram of to-day, I had already sent the following telegram to Sir E. Thornton:—

“My Government allege (?) that the Proclamation issued was necessitated by the expiration of an Imperial Act regulating our coasting trade, and is in compliance with an Act of the Canadian Parliament passed two years ago and in no respect changes the law. No desire (?) to do (?) anything unfriendly. Explanation by letter.”

No. 191.

Sir H. Holland to Lord Tenterden.—(Received March 9.)

(Immediate and Confidential.)

My Lord,

Downing Street, March 9, 1874.

WITH reference to the recent correspondence which has passed respecting the proposed partial renewal of the reciprocity Treaty of 1854 in lieu of the settlement of the Fishery Question provided for by Article XXII of the Treaty of Washington, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, the decypher of a telegram received this day from the Governor-General of Canada.

I am to state that Lord Carnarvon will cause a further communication to be made to Lord Derby to-morrow on the subject of this telegram.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 191.

The Earl of Dufferin to the Earl of Carnarvon.

(Secret.)

(Telegraphic.)

Ottawa, March 7, 1874.

MY Government submit that the United States attach great importance to obtaining an absolute right to use Canadian canals.

Washington Treaty only proposed a conditional use.

The further enlargement of the Canadian canals is also important to United States' commerce.

Canada would give the right sought and would make considerable enlargement in her canal system in consideration of obtaining further concessions from the United States.

The initial proposal of my Government would be a renewal of a reciprocity Treaty in respect of articles mentioned in clause 3 of Treaty of 1854, including certain articles such as window-frames and other wood work, agricultural implements (?), &c., not being liable to importation from Great Britain.

They would accomplish this proposal, but suggest that, in consideration of Canada enlarging her canal system to accommodate American traffic and giving an absolute concession of navigation rights, the United States' Government should relax her coasting trade restrictions, and, if this were refused, that she should give to Canada a permanent right of navigating Lake Michigan, together with certain other minor concessions.

My Government consider it impossible to communicate (?) by telegraph a more precise statement of the proposals they would wish to make as so much may depend upon the turn the affair may take during negotiations, but a statement will be forwarded by next post showing what it is hoped may be obtained.

The appointment of a Canadian Commissioner to act in concert with the British Minister was a [*sic*] most earnestly urged, as the presence at Washington of a mere outside Canadian agent would be of little avail during the discussion of the important details of proposed Treaty.

The co-operation of a Canadian Commissioner was admitted in negotiating Washington Treaty though Imperial interests were then principally concerned.

Canadian Commissioner would, of course, act under Imperial instructions, and all proposals would be first submitted to Colonial Office.

Sir E. Thornton writes, he would be glad to have a Canadian colleague commissioned by the Secretary of State and authorized to sign the Treaty with him.

No. 192.

Sir H. Holland to Lord Tenterden.—(Received March 10.)

(Immediate and Confidential.)

Sir.

Downing Street, March 10, 1874.

IN pursuance of the intimation conveyed to you in my letter of yesterday, forwarding the decypher of a telegram sent by the Governor-General of Canada on the 7th instant, and stating that a further communication would be made on the subject of it, I am now directed by the Earl of Carnarvon to request that, with reference to your letter of the 6th instant, the attention of the Earl of Derby may be called to the strongly expressed wish of the Government of Canada that a Canadian Commissioner may be appointed to act in concert with Sir E. Thornton in regard to the proposed negotiations for the renewal of part of the Reciprocity Treaty.

2. In the absence of any strong feeling on the part of the Dominion Government, Lord Carnarvon would have been content to leave the matter in the hands of the Sir E. Thornton; but as Sir E. Thornton not only joins with the Canadian Government in desiring that a Canadian Commissioner should be associated with him in negotiating, but, as appears from the last paragraph of Lord Dufferin's telegram, suggests that such Commissioner should be authorized to sign the Treaty with him, Her Majesty's Government would, in Lord Carnarvon's opinion, be assuming a serious responsibility in carrying on the negotiations without the co-operation of a Commissioner from Canada when it is desired by the one party, and, as implied in Sir E. Thornton's despatch, accepted by the other.

In the peculiar difficulties of the present case, and looking to Sir E. Thornton's desire for the co-operation of a Canadian Commissioner, if Mr. Fish should have no objection, his Lordship thinks that it may be desirable to inquire of Sir E. Thornton, by

telegraph, whether he is sufficiently satisfied that this course would not be objectionable to the United States' Government, and that if he should be doubtful on the point he should sound Mr. Fish, and reply by telegraph.

With regard to the proposed basis and course of negotiation, as explained in the earlier part of the telegram transmitted to you yesterday, Lord Carnarvon is disposed to think that the particulars now given are as explicit as Her Majesty's Government can reasonably expect to obtain at the present stage, and will be glad if Lord Derby is able to concur with him in thinking them generally sufficient to admit of the negotiation being proceeded with.

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

No. 193.

Mr. Bourke to Sir H. Holland.

Sir,

Foreign Office, March 10, 1874.

I HAVE laid before the Earl of Derby your letter of this day, referring to Lord Dufferin's telegram of the 7th instant, respecting the proposed negotiations for the revival of the Reciprocity Treaty; and I am directed by his Lordship to state to you that he agrees with Lord Carnarvon that, in deference to the wish expressed by the Canadian Government, a Canadian Commissioner should be associated with Sir E. Thornton in negotiating and signing the Treaty, provided that the United States' Government do not object to such an arrangement.

Lord Derby will ask Sir E. Thornton, by telegraph, whether this is the case, and will communicate to him the views of the Canadian Government, as stated in Lord Dufferin's telegram, which his Lordship concurs with Lord Carnarvon in thinking sufficiently explicit to admit of the negotiation being proceeded with.

I am, &c.
(Signed) ROBERT BOURKE.

No. 194.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, March 10, 1874. 6:40 P.M.

IN deference to the wishes of the Canadian Government, and in accordance with your recommendation, Her Majesty's Government will authorize the appointment of a Canadian Commissioner to be associated with you in negotiating and signing the Treaty, provided United States' Government entertain no objection.

Inform me by telegraph whether this is the case.

No. 195.

Sir E. Thornton to the Earl of Derby.—(Received March 11.)

(Telegraphic.)

Washington, March 10, 1873.

MR. FISH says that, if we should enter upon a negotiation for a Reciprocity Treaty, he would have no objection whatever that a Canadian gentleman should be associated with me in negotiating and signing.

No. 196.

Lord Tenterden to Sir H. Holland.

(Immediate and Confidential.)

Sir,

Foreign Office, March 11, 1874.

WITH reference to Mr. Bourke's letter of yesterday's date, I am directed by Lord Derby to transmit to you, to be laid before Lord Carnarvon, a copy of a telegram from

Sir E. Thornton, stating that Mr. Fish does not object to the association of a Canadian gentleman with Sir E. Thornton in negotiating and signing the proposed Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 197.

Mr. Herbert to Lord Tenterden.—(Received March 11.)

(Immediate and Confidential.)

My Lord,

Downing Street, March 11, 1874.

IN reply to your letters of yesterday's and to-day's date in regard to the proposed negotiations for a renewal of the Reciprocity Treaty between Canada and the United States, I am directed by the Earl of Carnarvon to acquaint you that he proposes, with the concurrence of the Earl of Derby, to send the following telegram, in cypher, to the Governor-General of Canada:—

“Her Majesty's Government, in deference to wishes of Dominion Government, and learning that, if we should enter upon a negotiation, the United States will not object, agree to the association of a Canadian gentlemen with Sir E. Thornton, and to the opening of negotiations on terms proposed in your telegram of March 7. Send Sir E. Thornton, at once, copies of some telegrams on this subject if not already done, and full information on all details. Inform me whom your Ministers propose as Canadian Commissioner. He should proceed at once to Washington.”

I am to request that a reply to this letter may be sent as soon as possible.

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

No. 199.

The Earl of Derby to Sir E. Thornton.

(Telegraphic)

Foreign Office, March 11, 1874, 7.25 P.M.

THE Canadian Government have been informed that Her Majesty's Government agree to the association of a Canadian with you and to the opening of negotiations on terms proposed in Lord Dufferin's telegram of the 7th instant. Lord Dufferin has been instructed to furnish you with copies of this and other telegrams and with full information on all details. He is also to report who is proposed as Commissioner, and told that the Commissioner should go at once to Washington.

It is distinctly to be understood that Her Majesty's Government are to be informed before any definite proposals are made to the United States' Government.

No. 199.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 11, 1874.

I HAVE laid before the Earl of Derby your letter of this day's date, stating the instructions which it is proposed to send by telegraph to the Governor-General of Canada; and I am, in reply, to request that you will state to the Earl of Carnarvon that Lord Derby concurs in the proposed instructions.

He presumes that it is distinctly understood that Her Majesty's Government are to be informed before any definite proposals are made to the Government of the United States.

The telegraphic instructions to the Governor-General of Canada will be communicated to Sir E. Thornton with an intimation to this effect.

I am, &c.
(Signed) TENTERDEN.

No. 200.

The Earl of Derby to Sir E. Thornton.

(No. 86.)

Sir,

Foreign Office, March 12, 1874.

WITH reference to my despatch No. 83 of the 6th instant, I have to state to you that, in deference to the wishes of the Canadian Government, supported as they are by your recommendation, Her Majesty's Government have determined to authorize the appointment of a Canadian Commissioner to be associated with you in negotiating and signing the proposed Reciprocity Treaty.

This decision having been taken, I telegraphed to you on the 10th instant to report whether the arrangement would be objected to by the United States' Government.

On the following day I received your reply stating that Mr. Fish had said that, if negotiations were entered upon, he was perfectly willing that a Canadian gentleman should be associated with you. A telegram was then sent to the Governor-General of Canada, informing him that the wishes of the Canadian Government would be complied with, and requesting him to submit the name of the person whom his Ministers would propose as Commissioner.

It was added that the Commissioner, when appointed, should at once proceed to Washington.

The Canadian Government suggest that the initial proposal to be made to the United States' Government should be for the renewal of the Reciprocity Treaty in respect of the Articles mentioned in clause 3 of the Treaty of 1854, and including certain articles such as window-frames and other woodwork, agricultural implements, &c., manufactured in Canada. They further propose that, in consideration of Canada enlarging her Canal system to accommodate American traffic, and giving an absolute concession of navigation rights, the United States' Government should relax their coasting trade restrictions, or, if they should be unwilling to do this, should give to Canada a permanent right of navigating Lake Michigan together with certain other minor concessions.

These bases of negotiation have been communicated by telegraph only, and the Canadian Government propose to state them more precisely in a despatch, showing what terms they hope may be obtained; but, in the meantime, Her Majesty's Government agree to the opening of negotiations on the terms stated in Lord Dufferin's telegram to Lord Carnarvon of the 7th instant, which he has been instructed to communicate to you, together with full information on all the details of the question.

It is, however, to be distinctly understood that Her Majesty's Government are to be informed before any definite proposals are made to the United States' Government.

I am, &c.

(Signed) DERBY.

No. 201.

The Earl of Derby to Sir E. Thornton.

(No. 87.)

Sir,

Foreign Office, March 14, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.

(Signed) DERBY.

No. 202.

Mr. Herbert to Lord Tenterden.—(Received March 14.)

(Immediate and Confidential.)

Sir,

Downing Street, March 14, 1874.

WITH reference to previous correspondence on the subject, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, the decypher of a telegram received from the Governor-General of Canada, giving the name of the

* Nos. 185, 189, 190, 191, 192, 193, 196, and 197.

gentleman whom the Canadian Government wish to be associated with Sir E. Thornton in negotiating for a partial renewal of the Reciprocity Treaty.

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

Inclosure in No. 202.

The Earl of Dufferin to the Earl of Carnarvon.

(Telegraphic.)

Ottawa, March 13, 1874.

MY Government are most anxious that Senator George Brown should be nominated Canadian Commissioner to Washington.

It would be impossible to (get?) anybody possessing the confidence of both parties at present, in consequence of the violence of recent political contentions; but Mr. Brown represents what is now the dominant phase of the national sentiment; he is very favourably received at Washington, as he took the side of the North during the War, and his appointment would be agreeable both to Sir E. Thornton and Mr. Rothery.

I am disposed to recommend the nomination.

No. 203.

Sir H. Holland to Lord Tenterden.—(Received March 14.)

(Secret.)

My Lord,

Downing Street, March 14, 1874.

WITH reference to your letter of this day's date, I am directed by the Earl of Carnarvon to transmit to you the accompanying copy of a telegram which he has addressed to Lord Dufferin this evening; and I am to request that you will move Lord Derby to cause the necessary steps to be taken for the formal appointment of Mr. George Brown.

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

Inclosure in No. 203.

The Earl of Carnarvon to the Earl of Dufferin.

(Telegraphic.)

Downing Street, March 14, 1874.

SENATOR GEORGE BROWN will be appointed Commissioner, and formal appointment will be sent out as soon as possible.

No. 204.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, March 14, 1874.

THE Canadian Government have recommended Mr. George Brown to be Commissioner, and Her Majesty's Government have concurred. Inform United States' Government.

No. 205.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 14, 1874.

I HAVE laid before the Earl of Derby your letter of this day's date, inclosing a copy of a telegram from the Governor-General of Canada, recommending Mr. G. Brown for the appointment of Commissioner for the negotiation of a Reciprocity Treaty with the United States; and I am to request that you will state to the Earl of Carnarvon that

his Lordship is not aware of any objection to Mr. Brown's appointment; and that upon being informed that Lord Carnarvon desires it, he will cause the necessary full powers to be prepared to enable Mr. Brown to act as Commissioner jointly with Sir E. Thornton.

I am, &c.

(Signed) TENTERDEN.

No. 206.

Sir E. Thornton to the Earl of Derby.—(Received March 16.)

(No. 91.)

My Lord,

Washington, March 2, 1874.

I HAD the honour to receive, on the 27th ultimo, your Lordship's telegram, relative to the desire expressed by the Government of Canada for a renewal of the Reciprocity Treaty between that country and the United States, and authorizing me to take, without delay, the course suggested in my despatch No. 66 of the 9th ultimo.

In consequence of this authority, I called upon Mr. Fish at the State Department on the following morning, and stated that I was empowered by Her Majesty's Government to propose to the Government of the United States to enter upon the negotiation of a Treaty to renew the IIIrd Article of the Reciprocity Treaty of 1854, with a provision for preserving in force Articles XXII to XXV of the Treaty of Washington, in case the arrangement now proposed should fail to be carried out within a limited time to be agreed upon.

Mr. Fish inquired, with an air of disappointment, whether that was all, and said, that for that alone it would be hardly worth while to delay the fulfilment of the Treaty of Washington with regard to the fisheries. The United States, he added, would desire a more enlarged Treaty concerning their relations with Canada. I inquired to what particular points he alluded.

Mr. Fish replied, that that there were many. One of them was, the free admission of American manufactures into Canada. Another was, the enlargement of the Canadian canals, so as to render them more capable of facilitating the transport to the sea of the produce of the Western States. Mr. Fish said that, during the negotiation of the Treaty of 1871, Sir John Macdonald had led the United States' Government to believe that the work of enlargement of the canals would be entered upon at once, and carried out energetically; and that it was with this expectation, that many of the Senators from the Western States had given their votes in favour of the Treaty. He did not see, however, that anything had yet been done, and much disappointment had consequently been felt in that part of the United States. On the other hand, Mr. Fish claimed, that the United States' Government had done what was required of it by the Treaty, with regard to the canals in this country; and that the decision of the Governor of New York, reported in my despatch No. 23, of January 15, 1872, opened to British vessels all the canals of that State, of which the Canadians could avail themselves more than of those in any other.

With regard to the free admission of American manufactures into Canada, I said that, if such a condition were considered a *sine quâ non*, it would probably be useless to proceed with the negotiation, for it could hardly be expected that Her Majesty's Government would agree to so suicidal a policy, unless manufactures from England were placed upon the same footing as American manufactures with regard to their importation into Canada. Nor did I imagine that the Dominion Government was prepared to agree to the free admission of manufactures from the United Kingdom.

I was under the impression that the Canadian Government had not been idle with regard to the improvement of the canals, though I could not say how much work had been done; but I did not doubt that some understanding might be come to upon this subject.

As it was not the usual day on which Mr. Fish received the Diplomatic Body, and as several Senators were then waiting to see him, he begged me to excuse him, saying that he would consider the matter and would consult with the President and Senators. With the latter, he assured me, that he had as yet had no conversation upon the subject, although he had requested Mr. Rothery to converse upon it with those whom he might meet. He added that he believed that the feeling with regard to such a measure had undergone a considerable change since the negotiation of the Treaty of 1871, and that he did not doubt that a Treaty of some sort with regard to the commercial relations between Canada and the United States might be arranged. I expressed my hope that, in case any arrangement could be concluded, it would be made extensive to Newfound-

land. Mr. Fish said that, without committing himself, he did not at present see any objection to this proposal.

I telegraphed the substance of the above interview to your Lordship on the same afternoon, as I did also to the Governor-General of Canada, adding, in the latter case, that it would be as well that I should be thoroughly informed of the views of the Dominion Government with regard to those matters.

I have the honour to inclose copy of a telegram which I received from his Excellency last night. The letter which he promises has not yet reached me; but I do not as yet understand to what manufactured articles allusion is made as not being produced in England or imported thence into Canada.

It does not appear to me that Canada can now look upon the enjoyment of equal rights by United States' vessels in navigating the Canadian canals as a concession, for it has already been granted by Article XXVII of the Treaty of Washington; but it is possible that the enlargement of those canals might be considered by the United States as worth some additional concession on their part.

I much doubt, however, whether the United States' Government would entertain the proposal to throw open the coasting trade to Canadian vessels. Such a measure would prejudice the interests of powerful capitalists in this country and would be likely to meet with great opposition. There is also a good deal of sentiment involved in the question. Americans are irritated that their flag is not more frequently seen throughout the world, and its being supplanted by the British flag on their own coasts would but aggravate the soreness.

It is generally thought that the late financial embarrassments and panic have arisen principally from over speculation in railroads. The consequence has been that the construction of new railroads has been to a great extent arrested, and a large amount of capital has been withdrawn from these enterprises. This capital must find employment somewhere. It is claimed that ship-building in the United States was already showing signs of very satisfactory progress, and it is hoped that surplus capital will be invested in this industry. As the most earnest desire is felt that it should be encouraged as much as possible, I cannot suppose that the United States' Government would consent at present to any competition with reference to the coasting trade.

From the tenor of Lord Dufferin's telegram, I presume that some gentleman, and, perhaps, more than one, in whom the Canadian Government has entire confidence, will shortly be sent to Washington. Until he may arrive, I shall avoid committing myself with Mr. Fish in any way. But your Lordship may be assured that, with regard to the important matters of the free admission of American manufactures into Canada, and of the coasting trade, I shall make no proposal to Mr. Fish until I may be authorized by your Lordship to do so.

If the negotiation which I have been instructed by your Lordship to propose to Mr. Fish should be brought to a successful issue, and you should direct me to sign the arrangement which may be agreed upon, I would venture to suggest that a gentleman selected by the Canadian Government should also be empowered to sign it with me. Such a step would doubtless be gratifying to the people of the Dominion, and it would, perhaps, be wise that its Government should thus be brought to share more directly with Her Majesty's Government the responsibility of measures which so intimately concern that Colony.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 206.

The Earl of Dufferin to Sir E. Thornton.

(Telegraphic.)

Ottawa, March 1, 1874.

MY Government concur that a reciprocity in manufactured articles is out of the question; but they think that the Treaty of 1854 might be extended as to manufactured articles not produced in England, or imported thence into Canada, without contravening the commercial policy of the Empire.

As to the canals, Canada owns the only possible canals on the St. Lawrence, which canals can be enlarged to the utmost capacity of lake harbours. My Government think that a concession of equal rights to United States' vessels in navigating the canals might be used to secure British and Canadian vessels the coasting trade of the United States.

They are also of opinion that personal intercourse with Canadian Commissioners,

whose local knowledge it is necessary to advantageous changes to both countries will suggest many other minor ing Imperial interests; and they have requested me to make representations in the above sense to the Imperial Government. They also suggest that further communications to Mr. Fish should be delayed until you shall be placed in possession of their views. I will write more fully.

No. 207.

Mr. Rothery to the Earl of Derby.—(Received March 16.)

(No. 20. Confidential.)

My Lord,

Washington, March 3, 1874.

SIR EDWARD THORNTON has communicated to me the telegram which he received from your Lordship on the 27th ultimo, and in which he was directed to open negotiations with the United States' Government for the settlement of the Fisheries Question on the principle of a renewal of the IIIrd Article of the Reciprocity Treaty in lieu of the money payment provided for by the Treaty of 1871. He has also informed me of the conversation which he had with Mr. Fish on the following morning, and of the telegrams and communications which have since been received from Lord Dufferin.

It is not, however, my intention now to speak on these matters, as I am aware that Sir Edward has, by this mail, written very fully to your Lordship thereon. But since the receipt of your Lordship's telegram I have had a conversation with Mr. David A. Wells, the gentleman mentioned in my despatch No. 2 of the 5th of January last, of which it may be well that I should inform your Lordship.

On Saturday last I was speaking to Mr. Charles Sumner on the proposal for a renewal of the Reciprocity Treaty of 1854, when he expressed a wish that Mr. Wells, who is the leader of the free trade movement in this country, were at Washington, as he thought that, from his knowledge of the subject, he might be of great use in furthering the object which we had in view, and he stated that he should write to him on the subject. On the same day I heard that Mr. Wells was in Washington, and I accordingly informed Mr. Sumner thereof.

On the following day, Sunday, the 1st instant, Mr. Wells himself called upon me, and, believing that he would most likely be favourable to a renewal of the Reciprocity Treaty, I showed him from the statistics, which had been forwarded to me by Lord Dufferin, the great progress that had taken place of late years in the trade of Canada, notwithstanding the repeal of the Reciprocity Treaty, owing to her having found new markets for her produce. Mr. Wells, who is very hostile to the present Administration, and who, on that account, perhaps, would not be too anxious that even a good measure should be carried through its means, at first stated that, if the trade of Canada had so greatly increased since the repeal of the Reciprocity Treaty, he should be disposed, were he a Canadian, to object to a renewal of that Treaty. But, on my expressing some surprise that he should hold a doctrine so opposed to the first principles of free trade, and on my observing that, whilst the Canadians were anxious to have the trade with the United States, they did not mean it to be in substitution of, but rather in addition to that from the new markets which had been opened, and which they intend to retain, Mr. Wells at once admitted that this was the right view to take of the subject.

I then showed him from the same Tables the extent of the smuggling that was carried on between Canada and the United States; and, in the end, Mr. Wells expressed himself fully satisfied that the renewal of the Reciprocity Treaty with Canada was the true policy, and that it would be equally advantageous to both countries; he thought, too, that it might possibly lead to a general relaxation of the Tariff arrangements, and he said that the measure should have his cordial co-operation. I cautioned him before leaving not to speak too openly on the subject as it was at present under the consideration of the Administration, but that he might talk freely to Mr. Sumner about it, and might take the opportunity of informing himself generally as to the views of the most influential people on the subject.

On the whole I am inclined to think, and Sir Edwards concurs with me in that opinion, that my conversation with Mr. Wells will not be productive of any harm. He is a person of considerable influence, and he will probably not now oppose the measure, a course which he might otherwise have taken, on the ground that the measure did not go far enough. If, too, the arrangement has his approval, he will no doubt be able to find very good reasons to prove that it is the only course which the United States' Government could and ought to have taken.

In conclusion, I have only to state that Sir Edward and myself are perfectly agreed as to the course to be pursued, and that it will be my pleasure, as it is my duty, to assist him to the best of my ability in bringing these negotiations to a successful issue, of which I cannot but think that there is now a very fair prospect.

I may add that Mr. Bancroft Davis, when I saw him on Sunday last, told me that Mr. Fish had taken the matter in hand, and that he intended to go carefully into it, and that, too, without delay.

I have, &c.
(Signed) H. C. ROTHERY.

No. 208.

The Earl of Derby to Sir E. Thornton.

(No. 94.)

Sir,

Foreign Office, March 14, 1874.

WITH reference to my despatch No. 86 of the 12th instant, I have to acquaint you that the Canadian Government have recommended Senator George Brown for the appointment of Commissioner to be associated with you in negotiating the proposed Reciprocity Treaty, and that Her Majesty's Government have concurred in this recommendation.

Mr. Brown's formal appointment will be sent out as soon as possible, and meanwhile you will inform the United States' Government that he has been selected for the office.

I am, &c.
(Signed) DERBY.

No. 209.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 16, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch that his Lordship has addressed to Her Majesty's Minister at Washington, in regard to the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 210.

Mr. Herbert to Lord Tenterden.—(Received March 20.)

(Confidential.)

My Lord,

Downing Street, March 19, 1874.

WITH reference to previous correspondence respecting the negotiation of a Treaty of Reciprocity with the Government of the United States, I am directed by the Earl of Carnarvon to transmit to you a copy of a despatch from the Governor-General of Canada, inclosing an approved Report of the Privy Council in reference to this matter.

A slightly abbreviated edition of this Minute of Council was received from Lord Dufferin by telegram on the 24th of February, and was communicated to you in my letter of the 26th ultimo.

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

Inclosure 1 in No. 210.

The Earl of Dufferin to the Earl of Carnarvon.

(Secret.)

My Lord,

Canada, February 24, 1874.

I HAVE the honour of sending herewith a full copy of the approved Order in Council of the 23rd of February, of which I have already communicated by telegram a slightly abbreviated transcript.

My present advisers are very anxious to take advantage of the opportunity which seems about to present itself of re-establishing a Reciprocity Treaty between Canada and the United States of America. I imagine that the course they contemplate will be generally approved throughout the country, and they assure me that it will meet with the approbation of Parliament.

As the late elections have proved very favourable to Mr. Mackenzie and his colleagues, and as they count upon a large majority in the House of Commons, there seems no reason to doubt the fulfilment of their anticipations.

Mr. George Brown, a gentleman, as your Lordship is aware, connected with a very influential newspaper in Toronto, has lately returned from Washington, whither he repaired at the instance of my Ministers for the purpose of making himself acquainted with the general feeling on the subject of reciprocity among the leading men of the Senate and the House of Representatives. Mr. Brown has returned with the conviction that the moment is very favourable and opportune for entering upon such a negotiation as that referred to in the inclosed Order in Council, but he considers it of great importance that there should be as little delay as possible in bringing the subject forward, as local political influences arising out of the late Congressional elections, which are to take place later in the year, might complicate the situation at Washington, and render the Government of the United States less free to act than it now appears to be.

Better information, however, than I can give on this latter point will probably have already reached your Lordship through the medium of the despatches of Her Majesty's Representative at Washington.

I have, &c.
(Signed) DUFFERIN.

Inclosure 2 in No. 210.

Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General in Council, on the 23rd February, 1874.

THE Committee of Council have had under consideration a Memorandum, dated 23rd February, 1874, from the honourable Mr. Mackenzie, reporting that he considers the present a most favourable opportunity for a renewal of negotiations for a Reciprocity Treaty between Canada and the United States of America, by which the claim for compensation, as regards the fisheries, might be settled without the reference provided for by Article XXII of the Treaty of Washington, and therefore recommending that the Imperial Government be requested to authorize the British Minister at Washington to enter into negotiations on that subject with the Government of the United States.

The Committee concur in the opinion above expressed, and advise that a copy of this Minute be communicated by your Excellency to the Right Honourable the Secretary of State for the Colonies, for the consideration of Her Majesty's Government.

Certified,
(Signed) W. A. HIMSWORTH.

No. 211.

Mr. Herbert to Lord Tenterden.—(Received March 20.)

My Lord,

Downing Street, March 19, 1874.

WITH reference to your letter of the 16th instant, I am directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, a copy of a despatch which his Lordship has addressed to the Governor-General of Canada respecting

the negotiations with the United States' Government for a renewal of the reciprocity Treaty.

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

Inclosure in No. 211.

The Earl of Carnarvon to the Earl of Dufferin.

(Secret)
My Lord,

Downing Street, March 18, 1874.

SINCE writing my despatch of the 5th instant, respecting the proposed negotiations for a Reciprocity Treaty with the Government of the United States, I received your telegram of the 7th of this month, in which you informed me that your Government would be willing to give the United States an absolute instead of a conditional use of the Canadian canals, and would considerably enlarge the canal system in consideration of procuring further concessions from the United States; that the initial proposal, to be made to the United States' Government, should be for a renewal of a Reciprocity Treaty in respect of the Articles mentioned in Clause 3 of the Treaty of 1854, with certain others; that your Government would propose that, in return for absolute concession of navigation rights, and for the enlargement by Canada of her canal system for the accommodation of American traffic, the Government of the United States should relax their restrictions as regards the coasting trade, or, if they should be unwilling to do this, that Canada should be given a permanent right of navigating Lake Michigan, with certain other concessions of a minor character.

2. You informed me that your Ministers found it impossible to communicate their views more exactly by telegraph, but that you would forward fuller particulars by post, showing what terms they hoped to obtain. You further strongly urged, on the part of your Government, the appointment of a Canadian Commissioner to act with Sir E. Thornton in the negotiation, such Commissioner to be under the instructions of the Imperial Government.

3. Being desirous to give effect, if possible, to the wishes of your Government on this point, Her Majesty's Government desired Sir E. Thornton, by telegraph, to ascertain from Mr. Fish whether the United States' Government had any objection to the appointment of a Canadian Commissioner to be associated with Sir E. Thornton in the manner proposed. Mr. Fish replied that there would be no objection on his part to this course in the event of such negotiations being entered into; and I, accordingly, on the 12th instant, telegraphed to you to the effect that, having learnt that, if negotiations should be entered upon the United States would not object to the association of a Canadian gentleman with Sir E. Thornton, and, in deference to the wish of your Government, Her Majesty's Government agreed to this proposal, and to the opening of negotiations on the terms proposed in your telegram of 7th of this month.

4. My telegram also instructed you to send Sir E. Thornton copies of your telegrams with full details on the subject, and to inform me of the name of the gentleman whom your Government would propose as Commissioner.

5. I further stated that such Commissioner should proceed at once to Washington; that it was to be understood that Her Majesty's Government were to be informed before any definite proposals were made to the United States' Government; and that it was of the highest importance that your Government should select the best and most conciliatory Commissioner that could be found having the confidence, if possible, of both political parties.

6. In reply to this telegram you telegraphed to me that your Ministers proposed the appointment as Commissioner on the part of Canada of Senator George Brown, and that, in the present condition of parties, there was no hope of securing the services of a person approved by both sides of the Legislature.

7. It was then determined by Her Majesty's Government to consent to the appointment of Mr. George Brown, and I acquainted you by telegraph with this decision, adding that the necessary instrument for his appointment would be transmitted without delay.

I have, &c.
(Signed) CARNARVON.

No. 212.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 20, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, for his perusal, the accompanying despatches upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 213.

The Earl of Derby to the Hon. G. Brown.

Sir,

Foreign Office, March 21, 1874.

HER Majesty having been previously pleased to appoint you to be joint Plenipotentiary with Her Majesty's Minister at Washington, for the purpose of negotiating and concluding a Treaty with the United States relating to Fisheries, Commerce, and Navigation, I have to acquaint you that Her Majesty has granted to you and Sir E. Thornton, under the Great Seal, a full power for that purpose.

I am, &c.
(Signed) DERBY.

No. 214.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 21, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch to Mr. George Brown appointing him joint Plenipotentiary with Sir E. Thornton for the negotiation of the proposed Treaty.†.

I am, &c.
(Signed) TENTERDEN.

No. 215.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, March 21, 1874, 7.30 P.M.

JOINT full powers for you and Mr. Brown are sent by this day's mail.

No. 216.

Mr. Rothery to the Earl of Derby.—(Received March 22.)

(No. 21.)

My Lord,

Washington, March 10, 1874.

SIR EDWARD THORNTON has shown me the draft of the letter which he proposes to forward to your Lordship by this mail, I have nothing to add to what he has said.

I entirely concur with Sir Edward in thinking that the issue of the Proclamation by the Dominion Government, prohibiting the carriage of passengers or goods from one Canadian port to another in other than British vessels, and which would seem to have directed expressly against United States' vessels, is especially unfortunate at the present time, when we are endeavouring, and not unsuccessfully, to show to the Americans and their Government that the true interests of the two countries lie in a closer commercial intercourse between them. We do not as yet know what was the necessity for the issue

* Nos. 206 and 207.

† No. 213.

of such a Proclamation, and at such a time, but whatever may have been the reason, it cannot fail to have done some injury, and will not be unlikely to lose us some votes in the Senate, which can ill be spared.

I should add, however, that, notwithstanding this Proclamation, the tone both of Mr. Fish and of the Senators and Representatives, with whom I have lately conversed on the subject, continues to be very friendly; and it is impossible not to see that the idea of reciprocal trade with Canada is daily gaining favour; and if the measure be now pressed, and no other unfortunate event should occur, I venture to think that a Treaty materially relaxing the Tariff restrictions between this country and Canada can be carried through the Senate. It must, however, be such an arrangement as will be mutually advantageous to both countries, and it would be a matter deeply to be regretted if the negotiations should fail through a desire on the part of Canada to obtain greater advantages for herself than she is fairly entitled to claim.

I have only to add that Mr. David Wells is still here engaged, as I am, in collecting statistics on the trade between the United States and Canada, which will I doubt not be of use, in case the negotiations should go on. Until, however, we know what Canada is willing to concede, and what your Lordship's decision may be thereon, it is not possible to do any more.

I have, &c.
(Signed) H. C. ROTHERY.

No. 217.

Sir E. Thornton to the Earl of Derby.—(Received March 22.)

(No. 100.)

My Lord,

Washington, March 9, 1874.

I HAD the honour to receive, on the afternoon of the 5th instant, your Lordship's telegram of that day, transmitting copy of a telegram received on the 28th ultimo from the Governor-General of Canada.

With regard to the contents of the latter, it would certainly seem to me desirable that some one should be sent here from Canada possessing the entire confidence of the Government of the Dominion, who should consult with and advise me, and should even be empowered by Her Majesty's Government to take part in the negotiation of the proposed Reciprocity Treaty, if Mr. Fish should have no objection to his doing so; but it does not seem to me at all necessary, with the facility that now exists of communicating by telegraph, that there should be more than one person.

Besides the reasons which I gave for this opinion in my despatch No. 91 of the 2nd instant, it has occurred to me that, as Sir John Macdonald was authorized by Her Majesty's Government to take part in the negotiation of the Treaty of Washington, which partially concerned Canada, the present Government of the Dominion might think it unfair if it were not allowed to take part in the negotiation now proposed, in which it is almost solely interested, due care being taken that Imperial interests shall not be affected by it.

Your Lordship will have already perceived, from the tenor of my despatch No. 66 of the 9th ultimo, that I contemplated some modifications and additions being proposed by Mr. Fish to the IIIrd Article of the Treaty of 1854. These would naturally be followed by, or could easily be availed of to make, counter-proposals on our part. When, therefore, I received your Lordship's authority to make a proposal in accordance with the terms of that despatch, I did not suppose that it was meant that any negotiation which might follow should be restricted to the restoration of the IIIrd Article of the Treaty of 1854.

Your Lordship may rest assured that it shall be distinctly agreed beforehand that, in the event of the failure of these negotiations, the right to an adjudication of the fisheries claim under the Treaty of Washington is in no degree waived.

Until it should be decided that some one should be sent here from Canada, and until his arrival, I deem it expedient not to commit myself in any way with Mr. Fish upon the subject, and only to listen to any observations which he might offer.

When I paid him my usual visit at the State Department on the 5th instant, after talking upon other subjects, he said that he had been sounding Senators and Representatives as to the negotiation of a Reciprocity Treaty with regard to Canada, and had met with opposition to it in some quarters; but, he added, that it would be of little avail his making efforts in that direction if they were to be counteracted by measures taken by the Canadian Government. I asked with surprise to what he alluded. He replied that

he had received on the previous day a Proclamation, dated the 9th ultimo, which had been recently issued by the Governor-General of Canada, to carry into force the Act of May 12, 1870, whereby it is enacted that no goods or passengers shall be carried by water, from one port of Canada to another, except in British ships. He considered that, if the Canadian Government was at all desirous of the success of the negotiation for a Reciprocity Treaty, the issue of the Proclamation at the present moment was singularly ill-timed, and seemed intended to be an aggressive and unfriendly act on the part of Canada. He observed that it had been commented upon in a triumphant manner by the Canadian newspapers, showing that its animus was hostile to the United States. Allusion had been particularly made to a line of American steamers running from Boston to Halifax and Prince Edward's Island. This line, the newspapers asserted, would now be put a stop to, and would be replaced by British steamers.

Such an incident, occurring at this moment, would cause great irritation in the New England States, and would probably induce their Senators and Representatives, whom Mr. Fish thought he had succeeded in winning over to the cause of reciprocity, to change their views upon that subject.

I stated that I had received no information on this matter, nor had a copy of the Proclamation reached me. Neither could I say what reason there might have been for issuing it, though the Canadian Government had evidently the right to do so.

Mr. Fish observed that he could not conceive what motives might have induced the Canadian Government to take such a step, but that, if it had any idea that by that means it would prevail upon the United States' Government to throw open its coasting trade to Canadian vessels, it was much mistaken; for that there was no American statesman who would think of exchanging the privilege on so extensive a coast as that of the United States for a similar right or so small a one as the coast of Canada, especially at this moment when the great desire of the American people was to encourage national shipping as far as possible. I remarked that the coasting trade of Great Britain was thrown open without any compensation. Mr. Fish replied that we had only done so because it suited our interests.

On my return home I sent to the Governor-General of Canada the telegram upon this subject of which I have the honour to inclose a copy. On the next day I received an answer from his Excellency, a copy of which is also inclosed. I do not know what Imperial Act it was the expiration of which necessitated the issue of the Proclamation, but must await the explanation by letter which Lord Dufferin has promised me. I have not yet had an opportunity of seeing Mr. Fish, and of assuring him that there was no thought of anything unfriendly in the issue of the Proclamation.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 217.

Sir E. Thornton to the Earl of Dufferin.

(Confidential.)

(Telegraphic.)

Washington, March 5, 1874.

MUCH irritation has been caused here to-day by the arrival of your Proclamation, prohibiting the carriage of goods and passengers between Canadian ports in any but British vessels. Mr. Fish mentioned it to me to-day as singularly ill-timed, and as an aggressive and unfriendly Act towards American shipping.

Inclosure 2 in No. 217.

The Earl of Dufferin to Sir E. Thornton.

(Telegraphic.)

Ottawa, March 6, 1874.

MY Government judge that the Proclamation issued was necessitated by the expiration of an Imperial Act regulating our coasting trade, and is in compliance with an Act of the Canadian Parliament passed two years ago, and in no respect changes the law. No thought of anything unfriendly. Explanation by letter.

No. 218.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, March 26, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, two despatches relating to the proposed renewal of the Reciprocity Treaty with the United States' Government.*

I am, &c.
(Signed) TENTERDEN.

No. 219.

The Earl of Derby to Sir E. Thornton.

(No. 108.)

Sir,

Foreign Office, March 28, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) DERBY.

No. 220.

Sir E. Thornton to the Earl of Derby.—(Received March 31.)

(No. 111.)

My Lord,

Washington, March 16, 1874.

ON the receipt of your Lordship's telegram of the 10th instant, I called upon Mr. Fish and inquired of him whether the United States' Government would have any objection to a Canadian gentleman being associated with me in negotiating a renewal of the Reciprocity Treaty between Canada and the United States. Mr. Fish replied that, if it should be found that such a negotiation could be entered upon, there would be no objection whatever to receiving a Canadian gentleman for that purpose, and that for his own part he would have much pleasure in discussing the question with him and myself.

I yesterday called again upon Mr. Fish, and communicated to him the contents of your Lordship's telegram of the 14th instant, that Her Majesty's Government had concurred in the recommendation by the Canadian Government of Mr. George Brown as Commissioner. Mr. Fish again said that it would give him great pleasure to negotiate with Mr. Brown as well as myself, but repeated, in a doubting tone, the condition which he had previously added—"if such a negotiation could be entered upon"—leading me to infer that, in his conversations with Senators and Representatives, he had met with more opposition to the measure than he had expected. It seemed to me, however, expedient not to inquire too closely into the reason of his doubts, but rather to await the arrival of Mr. Brown, when I should become better acquainted with the views of the Canadian Government.

Mr. Fish has been unwell and confined to his own house for the last few days. I doubt whether he has seen many Members of the Congress during that time.

I have, &c.
(Signed) EDWD. THORNTON.

No. 221.

Mr. Rothery to the Earl of Derby.—(Received March 31.)

(No. 23.)

My Lord,

Washington, March 16, 1874.

I HAD hardly sent off my despatch No. 21 of the 10th instant, when the country was startled by the announcement of the sudden illness, followed by the death of

* Nos. 216 and 217.

† Nos. 210 and 211.

Mr. Charles Sumner, I had been talking with him in the Senate House on the Tuesday afternoon between 1 and 2 o'clock, and he had asked me how our affair was going on. I told him that it was progressing favourably, and that an agent was coming from Canada to assist in the negotiations. He replied, "That's well, that's well." He told me also that he had been conferring with Mr. David Wells on the subject, and that when the time arrived he would give the measure all the support in his power. I saw that he was looking ill and I advised him to go home, but he said that he had some matters yet to attend to in the Senate, and we parted. That evening he was seized with his old complaint, *Angina pectoris*, and died on the following day.

I cannot disguise from your Lordship that Mr. Sumner's death is a very serious blow to the success of any negotiations that may now be undertaken in connection with a renewal of the Reciprocity Treaty. Whatever may have been Mr. Sumner's faults, he was a man of the highest honour and integrity, of great learning and ability, and one of the best speakers, not in the Senate only, but in this country. Such a man had necessarily great influence in the country; but there were circumstances connected with his life, especially the firm and unwavering stand which he maintained against slavery, which endeared him to a large section of the community, and gave him an influence which few, if any other person in the country, possessed. Nothing shows this more clearly than the sorrow which all classes have felt at the announcement of his sudden death, and the many marks of respect with which they now seek to honour his memory.

As your Lordship will have seen from my previous despatches, it was with Mr. Sumner that the idea originated of settling the Fisheries Question by a renewal of the Reciprocity Treaty, in lieu of the money compensation stipulated for by the Treaty of 1871; and he had taken up the subject very warmly. He used to say to me that no one could more properly take up the subject than he, for that he had moved the Resolution for terminating the Reciprocity Treaty, not, indeed, with the intention of putting an end to it altogether, but with a view to its being inquired into, and of ascertaining whether its provisions did not require to be modified. He said that sufficient time had now elapsed to know what had been the working of the Treaty, and that he could resume the subject at the place at which he had left it. He told me more than once that, if the Administration would take the matter up, and would give it their support, it would be carried.

I am inclined to think that one of the principal reasons which inclined Mr. Sumner to take the matter up, was a desire to reinstate himself in the good opinion of England. He felt that, by the action which he had taken in regard to the Alabama claims, he had forfeited much of the respect and esteem with which he had once been regarded in our country, principally owing to his steady and consistent opposition to slavery; and he would have been glad if, by forwarding a measure, which he knew would be agreeable to England, he could have regained the good opinion which he had lost, particularly as the measure was one which he knew would be as beneficial to his own country as to Canada.

The loss of such a man must, as I have already said, be a serious blow to any negotiations that may now be undertaken; for I know of no one who could so fitly fill his place, or who could say, as he would have done, that, having formerly moved the repeal of the Reciprocity Treaty, he now, after full inquiry, was prepared to advocate its renewal. Many persons are spoken of as likely to succeed him as Senator for Massachusetts, amongst others Mr. Dawes, the Chairman of the Committee of Ways and Means in the House of Representatives, and Judge Hoar of Massachusetts. The former would, I think, be favourable to the renewal of the Treaty, the latter would be very strongly opposed to it. General Butler has also been named as likely to become a Candidate, and, in the event of his succeeding, I think that we might count upon his support.

I may add that, since Mr. Sumner's death, I have again seen Mr. David A. Wells, and he has assured me of his continued support, and has authorized me to say to General Butler that, if he would undertake the conduct of the case, he should have the assistance both of himself (Mr. Wells) and of Mr. Atkinson, a gentleman, I understand of great influence, but who is in general strongly opposed to General Butler. Knowing, however, from the telegrams, which have been forwarded to Sir Edward Thornton, and which he has communicated to me, that it is proposed to entrust the negotiations on the subject to Sir Edward and to a gentleman who is coming from Canada, and that there is, as yet, some uncertainty what Canada will demand, and what she will be ready to grant, I have hesitated to speak to General Butler on the subject, fearing to do anything which would interfere with the action of the Commissioners, with whom the conduct of the case will now rest. I thought too, that General Butler could be more easily and more successfully

approached by the administration, with whom he must now be on most cordial terms, especially after the appointment of his candidate, Mr. Simmons, to be the Collector of Customs at Boston. Mr. Bancroft Davis also informed me that the first person whose support Mr. Fish would endeavour to obtain would be General Butler.

Pending then the negotiations which are about to be opened, I propose to remain here in case my services should be required. Moreover, it appears to me that, if I were now to proceed northwards, calling at New York, Boston, &c., to collect information in regard to the fisheries, it would seem to imply such a distrust of the ultimate success of the negotiations, that it might produce an unfavourable impression here. At the same time I should be glad to be informed, for my future guidance, what course your Lordship would wish me to pursue, in the event of a new Treaty being negotiated: whether it is your wish that, in that case, I should at once return to England, or whether I should stay here until after the Treaty has been confirmed by the Senate, and the necessary legislative enactments passed. Apart from the great expense, your Lordship may well understand that I am most anxious, not unnecessarily, to prolong my stay. At the same time, I should be most unwilling to do anything which would be likely in any way to imperil the success of the measure.

Awaiting your Lordship's instructions, I have &c.

(Signed)

H. C. ROTHERY.

No. 222.

The Earl of Derby to Mr. Rothery.

(No. 6.)

Sir,

Foreign Office, April 2, 1874.

I HAVE received your despatch No. 23 of the 18th ultimo, in which you apply for instructions as to whether your present stay in Washington should be prolonged; and I have to state to you, in reply, that I am of opinion that you should remain there for the present, and that further instructions will be sent to you when it is seen what turn the negotiations for the renewal of the Reciprocity Treaty are likely to take.

I am, &c.

(Signed)

DERBY.

No. 223.

Mr. Rothery to the Earl of Derby.—(Received April 6.)

(No. 26.)

My Lord,

Washington, March 24, 1874.

SINCE my despatch No. 23 of the 16th instant nothing further has occurred on the subject of the proposed negotiations for a renewal of the Reciprocity Treaty. We have been daily expecting to see, or at all events to hear from Mr. George Brown, but as yet he has neither made his appearance, nor written to announce his coming. The only intimation beyond a letter from Lord Dufferin saying that Mr. Brown was about to start is contained in the annexed extract from the "Toronto Globe," announcing his departure to take part in the negotiations about to be opened, and which has appeared this morning in the Washington papers. But as Mr. Brown is well known to be the editor, and, I believe, the principal proprietor also, of the "Toronto Globe," the propriety of such an announcement may, perhaps, be questioned, and it is pretty certain to give rise to comments in the American papers, which have hitherto avoided all reference to the subject.

I may add that the delay in Mr. Brown's arrival is, perhaps, unavoidable, but whether it be so or not, it is very unfortunate, for every day's delay now would seem to render the success of the negotiations more doubtful. It is three months since I first mentioned the suggestion which had been thrown out by the late Mr. Sumner that, the Fisheries Question might, perhaps, be settled by a renewal of the Reciprocity Treaty; it is two months since I communicated the favourable reception which had been given to the proposal by Mr. Fish and Mr. Bancroft Davis; and it is six weeks since Mr. Brown came to Washington and ascertained, as he now informs us, from personal inquiry, that the circumstances were favourable for entering into negotiations on the subject.

I do not know what my position will be, or whether it is proposed that I should take any and what part in the forthcoming negotiations. At present, of course, I can do nothing but await patiently the issue of events. I should, however, be glad to be

informed for my future guidance what course your Lordship would wish me to take in the event of a Treaty being entered into, as well at in the contrary event of the negotiations being broken off.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure in No. 223.

Newspaper Extract.

A NEGOTIATOR FROM CANADA. *Toronto, Ontario, March 23.*—The "Toronto Globe," the Government organ says:—"George Brown will depart for Washington to-day to take part in negotiations with the Government of the United States on the trade relations of the two countries. Mr. Brown paid a visit to Washington a few weeks ago, and preliminary inquiries having shown the circumstances to be favourable, he will return to enter upon more favourable negotiations. We trust that any difficulties which may arise in the course of the negotiations will be overcome, and that the commercial intercourse of Canada with its nearest neighbour will be placed on a sound and liberal basis equally beneficial to both countries."

No. 224.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 6, 1874.

WITH reference to my letter of this day's date, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch which his Lordship has addressed to Mr. Rothery, in regard to the question of the prolongation of his stay at Washington.*

I am, &c.
(Signed) TENTERDEN.

No. 225.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 6, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, for his perusal, despatches upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.†

I am, &c.
(Signed) TENTERDEN.

No. 226.

Mr. Meade to Lord Tenterden.—(Received April 8.)

My Lord,

Downing Street, April 7, 1874.

WITH reference to previous correspondence respecting the proposed renewal of a Reciprocity Treaty with the United States of America, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, a copy of a despatch received from the Governor-General of Canada.

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

* No. 222.

† Nos. 220 and 221.

Inclosure in No. 226.

The Earl of Dufferin to the Earl of Carnarvon.

My Lord,

Government House, Ottawa, March 17, 1874.

I HAVE the honour to acknowledge the receipt of a telegram dated 14th March from your Lordship, in which you have been pleased to signify your assent to the request of my Government that a Canadian gentleman should be associated with Sir Edward Thornton in the event of Her Majesty's Government authorizing the British Minister at Washington to enter upon a negotiation with the United States for the whole or partial renewal of the Reciprocity Treaty.

I have been requested by Mr. Mackenzie and his colleagues in the Administration to convey to your Lordship their sense of the consideration which has been shown to their representations by Her Majesty's Government in this matter.

I have further to inform your Lordship that it is perfectly understood by the Dominion Government that Her Majesty's Government, in consenting to authorize the substitution of a Reciprocity Treaty in lieu of the money payment secured to Canada in respect of her fishery claims under the Article of the Treaty of Washington, have done so at the express instance and solicitation of the Canadian Government.

It is also understood that the Canadian Commissioner will act under Imperial instructions, and that all propositions to be made to the United States' Government will be previously submitted to the Secretary of State.

I have communicated a copy of this despatch to the Privy Council.

I have, &c.
(Signed) DUFFERIN.

No. 227.

The Earl of Derby to Mr. Rothery.

(No. 7.)

Sir,

Foreign Office, April 9, 1874.

I HAVE received your despatch No. 26 of the 24th ultimo, applying for instructions as to the course to be pursued by you in the event of the negotiations for a renewal of the Reciprocity Treaty being proceeded with; and I have, in reply, to refer you to my despatch No. 6 of the 2nd instant, and to state to you that, if the Treaty in question should be signed, your appointment as Her Majesty's Agent will, of course, terminate.

If, however, the negotiations should be broken off, it is to be presumed that the Commission at Halifax would be proceeded with; but the course to be adopted in that event cannot now be decided upon.

I am, &c.
(Signed) DERBY.

No. 228.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 10, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, for his perusal, a despatch from Mr. Rothery, upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 229.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 10, 1874.

WITH reference to my letter of this day's date, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch that has

* No. 223.

been addressed to Mr. Rothery, in regard to the course to be pursued by him in connection with the negotiations for the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 230.

The Earl of Derby to Sir E. Thornton.

(No. 112.)

Sir,

Foreign Office, April 11, 1874.

I TRANSMIT to you herewith, for your information, a copy of a letter from the Colonial Office, upon the subject of the negotiations for the renewal of the Reciprocity Treaty.†

I am, &c.
(Signed) DERBY.

No. 231.

Sir E. Thornton to the Earl of Derby.—(Received April 12.)

(No. 121. Confidential.)

My Lord,

Washington, March 30, 1874.

I HAVE the honour to inform your Lordship that Mr. George Brown arrived here on the 26th instant. On the 28th he and I called at the State Department on Mr. Fish, and had a long interview with him.

I repeated that Mr. Brown had been empowered by Her Majesty's Government to act as joint Commissioner with me for the negotiation of such a Treaty for the regulation of the commercial relations between the United States and Canada as might meet the views of the two Governments. I reminded Mr. Fish that I had already made him the proposal that the IIIrd Article of the Treaty of 1854 should be revived; that he had then stated that, for that alone, it would not be worth while to delay the fulfilment of the Treaty of Washington, and that the United States, if any such negotiations were entered upon, would desire a Treaty of a more enlarged character. In answer to my inquiries he had mentioned the points of the free importation of American manufactures into Canada, and the enlargement of the Canadian canals.

Mr. Fish replied that, as he had previously told me, on the occasion of my informing him of Mr. Brown's appointment, he would have much pleasure in carrying on such a negotiation with him and myself, if it could be entered upon; but of this he had expressed some doubts, because he had found opposition to any such arrangement amongst the Senators and Representatives to whom he had mentioned it. I reminded him that, in my first official interview with him upon the subject he had concluded his observations by saying that he did not doubt that a Treaty of some sort with regard to the commercial relations between Canada and the United States might be arranged.

Mr. Fish declared that, although he considered that the Treaty of 1854 had been carried out upon some points to the disadvantage of the United States, he had himself always opposed the denouncing of that Treaty, and was personally well disposed towards the renewal of an arrangement of a similar nature. The President was also willing that such a negotiation should be entered upon, if the proposal made should appear to be to the advantage of the United States.

Mr. Fish admitted that he had spoken to the President upon the subject some time previously, and that he had then asked both Mr. Rothery and Mr. Brown to discuss the matter with influential Senators and Representatives; but upon Mr. Brown alluding to the favourable manner in which his observations were received by some of those gentlemen, and to their promises that an arrangement for reciprocal commercial relations between Canada and the United States would receive their support, Mr. Fish more than insinuated that these persons had used such language from mere courtesy towards strangers, but had spoken in a very different sense to him, and had even declared their intention to oppose any such measure.

Mr. Fish's tone during the whole interview was most discouraging, but it was out of the power of Mr. Brown or myself to decide whether he was representing his real feelings, arising perhaps from his timidity with regard to Congress, or whether the tone was purposely assumed in the hope of driving a better bargain.

* No. 227.

† No. 226.

Mr. Brown and I did our best to induce Mr. Fish to acquaint us frankly with the views of his Government, or with what it expected or wanted from Canada, but in vain; he persistently refused to enlighten us, or to make any proposal whatever, or even to explain his views with regard to the introduction of American manufactures into Canada, of which he had spoken to me in my first interview. He invited us, however, to make proposals to him, and to put down in writing what we might consider to be the basis of a fair Treaty.

But Mr. Brown pointed out to him the impossibility of complying with his wish, unless he would give us some insight into the views of his own Government, but he simply answered that his Government had no views, and would make no proposal; if, however, we would submit the basis of an arrangement he would deal fairly with us, and would endeavour to obtain for it the support of Senators and Representatives.

It was out of our power to obtain any clue to Mr. Fish's views, except by the nature of his questions. He inquired about the enlargement of the Canadian canals, the construction of the Ottawa Canal, and of that from Caughnawaga to Lake Champlain. Upon these matters Mr. Brown gave him the most satisfactory assurances. Mr. Fish asked about the introduction of manufactures. Mr. Brown replied that the Canadian Government could not, of course, agree to any discrimination against Great Britain, but that there were some heavy articles, such as manufactures of wood and iron, which were not, and never would be, imported from Great Britain, the free admission of which from the United States might perhaps be allowed. Mr. Fish refrained from any remark in reply, but asked about manufactures of cotton and wool. Mr. Brown replied that, with regard to these, Great Britain could not be put at a disadvantage. If there were some coarse manufactures of cotton or wool which were not imported from Great Britain their free admission might, perhaps, be agreed to, but generally Canada would be obliged to put British goods on an equal footing with regard to duties.

Mr. Fish inquired what Canada would require on her side. Mr. Brown replied that the free import of the natural products of Canada would be asked, and he further expressed a strong opinion that it would be to the advantage of both countries that the coasting trade should be thrown open. With regard to the latter, Mr. Fish said that such a measure would give to Canada a disproportionate length of coast which she would gain for her shipping, and trade with 40,000,000 of people as compared with 4,000,000. Upon Mr. Brown replying that the interior coasting trade would be sufficient, Mr. Fish retorted that the disproportion of population would still be the same.

Mr. Fish was, however, generally reticent upon all these subjects, and it was impossible to extort from him any frank expression of opinion of the wishes of his Government with regard to its relations with Canada. He repeated that if we would submit to him a Memorandum of what we should consider a fair basis of arrangement, he would consult Members of Congress upon it. But he expressed his doubt whether the necessary majority could be obtained in the Senate, and his opinion that the publicity which had been given to the appointment of Mr. Brown as Commissioner, both by the newspapers and by the speech of the Governor-General of Canada on the opening of the Dominion Parliament, had excited the fears of those in opposition to the measure.

Mr. Brown and I said that we would consider whether we should be justified in submitting such a Memorandum as Mr. Fish suggested, but I said that if we should decide upon doing so, and should enter upon a negotiation, it must be remembered that in case of its failing to be carried out, the stipulations of Articles XXIII to XXV inclusive are in no degree waived.

Mr. Brown has read and concurs in the contents of this despatch.

I have, &c.

(Signed) EDWD. THORNTON.

No. 232.

Lord Tenterden to Sir H. Holland.

Sir, *Foreign Office, April 15, 1874.*
I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Minister at Washington upon the subject of negotiations with the United States' Government for a renewal of the Reciprocity Treaty.*

I am, &c.

(Signed) TENTERDEN.

Sir E. Thornton to the Earl of Derby.—(Received April 17.)

(Telegraphic.)

Washington, April 17, 1874.

WITH reference to my despatch No. 121 of the 30th ultimo, Mr. Brown and I propose to submit to Mr. Fish early next week a paper, of which the following will be the substance:—

We shall state that, if the negotiation should fail, we return to the stipulations of the Treaty of Washington with regard to fisheries, the negotiation to be concluded and carried out by the end of the present Session of Congress.

We shall analyze Canadian traffic with the United States for the last fifty years, and show its great increase, the loss incurred by the United States from the cessation of the Reciprocity Treaty, and the advantage of its renewal.

We shall then make the following propositions:—

Renewal of Treaty of 1854 for twenty-one years, including the fisheries, with the addition of the free admission of salt, manufactures of wood, iron, or steel articles, or of these jointly, agricultural implements, and a few other trifling articles.

To throw open coasting trade of lakes and River St. Lawrence.

That Canada should enlarge St. Lawrence canals.

That American and Canadian canals shall be thrown open to both countries on equal terms.

That a joint Commission be appointed for improving the navigation of the St. Clair River at joint expense.

That the navigation of Lake Michigan be open in perpetuity.

That citizens of either country may own and register vessels of other.

Reciprocity of admission to patent rights.

That a joint Commission be appointed for propagating and protecting fish in the lakes, and for co-operation in establishing lighthouses.

The above-mentioned paper will be submitted to Canadian Government.

Sir H. Holland to Lord Tenterden.—(Received April 18.)

My Lord,

Downing Street, April 17, 1874.

WITH reference to previous correspondence respecting the renewal of a Reciprocity Treaty the United States of America, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, a copy of a despatch from the Governor-General of Canada, inclosing copy of an approved Report of a Committee of the Privy Council relating to this matter.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure 1 in No. 234.

The Earl of Dufferin to the Earl of Carnarvon.

My Lord,

Ottawa, March 27, 1874.

I HAVE the honour of forwarding a copy of an approved Report of a Committee of the Privy Council on the subject of establishing reciprocal trade relations between the United States and Canada.

I have, &c.

(Signed) DUFFERIN.

Inclosure 2 in No. 234.

Report of a Committee of the Honourable the Privy Council, approved by his Excellency the Governor-General in Council on the 26th March, 1874.

THE Committee of Council have had under their consideration the correspondence between his Excellency the Governor-General and the Secretary of State for the Colonies,

relating to a settlement of the claims of the Dominion for compensation of the fishery privileges granted to the United States by the Washington Treaty.

The Committee having ascertained from Mr. Rothery, the Special Agent of the Imperial Government, that no objection would be raised by Her Majesty's adviser to a settlement without having recourse to the arbitration provided for in the Treaty, agreed, after deliberation, to the proposed course.

It was accordingly decided on to dispatch a confidential Agent to Washington, and this mission having been accepted by the Honourable George Brown, that gentleman proceeded to Washington early in February, and speedily succeeded in ascertaining that a general willingness existed on the part of leading Statesmen of the United States to enter into a new Commercial Treaty embracing the settlement of the claims of Canada for such compensation.

Upon receiving Mr. Brown's Report, application was made to the Imperial Government to authorize the British Minister at Washington to open negotiations with the United States' Government for more extended trade relations between the two countries, and at the same time requesting that a Canadian be appointed Commissioner to act with Sir Edward Thornton in such negotiations.

These requests were acquiesced in, and the Honourable George Brown was empowered to act as Imperial Commissioner on behalf of the Canadian Government.

Under these circumstances it is desirable, for the guidance of the Commissioners, to show the advantages which Canada possess in reference to various important interests more or less affecting the commercial prosperity of both countries.

First among them is the position of our canals, which, from the instructions given by Lord Carnarvon to Sir Edward Thornton, and his subsequent despatch to his Excellency the Governor-General, asking whether the Government of Canada had considered the effect of the Articles XXVII and XXX of the Treaty of Washington, it would appear that Her Majesty's Government were under the impression that the use of the canals of the Dominion was unconditionally conceded to the United States. This, however, is not the case. By Article XXVII of the Treaty "Her Majesty engages to urge on the Government of the Dominion . . . to secure to the citizens of the United States the use of the Welland and St. Lawrence Canals in terms of equality with the inhabitants of Canada, the United States similarly engaging that the subjects of Her Majesty shall enjoy the St. Clair Flats Canal on terms of equality with the inhabitants of the United States," and further agreeing "to urge on the States' Governments to secure to Her Majesty's subjects the use of the several States' canals connected with the navigation of the lakes or rivers traversed by, or contiguous to the boundary line."

The St. Clair Flats Canal is the only canal owned by the United States' Government, and is merely a straightening and deepening of the centre or boundary channel by which the waters of the St. Clair River reach Lake St. Clair. This so-called canal is believed to have been cut on the British side of the channel; and General Cram, the United States' Engineer, so reported to his Government. But it is important to observe that irrespective of this work, Canada possesses another channel which, at a small expenditure, could be made equal to that claimed by the United States.

The Canal at Sault Ste. Marie, owned by the State of Michigan, and only about a mile in length, is in reality the sole work of the kind which comes within the definition of the XXVIIth Article. But at this point, too, Canada can at a very slight expense, construct a channel in the Dominion side of the river, and will, no doubt, do so at an early day.

The only valuable canals that the States' Governments could afford, are the Erie Canal from Lake Erie to the Hudson River, and the canal from Lake Champlain to the Hudson, and both these canals appear by the careful language of Article XXVII to be intentionally excluded.

The United States have, therefore, as will be seen from this brief statement, no equivalent to offer the Dominion of Canada for the free and absolute right to use our canals.

In the same manner, although the Treaty of Washington concedes to Canada the right to navigate Lake Michigan for a limited period of ten years, the same Treaty concedes to the United States the free navigation of the St. Lawrence for ever. It must further be observed that the concession to Canada of the temporary navigation of Lake Michigan is hampered with vexatious regulations injurious to our trade. British and Canadian vessels are required to report at the Port of Mackinaw before entering Lake Michigan, and proceeding to their destination under the penalty of forfeiture, thereby often occasioning long and needless delay.

Canada could have no objection to allow United States' citizens to use the Welland

and other canals belonging to the Dominion on terms of equality with British subjects, but would require in return concessions of equal value.

The Canadian Government are at present engaged in enlarging and improving the Welland Canal, so as to admit of the passage of vessels 260 feet in length with 45 feet beam and a draft of 12 feet, and would be quite prepared to undertake similar improvements in the case of the St. Lawrence Canal, provided any adequate inducement be held out for the large outlay necessary to effect this object; but the Committee are of opinion that in this event the navigation of Lake Michigan and the right to trade freely with United States' ports in the same manner as American vessels are now permitted to traffic in the harbours of the Dominion, should be conceded in perpetuity.

Under existing regulations Canadian ships engaged in trading on the frontier rivers and lakes are practically prohibited from entering American ports, while the United States' Registration Laws are so framed as to prevent any Canadian-built vessels from acquiring an American register, except where forfeited, or when wrecked and repairs are made to the extent of not less than three-fourths of the entire value.

It is admitted that a British vessel may deliver portions of one cargo at more than one port of the United States, but it cannot do so except under such strict regulations and imposts as to make the permission of no value.

The coasting trade is allowed by Canadian laws to be carried on by United States' citizens upon our frontier rivers, the only requirements being that foreign vessels engaged in this trade shall call alternately at American and Canadian ports, but Canadian vessels so employed are required to make a formal entry at each United States' port touched at, as though every time they put into port they were making a distinct voyage. The effect is to exclude British steamers from participation in the river trade between the two countries.

The Canadian Government are willing that the coasting trade should be made entirely free to the people of both countries.

With regard to the value of the fisheries, it must be borne in mind that the Treaty of Washington does no more than convey the right to citizens of the United States to fish in Canadian waters for a term of ten years, and that the Treaty requires the payment to Canada in one sum of the difference in value when that shall have been determined by arbitration.

The value of our fisheries to the United States are to be estimated not merely by the worth of the trade in fish and fishing, but if the fishing privileges are to be extended to a longer period, consideration must also be had to the national importance attachable to the employment of a large portion of the population, and the facilities offered for training seamen to man the national marine, as well as of the loss to Canada of conceding so large a portion of its possessions for the enrichment of another country.

The statements prepared and forwarded by the Minister of Marine and Fisheries will show the value attached to this trade and of the privileges granted by the Government of Canada, and it is desirable that this part of the case should be presented in a clear and distinct form to the representative of the United States' Government, in order that that Government may be able to form an estimate of the importance of the concessions we are prepared to make in return for the advantages we seek from them.

Sir Edward Thornton's despatch to his Excellency the Governor-General, of a late date, indicates a desire on the part of the United States to extend the list of articles named in the Treaty of 1854, so as to embrace articles of the manufacture of the two countries. The Government of Canada will be willing to agree to such reciprocity—to include manufactures in wood, such as sashes, doors, blinds, pails, tubs, barrels, matches, and various other articles of a like nature; agricultural implements, bath brick, bricks for building purposes, calcined gypsum or plaster, lime, earth ochres, ground or unground, and generally all manufactured articles not produced in, or exported from, Great Britain to this country, together with such other articles as the Imperial and Dominion Governments may agree upon, or as may, by mutual arrangement, be entered at a fixed duty to be specified in the Treaty. It is, however, understood that no proposition affecting the introduction of manufactured goods shall be finally determined upon prior to reference to the Imperial and Dominion Governments. As a natural production, salt may be added to the former free list.

The Canadian Commissioner will report fully upon any proposition that may be submitted on behalf of the United States' Government regarding manufactures, before making any proposition in return, until he receives such representations as may be made to him from Ottawa respecting the duties now payable upon such manufactures, and the effect upon our trade and revenue of such propositions.

He will also consider whether it may not be advisable to establish in the Treaty

that may be proposed three distinct schedules: the first embracing the natural productions of the two countries, as in the Treaty of 1854; the second, a list of manufactured articles to be interchanged; and the third, a list of articles upon which a reduced fixed duty may be imposed.

In carrying on the negotiations the Canadian Commissioner will keep clearly in view the circumstances that the Government of Canada is desirous, on general principles, to afford every facility for the encouragement of international trade as mutually beneficial to both countries, conferring not alone pecuniary advantages, but tending to foster and strengthen a feeling of national friendship so desirable in the interest of peace and good neighbourhood to two countries occupying the geographical position towards each other of the United States and Canada, and that any measure which will tend to promote and maintain friendly intercourse and harmony between our neighbours and ourselves through the free interchange of commodities, so that it be not seriously prejudicial to our industrial interests, will receive the support of the Dominion Government.

Mr. Brown will communicate this view to Sir Edward Thornton accompanied with the representation that, the Government of Canada do not propose any modification in matters of trade and commerce which would in any way injuriously affect Imperial interests.

The Committee further advise that a copy of this Minute be sent to Mr. Brown, and that the Honourable A. J. Smith, Minister of Marine and Fisheries, be requested to proceed to Washington at an early day to confer with Mr. Brown more fully, and render such assistance as may be necessary to a perfect understanding of the whole question.

Certified,
(Signed) W. A. HIMSWORTH,
Clerk, Privy Council, Canada.

No. 235.

The Earl of Derby to Sir E. Thornton.

(No. 121.)

Sir,

Foreign Office, April 18, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence upon the subject of the negotiations with the United States Government for the renewal of the Reciprocity Treaty*.

I am, &c.
(Signed) DERBY.

No. 236.

Lord Tenterden to Sir H. Holland.

(Secret and Immediate.)

Sir,

Foreign Office, April 18, 1874.

WITH reference to my letter of the 15th instant, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegram from Sir E. Thornton, giving the substance of a paper, which he and Mr. Brown proposes to submit to Mr. Fish early next week, containing propositions for the conclusion of a Reciprocity Treaty;† and I am to request you to state to his Lordship that Lord Derby cannot undertake to offer an opinion on these propositions, but, as he presumes that Lord Carnarvon would wish the matter to be left in a great measure to the discretion of the Canadian Government, he proposes, if they concur in the terms of this paper, to approve of its being submitted to the United States' Government.

I am, &c.
(Signed) TENTERDEN.

* Nos. 234 and 236.

† No. 233.

Mr. Rothery to the Earl of Derby.—(Received April 19.)

(No. 27.)

My Lord,

Washington, March 31, 1874.

MR. GEORGE BROWN, whose arrival we have been so long and so anxiously expecting, arrived here on the evening of Thursday, the 26th instant, and immediately called upon me. On the following day he had a long conference with Sir Edward Thornton, but as I did not know of it until afterwards, I am not able to inform your Lordship what passed on the occasion.

I am also informed that on Saturday, the 28th instant, Sir Edward and Mr. Brown had an interview with Mr. Fish; but, as I was not present at it, I cannot say what occurred. No doubt, however, Sir Edward Thornton will have given your Lordship a full account of the interview.

I have furnished Mr. Brown with all the Tables which I have had printed since I have been here, and of which copies were inclosed in my despatches Nos. 24 and 25 of the 17th instant, and I have explained to him the object with which they were prepared, and the use which I thought might be made of them in the negotiations.

I propose, unless I receive your Lordship's instructions to the contrary, to remain at Washington, ready to assist the Commissioners, in case my services should at any time be required by them.

I have, &c.

(Signed) H. C. ROTHERY.

Mr. Rothery to the Earl of Derby.—(Received April 19.)

(No. 28.)

My Lord,

Washington, April 6, 1874.

I HAVE the honour to send you herewith, copy of a correspondence which I have had with Messrs. Richard P. Currie of New York, relative to the Seal Oil Trade with Newfoundland, together with three copies of a printed circular, which they have sent me on the subject.

My correspondence with these gentlemen arose out of a conversation which I had had with a Mr. Michael Carrol, of Newfoundland, a gentleman who has been for a great many years practically engaged in the seal fisheries, and who has written an interesting work on the subject. Mr. Carrol brought me a letter from Professor Baird of the Smithsonian Institute, and I had a very long conversation with him. He explained to me the very great importance that it would be to Newfoundland to have seal oil admitted duty free, and I then told him that I quite concurred with him, but that this could not be done without a new Treaty, as it had been decided that seal oil was not fish oil within the meaning of the Treaty of 1871. It would seem that Mr. Carrol had afterwards gone to New York, and had there seen and communicated the purport of his conversation with me to Messrs. R. P. Currie and Co., and hence my correspondence with those gentlemen.

The printed document, which Messrs. Currie and Co. have sent me, appears to me to me to be one of such importance, that I propose to call your Lordship's special attention to it. It shows that the quantity of seal oil imported from Newfoundland into the United States in the year 1869-70, was 476,049 gallons, valued at 241,929 dollars, and, on which a duty of 25,192.90 dollars was paid; that in the following year, when the duty was 10 per cent., the amount imported was 183,292 gallons, valued at 90,678 dollars, the duty on which was 9,867.83; that in the year 1870-71, when the duty was 20 per cent., the amount imported had fallen to 5,046 gallons, valued at 2,315 dollars, on which the duty was only 463.11 dollars; and that, between the 1st of July, 1871 and the 31st of January, 1872, none whatever had been imported. So that this increase of the duty has resulted not only in the almost total annihilation of the trade, but also in a considerable loss to the revenue.

Nor indeed has this loss apparently been compensated by any increase of the importation of seal oil in United States' vessels; for it is said that the only United States' vessel engaged in the seal fishery during the winter of 1870-71 was the steamer "Monticello," of Boston. This vessel, it seems, sailed from Boston to St. John's, Newfoundland, there procured a crew, went to the ice, and after capturing a number of seals, returned to St. John's, there landed her seal oil, reloaded and returned to Boston, where the cargo was landed free of duty as American caught and cured. No restrictions,

it is said, were put on the operations of the "Monticello," nor was there any attempt made to interfere with her fishing, loading, or returning with manipulated cargo to the United States. But, notwithstanding all this, it does not appear that the success of the "Monticello" was such as to induce other United States' vessels to engage in the trade.

Nothing, perhaps, could show more clearly the impolicy of imposing the high, and indeed, prohibitory duty. And the fact that it has destroyed the trade in this article, and has injured the revenue, and this, too, without any benefit to the United States commerce, may, it appears to me, be very forcibly urged upon the Government as a ground for admitting seal oil duty free.

I should add that, while this correspondence was going on with Messrs. Currie and Co., I had not thought it necessary to trouble Sir Edward Thornton with it; but, when I received the printed document to which I have referred, it appeared to me to contain certain facts, which, I thought, might be of some use in the negotiations, in which Sir Edward and Mr. Brown are engaged with the United States' Government, and I have, accordingly, furnished each of those gentlemen with a copy thereof.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure 1 in No. 238.

Messrs. Currie and Co. to Mr. Rothery.

Dear Sir,

7, State Street, New York, March 18, 1874.

MR. MICHAEL CARROL, of Newfoundland, informs us that you had said to him that an arrangement for the admission, free of duty, of seal oil from Newfoundland into the United States would be made by the British Government with ours very shortly. Will you please inform us if he correctly understood you, and the facts in the case? We are largely interested in the trade as the agents of the leading Newfoundland houses. Under the Washington Treaty fish oil and fish will come in duty free, but seal oil, as we understand it, will not, unless some further understanding has been arrived at, of which we are not cognizant. It would be a great favour to us if you would let us know exactly how the matter now stands.

(Signed) R. P. CURRIE & Co.

Inclosure 2 in No. 238.

Mr. Rothery to Messrs. Currie and Co.

(Private.)

Dear Sirs,

Washington, March 19, 1874.

I HAVE to acknowledge the receipt of your letter of yesterday's date inquiring whether Mr. Michael Carrol, of Newfoundland, had correctly understood me to say that an arrangement for the admission, free of duty, of seal oil from Newfoundland into the United States would very shortly be made by the two Governments. In reply, I beg to acquaint you that, when Mr. Carrol was here, I had a very long conversation with him on the subject of the seal fisheries generally. In the course of that conversation he stated to me that it would be very desirable to have seal oil admitted on the same footing as fish oil. I told him that I quite concurred with him, but I certainly never gave him to understand that any such arrangement was about to be entered into between the two Governments.

At the same time, I am bound to say that, in the event of any negotiations being set on foot for a renewal of the Reciprocity Treaty, it would be very desirable that seal oil should be included in the Treaty as one of the articles to be admitted duty free. Such an arrangement would, I doubt not, be equally beneficial to the United States as to Canada and Newfoundland, nor do I think that a more favourable time could be selected than the present for bringing it about. I may add that representations on the subject from gentlemen, who, like yourselves, are largely engaged in the Newfoundland trade, could not fail to have great weight with the United States' Government.

Believe me, &c.
(Signed) H. C. ROTHERY.

Inclosure 3 in No. 238.

Messrs. Currie and Co. to Mr. Rothery.

Dear Sir,

7, State Street, New York, March 21, 1874.

WE have your favour of 19th instant, and note what you say in reference to seal oil. We shall only be too glad to do all in our power to induce Congress to admit that article duty free, and would like to have any suggestions you may think of. We may say to you that we have paid particular attention to this matter since 1870, having been in Washington several times; and, as we are acquainted with many of our Representatives, it might do no harm to keep us advised of any movements that may be made.

Very truly, &c.
(Signed) R. P. CURRIE & Co.

Inclosure 4 in No. 238.

Mr. Rothery to Messrs. Currie and Co.

(Private.)

Dear Sirs,

736, Fifteenth Street, March 22, 1874.

IN reply to your letter of yesterday's date I beg to acquaint you that I do not think that you could select a more favourable time than the present for pressing the matter on the attention of those Senators and Representatives with whom you may have any influence.

Yours, &c.
(Signed) H. C. ROTHERY.

Inclosure 5 in No. 238.

Messrs. Currie and Co. to Mr. Rothery.

Dear Sir,

7, State Street, New York, March 27, 1874.

YOURS of 23rd instant came duly to hand. May we ask if you are authorized to act in behalf of the Newfoundland Government; if not, do you know of anybody that is? We shall only be too glad to use our best exertions in the interest of Newfoundland, but do not see how we can do anything unless that Colony has some person duly accredited, who may be able to treat with the United States' authorities.

Very truly yours,
(Signed) R. P. CURRIE & Co.

Inclosure 6 in No. 238.

Mr. Rothery to Messrs. Currie and Co.

(Private.)

Dear Sirs,

Washington, March 30, 1874.

IN reply to your letter of the 27th instant asking me if the Colony of Newfoundland has any person duly authorized to act on its behalf who may be able to treat with the United States' Government on the subject of the seal oil trade, I beg to acquaint you that, as a Colony, Newfoundland would have no power to accredit any person to treat with the United States' Government, that power belongs alone to Her Britannic Majesty's Government, whose Agent I am. You will, however, have seen from the newspapers that it is in contemplation to open negotiations with the United States' Government for a renewal of the Reciprocity Treaty amongst other things, and if you will be good enough to send me any information or statistics relating to the trade of Newfoundland with the United States I will take care, in the event of the negotiations being continued, that the article of seal oil shall not be overlooked. I must, however, repeat what I have said in my former letters, that, if you wish to carry your object, your best course will be to press the matter on the attention of your own Government through the Representatives with whom you are acquainted, and that, in my opinion, no more favourable opportunity than the present could be selected for the purpose.

I remain, &c.
(Signed) H. C. ROTHERY.

Inclosure 7 in No. 238.

Messrs. Currie and Co. to Mr. Rothery.

Dear Sir,

7, State Street, New York, March 31, 1874.

YOUR favour of yesterday is at hand, and we note carefully its interesting contents.

We inclose a circular printed a couple of years ago and handed to each Senator and Representative; it sets forth the salient points in the trade with Newfoundland. We may remark that since its issue our business has fallen off a great deal, and we are going behind hand each in our trade with that Colony.

We are sure it is for the interest of the United States to admit seal oil free of duty, otherwise our export trade will be diverted to Montreal.

Very truly yours,
(Signed) R. P. CURRIE & Co.

Inclosure 8 in No. 238.

An Appeal to the Western Farmer.—Seal Oil, Flour, and the Tariff.

[Correspondence of the "New York Journal of Commerce," dated Washington, February 3, 1872.]

MR. ARCHIBALD HARRIS, of the firm of R. P. Currie & Co., New York, is here in consultation with Senators and Representatives, with a view of presenting the case of exporters of American products from New York. The case of nearly every exporter who makes his daily visit to the New York Produce Exchange is exactly the same as that presented by Mr. Harris. It is strong as the frame of Sampson before his hair was shorn, and the shearing process, in the case of the exporters, was accomplished through what is known as the reduced tariff of July 14, 1870. That tariff act increased the duty on seal oil from 10 to 20 per cent. *ad valorem*. There was a sort of mutual feeling of kindness, tintured with self-interest, existing between the people of Newfoundland and the people of the United States. Newfoundland furnishes seal and cod oil. New York always had, in its boats lying along the East river, or in warehouses up the street, flour that a purchaser was wanted for. Sometimes New York "wanted purchasers bad." The flour was low grade, and somehow or other you can't make a Yankee eat low grade flour. But Newfoundland took it always. Whenever cargoes of oil were received, the keen business men "on Change" competed for western produce, and in a twinkling the master of the vessel had his craft engaged for the accommodation of barrels of flour, beef, pork, meal, butter, &c., for Newfoundland. How changed the scene! No seal oil is now imported; very little cod oil is imported. The City of Montreal has a productive country beyond it, and Canada does not impose a duty on any Newfoundland products. The people of Newfoundland are not as slow to perceive as some people think, and they see that their interests lie in the purchase of provisions at Montreal. The consequence is that we lose considerable trade. In fact the finger points to an early blank in our export list to Newfoundland. Let us look at some of the figures, and see what that trade has been.

The average exports from the United States to Newfoundland per annum for the last five years, is about as follows:—

Flour	..	..	..	..	..	..	bbls.	300,000
Pork	..	..	..	..	..	..	"	15,000
Meal	..	..	..	..	..	..	"	10,000
Butter	..	..	..	..	..	..	lbs.	700,000
Pitch and tar	..	..	..	..	..	..	bbls.	3,000
Beef	..	..	..	..	..	..	"	5,000
Leather	..	..	..	..	..	..	sides	10,000
Tobacco	..	..	..	..	..	..	lbs.	150,000
Petroleum	..	..	..	..	..	..	bbls.	3,000

Value of these enumerated at least 2,250,000 dollars in gold.

and many articles of less importance.

That trade is worth something. It has been declining rapidly and sadly since 1870. The duty of 20 per cent. shut out seal oil as completely as if it were, like ships, prohibited.

During the winter of 1870-71, the American steamer "Monticello" sailed from Boston to St. John's and procured a crew. She went to the ice, returned to St. John's, landed her seal fat, had it rendered into seal oil, reloaded, and returned to Boston. Newfoundland did not place any restrictions on the operations of the "Monticello," had neither law nor desire against the act of fishing, loading, or returning with manipulated cargo to the United States. The cargo was landed at Boston, free of duty, as American caught and cured. That represents solely the seal oil trade of the United States for the year 1871. The "New Bedford Standard," in its annual review of the fishing trade for the year 1871, says:—

"The duty on seal oil, noticed in our last annual statement as likely to prevent the importation of that article, had the desired effect, the unprecedented catch by the Newfoundlanders last spring having all been sent to Europe, and probably in a measure took the place of whale oil there. The only importation of seal oil into the United States of any amount, was in steamer "Monticello," at Boston, she being owned there."

The importation of seal oil had been:—

	Gallons.	Value.	Duty collected.
		Dollars.	Dols. c.
1866-67	339,968	186,873	1,868 73
1867-68	2,230	1,194	119 40
1868-69	11,847	6,412	641 20
1869-70	476,049	241,929	25,192 90
1870-71, 10 per cent.	183,292	90,678	9,857 83
1870-71, 20 per cent.	5,046	2,315	463 11
July 1, 1871 to Jan 31, 1872	None imported.		

Is Newfoundland our Friend?—Which way an American turns in Newfoundland he meets a friend. During our civil war the sympathies of the people were always with us. The merchants there, with one accord, refused to give or countenance in the slightest degree aid or comfort to the Confederacy. No instance is recorded where a blockade-runner was fitted out or received supplies at a port or ports of Newfoundland. And while our duties have risen against her, like Pelion piled on Ossa, and Ossa on Olympus, yet her rates have shown no discrimination. It will be borne in mind that Newfoundland is not in the Dominion of Canada.

The tariff of this province is the same on all importations from the United States and Canada as follows:—

	D. c.
Flour per bbl.	0 20, average equal to 4 per cent.
Meal "	0 15, " 5 "
Pork "	1 00, " 8 "
Beef "	0 60, " 6 "
Butter per lb.	0 1, " 8 "

The United States enacts on Newfoundland products as follows:—

	D. c.
Herring per bbl.	1 00, average equal to 25 per cent.
Mackerel "	2 00, " 25 "
Salmon "	3 00, " 22 "
Cod liver oil "	" " 40 "
Cod oil "	" " 20 "
Seal oil "	" " 20 "

Thus we see discriminations against Newfoundland, and as a result we witness with sorrow a rapid and sure decrease of our exportations there. The mails and orders to our business-houses grow smaller and smaller, and the mails and business to Montreal grow larger and larger. There is an inevitable crisis under the present tariff, viz., that we must lose almost the entire trade of Newfoundland. The West, which pours its riches of products into the lap of our eastern cities, expects a remunerative price for its productions. New York and Boston, Baltimore and Philadelphia, had a market at their door for flour and pork, that made an option when foreign demands came. That option is now gone, and Liverpool controls the market.

But people will say the Treaty makes fish and fish oil free. Certainly. But "is a seal a fish?" That question is a quibble that no one ought to stand on. Class its oils with fish oils to be admitted free from the British Provinces. The catching of seals has been known always as seal fisheries, and the oil is known to commerce as fish oil, and always quoted under that head.

The products of Newfoundland are almost entirely seal and fish, and their oils. The entire value of these products imported into the United States amounts to less than

300,000 dollars a year, while, as above shown, the average amount of American productions consumed by Newfoundland is worth 2,250,000 dollars a year.

Has not this island as much claim on our generosity as any British Province? Yes. Have we done our part in the Treaty? No. We have, on this little bit of an item of seal oil, laid the foundation of bitter enmity, and a change in the course of trade that is being rapidly followed.

Great Cry and little Wool.—It has been said that seal oil amounts to nothing in the matter of trade. But we used to import it, and we can confidently assert that for every gallon of seal oil imported, a like quantity of whale oil was sent to Europe; and the vessels that brought it took back breadstuffs and provisions. They would do it now if they could bring seal oil.

The Secretary of the Treasury understands the situation in this matter. He mentions in Executive Documents, No. 52, submitted lately, that the duty on seal oil is very small, and that the article might be put on the free list without detriment to any American industry. He represents it as an article of necessity and comfort for domestic consumption.

The Whaling Interest favours High Duties.—This is an error. Statistics show that the whaling industry has been on almost constant decline for thirty years, and the tariff on sea oil has not done it a bit of good. Tables giving the "catch" also exhibit a marked and steady decline. The price-list shows conclusively that the price has not been as low for nine years as it has been since the high duty of 1870 was imposed. This demonstrates that high duty on seal oil does not benefit the whale fisheries.

It is but just to the West that Congress class sea oil with fish oil free, and thus furnish an outlet for the low grades of flour to work off surplus from the market. Mr. Harris says he does not know an instance where the proceeds of any Newfoundland produce, sold in this country, have been remitted, but that they have always been invested in provisions and breadstuffs.

In the "New Bedford Standard's" annual review of 1871, we find the following Tables, which show facts worthy of consideration, that the whaling industry decreases in importance each year, and experience has proven that shutting out seal oil by prohibitory tariff does not assist the whaling industry, for the reason that seal oil, when it cannot come to the United States, takes the place of whale oil in Great Britain.

The whaling catch for thirty-two years back are as follows:—

				Sperm Oil.	Whale Oil.	Whalebone.
				Barrels.	Barrels.	Pounds.
1840	..	..	..	157,791	207,908	2,000,000
1841	..	..	..	159,304	207,348	2,000,000
1842	..	..	..	165,637	161,041	1,600,000
1843	..	..	..	166,985	206,727	2,000,000
1844	..	..	..	139,594	262,047	2,532,445
1845	..	..	..	157,700	272,800	3,195,054
1846	..	..	..	95,217	207,493	2,276,930
1847	..	..	..	120,753	313,150	3,341,680
1848	..	..	..	107,976	280,656	2,003,000
1849	..	..	..	100,944	248,492	2,281,100
1850	..	..	..	92,892	200,608	2,869,200
1851	..	..	..	99,591	328,483	3,916,500
1852	..	..	..	78,872	84,211	1,259,900
1853	..	..	..	103,077	260,114	5,652,300
1854	..	..	..	76,696	319,837	3,445,200
1855	..	..	..	72,649	184,015	2,707,500
1856	..	..	..	80,941	197,890	2,592,700
1857	..	..	..	78,440	230,941	2,058,900
1858	..	..	..	81,941	182,223	1,540,600
1859	..	..	..	91,408	190,411	1,923,850
1860	..	..	..	73,236	140,176	1,363,718
1861	..	..	..	69,411	136,297	1,125,374
1862	..	..	..	54,880	99,787	697,150
1863	..	..	..	64,356	61,635	495,737
1864	..	..	..	65,000	73,000	780,000
1865	..	..	..	34,632	76,723	614,400
1866	..	..	..	36,767	76,459	841,200
1867	..	..	..	42,713	88,477	921,344
1868	..	..	..	47,174	65,575	900,850
1869	..	..	..	48,852	85,014	612,128
1870	..	..	..	55,183	72,691	708,365
1871	..	..	..	41,254	76,105	594,811

Statistics of the whaling fleet on 31st of December each year, for thirty years, as follows:—

	Steamer.	Ships.	Barques.	Brigs.	Schooners.	Sloops.	Tonnage.
1842	..	461	133	47	9	1	199,672
1843	..	475	120	42	11	1	200,965
1844	..	512	121	35	16	1	218,655
1845	..	531	149	34	21	1	233,149
1846	..	534	136	31	20	1	230,218
1847	..	491	130	22	16	..	210,663
1848	..	505	76	21	12	..	196,110
1849	..	448	62	20	13	..	171,484
1850	..	380	126	26	30	..	173,737
1851	..	396	167	29	38	..	195,906
1852	..	398	206	32	35	..	208,262
1853	..	394	218	30	41	..	211,837
1854	..	378	216	22	37	..	203,164
1855	..	352	237	24	32	..	201,063
1856	..	345	256	26	44	..	206,690
1857	..	334	257	23	52	..	204,871
1858	..	313	251	23	47	..	196,649
1859	..	280	231	23	44	..	178,376
1860	..	245	215	18	43	..	160,280
1861	..	192	178	12	41	..	127,619
1862	..	136	169	10	42	..	104,530
1863	..	105	156	6	43	..	90,154
1864	..	81	151	7	46	..	82,074
1865	..	62	145	8	64	..	70,583
1866	..	61	165	13	85	..	75,893
1867	..	54	176	21	92	..	76,986
1868	..	49	176	24	89	..	71,070
1869	..	43	176	21	83	..	72,424
1870	..	33	184	19	58	..	69,245
1871	..	24	148	13	38	..	52,572

The "Standard" says:—We give the average yearly prices of oils and bone for nine years, with their gold values for the past ten years:—

	Sperm, per Gallon.		Whale, per Gallon.		Bone, per lb.	
	D. c.	Gold.	D. c.	Gold.	D. c.	Gold.
		D. c.		c.		D. c.
1862	1 42	1 27	0 60	54	0 95	0 85
1863	1 62	1 11	0 96	66	1 55	1 06
1864	1 93	0 96	1 28	63	1 82	0 90
1865	2 25	1 45	1 44	93	1 58	1 02
1866	2 56	1 82	1 24	88	1 34	0 95
1867	2 34	1 70	0 75	54	1 17	0 85
1868	1 93	1 39	0 95	68	1 02	0 73
1869	1 83	1 38	1 02	77	1 20	0 90
1870	1 37	1 20	0 67	59	0 88	0 77
1871	1 31	1 18	0 60	54	0 91	0 82

The course of trade between nations is governed by mutual interests. In this case it is a delicate question whether or not the course of trade of Newfoundland shall grow in the old channel, that is, between the United States and Newfoundland, or change to Canada where no discriminations are made against Newfoundland. The disposition of Newfoundland merchants is favourable to the United States, but we cannot expect them to buy in our markets if we legislate against them, while they can do as well elsewhere. It is not a bad policy which drives away good customers at our own prices for produce of our farms, mills, and dairies. Our merchants court the trade, our Congress drives it away.

Every shipper at New York, Baltimore, Philadelphia, and Boston Produce Exchanges will endorse every point contained in this statement of fact. Our firm is well known to several Members of your Congress, as having been in the Newfoundland trade for the past seventeen years, and being heaviest shippers and receivers in the country in connection with that Colony, and, therefore, fully competent to speak on the subject.

(Signed) ARCHIBALD HARRIS.

To the Committee of Ways and Means,
House of Representatives and Finance,
United States' Senate.

Mr. Rothery to the Earl of Derby.—(Received April 19.)

(No. 30.)

My Lord,

Washington, April 7, 1874.

IN my despatch No. 27 of the 31st ultimo I stated that, unless I received instructions from your Lordship to the contrary, it was my intention to remain at Washington, ready to assist the Commissioners, in case they should at any time require my services.

I have since been in almost daily communication with Sir Edward Thornton and Mr. Brown, and have heard from them generally what passed at their interview with Mr. Fish on the 28th ultimo. Sir Edward has also shown me a copy of the despatch which he addressed to your Lordship on the occasion, and has informed me that Mr. Brown is engaged in preparing a paper to be laid before Mr. Fish after it has been submitted to and approved of by, the Imperial and Canadian Governments.

Feeling the great importance of acting in concert with the Commissioners, lest I might unconsciously do something opposed to their views, I consulted Sir Edward Thornton on the subject, and he was good enough to inform me that he thought that I could not do better than remain at Washington; and, as I had now become acquainted with a great number of persons, Senators, Representatives, and others, I might take any opportunity which presented itself of discussing the subject with them, as I had hitherto been in the habit of doing. He said that he thought that this could not do any harm, but rather that it would assist their work; at the same time, he thought that it would be better that I should see them, not at the Capitol, but either at their houses or mine, to avoid attracting too much attention.

I stated to Sir Edward that I had found the Tables which I had prepared, and of which printed copies were inclosed in my despatches Nos. 24 and 25 of the 17th ultimo, very useful in discussing the subject with them, and asked him whether he thought that there would be any objection to my giving copies to those persons who seemed likely to assist the movement. He stated that he thought there could be no objection to my so doing, and I then informed him that I should act upon his advice.

In pursuance of that intention I have seen and spoken, either at my own or at their houses, with several persons of influence, amongst others, with Speaker Blaine, of the House of Representatives; with Mr. Dawes, the Chairman of Ways and Means; with Colonel Lathers, a gentleman of large property, both in the north and south, and who is here with the South Carolina deputation; and with Mr. Ashley, the leader of the impeachment in the House of Representatives against President Johnson.

Speaker Blaine is a gentleman of very great influence in this country; he, however, represents Maine, and his sympathies would consequently be naturally with the lumberers of that State. After, however, a very full discussion of the question with him one evening, and on my showing him the Trade Returns of Canada which I had prepared, he expressed himself as favourable to reciprocity with Canada, although at the same time strongly opposed to free trade generally.

Mr. Dawes also expressed himself as favourable to the proposal, but I am to discuss the question with him again at length.

Colonel Lathers and Mr. Ashley are both strongly in favour of reciprocity; I gave them copies of my printed Tables, and they promised to interest the Senators of their respective States in it.

But the most important interview which I have had took place yesterday evening. Mr. Cyrus Field, whose brother, the Judge of the Supreme Court I know very well, called upon me a few days since, in company with his friend, Mr. Glendinning of New York. It seems that they have both of them an interest in the coal mines of Nova Scotia, and are therefore very desirous of seeing the Reciprocity Treaty renewed. They invited me to dine with them yesterday to meet Senator Allison, of Iowa, to discuss the subject with him. I accordingly went, and found Mr. Brown, the Commissioner, and Mr. Albert Smith, the present Minister of Marine and Fisheries, who had only just arrived from Canada, and whom I was very glad to see; as, on the few occasions on which I had seen him at Ottawa, I had formed a high opinion of his character for straightforwardness.

After dinner we had a long discussion on the subject of the Reciprocity Treaty, and of the trade relations between Canada and the United States, in the course of which Senator Allison stated that the western farmers did not fear any competition with Canada; that Canada produced barley, which the United States wanted, but could not produce; and that, on the other hand, the United States produced Indian corn, which Canada wanted, but could not produce; and that there was, therefore, no clashing of interests in this respect. He stated further that the United States exported a greater quantity of

wheat to Canada than Canada sent to the United States; and that, consequently, the farmers of the United States had nothing to fear there. But, he added, that what the farmers in the west wanted most was an outlet for their produce; and that this could best be afforded by the enlargement of the canals in Canada. To this Mr. Smith replied that Canada was quite ready to enlarge the Welland Canal, which was all that was immediately needed. Mr. Allison said that this would be an immense thing, and that he could get a clause in favour of the proposal introduced into the report of the Chairman of the Transportation Committee, which would probably be ready to be laid before Congress in about a fortnight from this time.

Ultimately, it was arranged that Mr. Allison should see some of the Senators of the western States, and amongst them the Chairman of the Transportation Committee, and that they should have a deputation of Senators to Mr. Fish to urge upon him the importance of renewing the Reciprocity Treaty, concurrently with an engagement on the part of Canada to enlarge Welland Canal.

This morning I called upon Sir Edward Thornton and informed him of all that had passed, and of the decision which had been come to; and he stated that, in his opinion, it would be a very good thing that a deputation of Senators should wait upon Mr. Fish and urge the matter upon him. I shall therefore use my best endeavours to induce Senator Allison to lose no time in seeing Mr. Fish, in company with some of the most influential of the western Senators; and I anticipate very great advantages from that course.

I should add that Senator Allison informed me that Mr. Fish had spoken to him on the subject of the renewal of the Reciprocity Treaty about a fortnight or three weeks since, and that he had given Mr. Fish to understand that he was in favour of the proposal.

I shall not fail to let your Lordship know from week to week what I am doing. I trust, however, that, notwithstanding the very great loss which we have sustained in the death of Mr. Sumner, the question of renewing the Reciprocity Treaty is now in a fair way towards a settlement.

I have, &c.
(Signed) H. C. ROTHERY.

No. 240.

Sir E. Thornton to the Earl of Derby.—(Received April 19.)

(No. 131.)

My Lord,

Washington, April 7, 1874.

WITH reference to my despatch No. 121 of the 30th ultimo, I have the honour to inform your Lordship that Mr. Brown and I, after due consideration, have come to the conclusion that, as Mr. Fish seemed, at our last conference, to be determined not to take the initiative in making any proposals with regard to the renewal of reciprocal trade relations between Canada and the United States, it is advisable that we should submit to him a paper in accordance with his suggestion, showing what we should consider to be a fair basis of arrangement between the two countries. In this paper, Mr. Brown thinks it will be expedient to point out how much the United States were gainers by the Treaty of 1854, how much they lost by its cessation, and what advantage they would derive by the conclusion of a treaty of a similar character.

As the preparation of such a paper will require the collection of a good many statistics, it will occupy some time. I shall endeavour, however, to secure its completion as soon as possible. Before submitting it to Mr. Fish, I shall have the honour of informing your Lordship of its contents, either by telegraph or by mail.

In conversing with Mr. Brown, I have pointed out the delay which would probably arise in carrying out the Treaty of 1871, with regard to the fisheries; and he has stated that he did not believe that the Canadian Government would have any objection to this delay; for that it was much interested in the success of the negotiation, and would not refuse some sacrifice in order to attain its object.

Yesterday afternoon, Mr. Smith, the Canadian Minister of Marine and Fisheries, arrived at Washington, under instructions from Mr. Mackenzies, as Lord Dufferin. informed me, "for the purpose of rendering whatever assistance may be found necessary during the negotiations about to be opened."

Mr. Smith called upon me this morning, and during our conversation, I inquired what were the views of his Government with regard to the time which the negotiation ought to occupy, and which it should not be allowed to exceed, expressing at the same

time my own opinion that it would be desirable that it should be completed within a reasonable time. Mr. Smith agreed with me, that it would be wise to limit the time for the negotiation, and that if not carried out within the present Session of Congress, the stipulations of the Treaty of 1871 should be fulfilled. He thought, as I do, that within two months at the most, it should be decided whether the negotiation would succeed or fail. The Dominion Parliament will be in Session for about that time; if a Treaty should be concluded, the Session could, if necessary, be prolonged, in order that the Treaty might be submitted to it for approval. The Session of Congress may last till the beginning or middle of July; so that there would be ample time for the sanction of a Treaty by the Senate, and the necessary Legislation by both Houses.

I have, &c.

(Signed) EDWD. THORNTON.

No. 241.

Sir H. Holland to Lord Tenterden.—(Received April 20.)

My Lord,

Downing Street, April 18, 1874.

WITH reference to your letter of the 4th of June last, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, a copy of a despatch from the Governor of Newfoundland, inquiring whether any decision has been arrived at by the United States' Government in reference to a proposal made by the Government of Newfoundland to the effect that American fishermen should be admitted to the right of taking seals within the territorial jurisdiction of that Colony, and of making outfit in the ports of the island, on condition that the produce of the Newfoundland Seal Fishery should be admitted into the United States duty free.

Lord Carnarvon would suggest that, unless Lord Derby should be aware of any objection, this matter should be again brought under the notice of the United States' Government, and that Sir E. Thornton should be instructed to express the hope of Her Majesty's Government that the question will receive favourable consideration.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 241.

Governor Hill to the Earl of Carnarvon.

My Lord,

Government House, Newfoundland, March 28, 1874.

WITH reference to my despatch No. 30 of the 3rd May last, and to the Earl of Kimberley's reply thereto, No. 26 of the 12th June, 1873, respecting the proposed admission of American fishermen to the right of taking seals within the territorial jurisdiction of Newfoundland, and of making outfit and manufacturing oil, &c., in the ports of the Island, on the condition of the admission of the produce of the Newfoundland seal fishery into the United States free of duty, I have the honour, at the request of my Ministers, to invite your Lordship to be pleased to inform me if any definite information in relation to the foregoing proposal of this Government has been received from the Cabinet of the United States.

2. With reference to this question the Earl of Kimberley, in a despatch to me, No. 46, October 24, 1871, writes as follows:—

“The matter has been brought to the notice of the United States' Government, and will receive their consideration, but that the proposal is one which needs Congressional approval before it can be definitely accepted by the Department of State.”

Again, in a despatch to me, No. 26, June 12, 1873, his Lordship writes:—

“I transmit to you, for your information, a copy of the reply which has been received from the Foreign Office, stating that instructions will be sent to Sir E. Thornton to ascertain what steps have been taken in regard to the proposed arrangement.”

3. As no communication has yet been received by this Government as to the steps taken by Congress respecting the proposition of my Ministers, I have been requested by this Executive to seek information upon the subject.

I have, &c.

(Signed) STEPHEN J. HILL.

Sir H. Holland to Lord Tenterden.—(Received April 20.)

Sir, *Downing Street, April 18, 1874.*
 WITH reference to your letter of the 14th of August last, and to previous correspondence respecting the application to Newfoundland of the Fishery Articles of the Treaty of Washington, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, a copy of a despatch from Governor Hill, forwarding an Act passed on the 28th of March last, by the Legislature of Newfoundland, entitled "An Act. to carry into effect the provisions of the Treaty of Washington, so far as they relate to this Colony."

It will be observed that the clause to which the United States' Government objected in the Act of last year has been omitted from the present Act, and I am to suggest that Sir E. Thornton should be desired by telegraph to ascertain from Mr. Fish, and to reply by telegraph, whether the President of the United States will be prepared, upon learning that Her Majesty's assent has been given to the Act, to issue his Proclamation under section 2 of the Act of Congress of 1873, and to fix the 1st of May as the day upon which those Articles shall come into force as regards Newfoundland.

It will be seen that the Governor reports that he will forward a copy of the Act direct to Sir E. Thornton.

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

Inclosure 1 in No. 242.

Governor Hill to the Earl of Carnarvon.

My Lord, *Government House, Newfoundland, March 28, 1874.*

I HAVE the honour to submit to your Lordship, for the assent of Her Majesty, copies of an Act of the present session of Newfoundland, to carry into effect the provisions of the Treaty of Washington, as far as they relate to this Colony.

2. The proviso contained in section 1 of the Act of last session of this island, by which certain restrictions as to the time and manner of prosecuting the fisheries on the coasts of Newfoundland are imposed, does not appear in the Act which I now inclose. I trust, therefore, that this Bill, relating to the Treaty of Washington, will be found to be such a full consent to the application of the Treaty as was contemplated by the United States' Act, under which the President's Proclamation is to be issued.

3. As regards the time for bringing the Act in question into operation, I respectfully suggest to your Lordship the 1st May as the date which should be fixed for this object. I am actuated to name the 1st May next, or as early a date as may be practicable to bring the Act into force, by the circumstance that, while the citizens of the United States have, under the provisional acceptance of the Treaty by this Colony, enjoyed the in-shore fishing of these waters during the past three seasons, Her Majesty's subjects of Newfoundland have not benefited in any way by the advantages which the Treaty is said to afford; on the contrary, heavy losses were entailed on several leading merchants of the Colony who last year, in anticipation of the issue of the President's Proclamation, by which certain articles exported hence to the United States free of duty, had despatched cargoes of oil, the subsequent sale of which was far from remunerative, owing to the high scale of duties in force in the States in July last.

4. To hasten the issue of the President's Proclamation, I shall transmit by the present mail to Sir Edward Thornton, copies of the Act which I now forward for assent, and request His Excellency to inform Mr. Secretary Fish, that the proviso to which the American Government had last year taken exception, does not appear in the Bill of this session; I therefore trust that the Proclamation may be arranged by telegraph, a proposal which, at the instance of my advisers, I respectfully submit for your Lordship's consideration.

I have, &c.
 (Signed) STEPHEN J. HILL.

Inclosure 2 in No. 242.

ANNO TRICESIMO SEPTIMO VICTORIÆ REGINÆ.—CAP. II.

An Act to carry into effect the Provisions of the Treaty of Washington, as far as they relate to this Colony.

[Passed March 28, 1874.]

Preamble.

WHEREAS a Treaty between Great Britain and the United States of America was signed on the 8th day of May, 1871, and was duly ratified on the 17th day of June in that year, containing the following Articles, viz. :—

“ It is further agreed that the provisions and stipulations of Articles XVIII and XXV of this Treaty, inclusive, shall extend to the Colony of Newfoundland, so far as they as they are applicable; but if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect by either of the Legislative Bodies aforesaid, shall not in any way impair any other Articles of this Treaty.”

Be it therefore enacted, by the Governor, Legislative Council and Assembly, in Legislative Session convened, as follows :—

Power to Governor to declare Articles of Treaty in force.

1st. The Governor may, at any time hereafter, by his Proclamation, to be published in the “ Royal Gazette ” of this Colony, declare that, after a time to be therein named, the provisions and stipulations of the said Articles XVIII to XXV of the said Treaty inclusive, as set forth in the Schedule to this Act, shall extend to this Colony of Newfoundland so far as they are applicable; and after the time so named in such Proclamation, the provisions and stipulations of the said Articles shall come into full force, operation, and effect in this Colony, so far as the same are applicable, and shall thenceforth so continue in full force, operation, and effect during the period mentioned in Article XXXIII of the said Treaty, recited in the Schedule to this Act, any law of this Colony to the contrary notwithstanding.

Governor may make orders, &c.

2ndly. The Governor in Council may, by any order or orders to be made for that purpose, do any act or thing in accordance with the spirit and intention of the said Treaty, which shall be found necessary to be done on the part of this Colony, to give full force, operation, and effect to the said Treaty; and any such order shall have the same effect as if the same were expressly enacted in this Act.

Suspending Clause and duration of Act.

3rdly. This Act shall not come into operation until Her Majesty’s assent thereto shall have been given; and shall remain in force during the term of years mentioned in Article XXXIII in this Schedule to the Act.

Schedule.

SCHEDULE.

Articles of the Treaty of Washington of the 8th of May, 1871, which are referred to in the foregoing Act.

ARTICLE XVIII.

It is agreed by the High Contracting Parties that, in addition to the liberty secured to the United States’ fishermen by the Convention between Great Britain and the United States, signed at London on the 20th day of October, 1818, of taking, curing, and drying fish on certain coasts of the British North American Colonies, therein defined, the inhabitants of the United States shall have, in common with the subjects of Her Britannic Majesty, the liberty, for the term of years mentioned in Article XXXIII of this Treaty, to take fish of every kind except shell-fish, on the sea-coasts and shores, and in the bays, harbours, and creeks of the Provinces of Quebec, Nova Scotia, and New Brunswick, and the Colony of Prince Edward Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to land upon the said coasts and shores and islands, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish: Provided that in so doing, they do not interfere with the rights of private property, or with British fishermen, in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that salmon and shad fisheries and all other fisheries in rivers and the mouths of rivers, are hereby reserved exclusively for British fishermen.

ARTICLE XIX.

It is agreed by the High Contracting Parties that British subjects should have, in common with the citizens of the United States, the liberty, for the term of years mentioned in Article XXXIII of this Treaty, to take fish of every kind, except shell fish, on the eastern sea-coasts and shores of the United States, north of the thirty-ninth parallel of north latitude, and on the shores of the several islands thereunto adjacent, and in the bays, harbours, and creeks of the said sea-coasts and shores of the United States and of the said islands, without being restricted to any distance from the shore, with permission to land upon the said coasts of the United States and of the islands aforesaid, for the purpose of drying their nets and curing their fish: Provided, that in so doing, they do not interfere with the rights of private property, or with the fishermen of the United States, in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that salmon and shad fisheries, and all other fisheries in rivers, and the mouths of rivers, are hereby reserved exclusively for fishermen of the United States.

ARTICLE XX.

It is agreed that the places designated by the Commissioners appointed under the 1st Article of the Treaty between Great Britain and the United States, concluded at Washington on the 5th of June, 1854, upon the coast of Her Britannic Majesty's dominions and the United States, as places reserved from the common right of fishing under that Treaty, shall be regarded as in like manner reserved from the common right of fishing under the preceding Articles. In case any question should arise between the Government of Her Britannic Majesty and of the United States as to the common right of fishing in places not thus designated as reserved, it is agreed that a Commission shall be appointed to designate such places, and shall be constituted in the same manner and have the same powers, duties, and authority, as the Commission appointed under the 1st Article of the Treaty of the 5th of June, 1854.

ARTICLE XXI.

It is agreed that, for the terms of years mentioned in Article XXXIII of this Treaty, fish oil and fish of all kinds (except fish of the inland lakes, and of the rivers falling into them, and except fish preserved in oil), being the produce of the fisheries of the dominion of Canada, or of Prince Edward Island, or of the United States, shall be admitted into each country, respectively, free of duty.

ARTICLE XXII.

Inasmuch as it is asserted by the Government of Her Britannic Majesty that the privileges accorded to the citizens of the United States under Article XVIII of this Treaty, are of greater value than those accorded by Articles XIX and XXI of this Treaty to the subjects of Her Britannic Majesty, and this assertion is not admitted by the Government of the United States; it is further agreed that Commissioners shall be appointed to determine, having regard to the privileges accorded by the United States to the subjects of Her Britannic Majesty, as stated in the Articles XIX and XXI of this Treaty, the amount of any compensation which, in their opinion, ought to be paid by the Government of the United States to the Government of Her Britannic Majesty, in return for the privileges accorded to the citizens of the United States, under Article XVIII of this Treaty, and that any sum of money which the said Commissioners may so award, shall be paid by the United States' Government, in a gross sum, within twelve months after such award shall have been given.

ARTICLE XXIII.

The Commissioners referred to in the preceding Article shall be appointed in the following manner, that is to say,—one Commissioner shall be named by Her Britannic Majesty, one by the President of the United States, and a third by Her Britannic Majesty and the President of the United States, conjointly; and in case a third Commissioner shall not have been so-named within a period of three months from the date when this Article shall take effect, then the third Commissioner shall be named by the Representative at London of His Majesty the Emperor of Austria and King of Hungary. In case of the death, absence, or incapacity of any Commissioner, or in the event of any Commissioner omitting or ceasing to act, the vacancy shall be filled in the manner here-

inbefore provided for making the original appointment, the period of three months in case of such substitution being calculated from the date of the happening of the vacancy.

The Commissioners so named shall meet in the City of Halifax, in the Province of Nova Scotia, at the earliest convenient period after they have been respectively named, and shall, before proceeding to any business, make and subscribe a solemn declaration that they will, impartially and carefully, examine and decide the matters referred to them to the best of their judgment, and according to justice and equity; and such declaration shall be entered on the record of their proceedings. Each of the High Contracting Parties shall also name one person to attend the Commission as its agent, to represent it generally in all matters connected with the Commission.

ARTICLE XXIV.

The proceedings shall be conducted in such order as the Commissioners appointed under Articles XXII and XXIII of this Treaty shall determine. They shall be bound to receive such oral or written testimony as either Government may present. If either party shall offer oral testimony, the other party shall have the right of cross-examination, under such rules as the Commissioners shall prescribe.

If in the case submitted to the Commissioners either party shall have specified or alluded to any report or document in its own exclusive possession, without annexing a copy, such party shall be bound, if the other party thinks proper to apply for it, to furnish that party with a copy thereof, and either party may call upon the other, through the Commissioners, to produce the originals or certified copies of any papers adduced as evidence, giving in each instance such reasonable notice as the Commissioners may require.

The case on either side shall be closed within a period of six months from the date of the organization of the Commission, and the Commissioners shall be requested to give their award as soon as possible thereafter. The aforesaid period of six months may be extended for three months, in case of a vacancy occurring among the Commissioners, under the circumstances contemplated in Article XXIII of this Treaty.

ARTICLE XXV.

The Commissioners shall keep an accurate record and correct minutes or notes of all their proceedings, with the dates thereof, and may appoint and employ a Secretary, and any other necessary officer or officers, to assist them in the transaction of the business which may come before them.

Each of the High Contracting Parties shall pay its own Commissioner, and Agent or Counsel; all other expenses shall be defrayed by the two Governments in equal moieties.

ARTICLE XXXIII.

The foregoing Articles XVIII to XXV inclusive, and Article XXX of this Treaty, shall take effect as soon as the laws required to carry them into operation shall have been passed by the Imperial Parliament of Great Britain, by the Parliament of Canada, and by the Legislature of Prince Edward Island, on the one hand, and by the Congress of the United States on the other. Such assent having been given, the said Articles shall remain in force for the period of ten years from the date at which they may come into operation; and further, until the expiration of two years after either of the High Contracting Parties shall have given 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 period of ten years, or at any time afterwards.

No. 243.

Mr. Herbert to Lord Tenterden.—(Received April 20.)

(Secret and Immediate.)

Sir,

Downing Street, April 20, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of this day's date, inclosing the decypher of a telegram from Sir E. Thornton, giving the substance of certain propositions which it is proposed to make to Mr. Fish in reference to the renewal of a Reciprocity Treaty.

Lord Carnarvon concurs with the Earl of Derby that Sir E. Thornton and Mr. Brown

should be allowed to proceed in the manner set forth in Sir E. Thornton's telegram, but that the propositions should be made as preliminary, and not as being the result of a mature decision on the part of Her Majesty's Government. His Lordship would suggest that it should be made clear that Her Majesty's Government are not at present able to pledge themselves absolutely to adhere to or finally adopt them, as their effect would have to be fully and deliberately considered, and with reference to two points more especially, namely, the free admission of certain articles reciprocally, and the mutual registration of shipping, it may be desirable to consult the Board of Trade before any final decision is come to. With reference to the former of these two points, Lord Carnarvon apprehends that the Government can hardly refuse their consent, however little they may agree with the principle, to the discrimination in favour of Canadian goods imported into the United States, and United States' goods imported into Canada as against similar English goods in each case.

Lord Derby is aware that by the recent Imperial Act 36 Vict., cap. 22, full power has been given to the Australian Colonies to regulate duties amongst themselves, even though they may be differential as regards Great Britain.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

No. 244.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 20, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, copies of despatches upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.

(Signed) TENTERDEN.

No. 245.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, April 21, 1874, 4.10 P.M.

I HAVE received your telegram of the 17th instant. You may submit proposed paper, but the propositions should be made as preliminary, and not as being the result of a mature decision on the part of Her Majesty's Government. You will make it clear to Mr. Fish that Her Majesty's Government are not at present able to pledge themselves absolutely to adhere to or finally adopt them, as their effect would have to be fully and deliberately considered.

It may be desirable to consult the Board of Trade before any final decision is come to, especially with regard to free admission of certain articles reciprocally, and the mutual registration of shipping.

No. 246.

The Earl of Derby to Sir E. Thornton.

(No. 125.)

Sir,

Foreign Office, April 21, 1874.

I HAVE had under my consideration, in communication with Her Majesty's Secretary of State for the Colonies, your telegram of the 17th instant, giving the substance of a paper prepared by Mr. Brown and you for submission to Mr. Fish, stating, in accordance with his suggestions, your views as to the bases of the Reciprocity Treaty, which you have been instructed to negotiate.

I inclose, for your information, a copy of a letter on the subject from the Colonial Office, and I authorize you to proceed in the manner set forth in your telegram.

The propositions should, however, be made as preliminary, and not as being the

* Nos. 239 and 240.

result of a mature decision on the part of Her Majesty's Government, and you will be careful to make it clear to Mr. Fish that Her Majesty's Government are not at present able to pledge themselves absolutely to adhere to, or finally adopt them, as their effect would have to be fully and deliberately considered.

It appears, moreover, desirable to take the opinion of the Board of Trade before any final decision is come to, especially with regard to the free admission of certain articles reciprocally, and the mutual registration of shipping, and I have accordingly referred your telegram to that Department for such observations as they may have to offer on the subject.

I am, &c.
(Signed) DERBY.

No. 247.

Lord Tenterden to Sir H. Holland.

(Secret and Immediate.)

Sir,

Foreign Office, April 21, 1874.

I HAVE laid before the Earl of Derby your letter of yesterday's date, respecting the negotiations at Washington for a Reciprocity Treaty; and I am directed by his Lordship to transmit to you to be laid before the Earl of Carnarvon, a copy of a telegram embodying suggestions contained in your letter, which has been sent to Sir E. Thornton.*

I am to add that copies of the correspondence have been sent to the Board of Trade for such observations as they may have to offer.

I am, &c.
(Signed) TENTERDEN.

No. 248.

Lord Tenterden to Mr. Farrer.

(Secret and Confidential.)

Sir,

Foreign Office, April 21, 1874.

IN accordance with a wish expressed by the Canadian Government, Her Majesty's Government have authorized Sir E. Thornton to enter into negotiations with the United States' Government for the revival of the Reciprocity Treaty between the United States and Canada, as a substitute for the submission to a Fisheries Commission of the question of compensation to be paid by the United States to Canada, for the admission of American fishermen to the Canadian fisheries.

Mr. Brown, a Canadian Senator, has been associated with Sir E. Thornton as Joint Plenipotentiary to carry on these negotiations, and I am directed by the Earl of Derby to transmit to you to be laid before the Lords of the Committee of Privy Council for Trade, a copy of a telegram from Sir E. Thornton, giving the substance of a paper which Mr. Brown and he proposed to submit to Mr. Fish, in consequence of a suggestion from him that they should state in writing their views as to a fair basis of arrangement between the two countries.

I am at the same time to send you copies of correspondence on the subject with the Colonial Office, and of a telegram which has been sent to Sir E. Thornton, authorizing him to submit the paper, on the understanding that the propositions are made as preliminary, and not as the result of a mature decision on the part of Her Majesty's Government.

I am to request you to move their Lordships to take these papers into their consideration, and to favour Lord Derby at their earliest convenience with any observations which they may have to offer upon them.

I am, &c.
(Signed) TENTERDEN.

No. 249.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, April 22, 1874, 4.10 p.m.

NEWFOUNDLAND Legislature has passed an Act, of which Government has sent you a copy direct, giving effect to Fishery Articles of Washington Treaty, and omitting clause objected to by United States' Government in the Act of last year.

Ask Mr. Fish whether President of United States will be prepared, on learning that Her Majesty's assent has been given to the Act, to issue his Proclamation under Section 2 of the Act of Congress of 1873, and to fix the 1st of May as the day upon which the Articles of the Treaty shall come into force as regards Newfoundland.

Send answer by telegraph.

No. 250.

The Earl of Derby to Sir E. Thornton.

(No. 126.)

Sir,

Foreign Office, April 22, 1874.

I INCLOSE, for your information, a copy of a letter from the Colonial Office, forwarding a despatch from the Governor of Newfoundland, and an Act passed by the Legislature of that Colony, giving effect to the Fishery Articles of the Treaty of Washington, from which the clause objected to by the United States' Government in the Act of last year has been omitted.

I have to instruct you to communicate this Act to Mr. Fish, and to inquire whether the President of the United States will be prepared, upon learning that Her Majesty's assent has been given to the Act, to issue his Proclamation under Section 2 of the Act of Congress of 1873, and to fix the 1st of May as the day upon which those Articles shall come into force, as regards Newfoundland.

As it appears that the Governor of Newfoundland has sent you a copy of the Act direct, I have this day telegraphed the substance of the above instruction to you, in order that you may act upon it as soon as the Act reaches you.

I am, &c.
(Signed) DERBY.

No. 251.

The Earl of Derby to Sir E. Thornton.

(No. 127.)

Sir,

Foreign Office, April 23, 1874.

WITH reference to your despatch No. 285 of the 30th of June last, I inclose, for your information, a copy of a letter from the Colonial Office, relative to the reciprocal arrangement proposed by the Government of Newfoundland with regard to the right of taking seals in that Colony, and the admission of the produce of the seal fishery into the United States free of duty.

I have to instruct you to bring this matter again to the notice of the United States' Government, and to express the hope of Her Majesty's Government that the proposed arrangement will receive favourable consideration.

I am, &c.
(Signed) DERBY.

No. 252.

The Earl of Derby to Mr. Rothery.

(No. 8.)

Sir,

Foreign Office, April 23, 1874.

I HAVE received your despatch No. 27 of the 31st ultimo, relating to the negotiations for the renewal of the Reciprocity Treaty, and I approve of your remaining, as you propose, at Washington for the present.

I am, &c.
(Signed) DERBY.

No. 253.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 23, 1874.

I HAVE laid before the Earl of Derby your letter of the 18th instant, relative to the reciprocal arrangement in regard to the seal fisheries in Newfoundland proposed by the Government of that Colony; and I am directed by his Lordship to state to you, for the information of the Earl of Carnarvon, that he has instructed Her Majesty's Minister at Washington to bring this matter again to the notice of the United States' Government, and to express the hope of Her Majesty's Government that it will receive favourable consideration.

I am, &c.
(Signed) TENTERDEN.

No. 254.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office; April 23, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 255.

Mr. Farrer to Lord Tenterden.—(Received April 24.)

(Secret and Confidential.)

My Lord,

Board of Trade, April 23, 1874.

I AM directed by the Board of Trade to acknowledge receipt of your Secret and Confidential letter of the 21st instant, requesting that the Earl of Derby might be favoured with their observations upon certain proposals for the revival of the Reciprocity Treaty between the United States and Canada.

In reply, I am to transmit to you, to be laid before his Lordship, the accompanying paper with the Board's observations upon the propositions contained in Sir E. Thornton's telegram of the 17th instant.

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

Inclosure in No. 255.

*Extract from Sir E. Thornton's Telegram of the 17th of April, 1874.**Observations by the Board of Trade.*

WE shall then make the following propositions:—

Renewal of Treaty of 1854 for twenty-one years, including the fisheries, with the addition of the free admission of salt, manufactures of wood, iron, or steel articles, or of these jointly, agricultural implements, and a few other trifling articles.

To this no objection can be taken. Whatever criticisms may have been made on the original Reciprocity Treaty on the ground that Canada was setting up differential duties in favour of the United States, both against this country and countries with which we have most-favoured-nation Treaties, no such objection can be taken now.

To throw open coasting trade of lakes and River St. Lawrence.

Most desirable. A matter for Canada rather than the Imperial Government.

Extract from Sir E. Thornton's Telegram of the 17th of April, 1874.

That Canada should enlarge St. Lawrence Canals.

That American and Canadian canals shall be thrown open to both countries on equal terms.

That a Joint Commission be appointed for improving the navigation of the St. Clair river at joint expense.

That the navigation of Lake Michigan be open in perpetuity.

That citizens of either country may own and register vessels of the other.

Observations of the Board of Trade.

A matter for Canada.

A matter for Canada.

A matter for Canada.

Very desirable. A matter for Canada.

This needs explanation. If it merely means that United States' citizens may buy Canadian built ships and register them in the United States, and *vice versa*, it is in accordance with our own policy, and obviously right. But if it means, as the words seem to imply, that an American, whilst remaining an American citizen may own a Canadian, *i.e.*, a British ship, it is contrary to the letter and policy of our law (Merchant Shipping Act 1854, sec. 18), which makes British citizenship the sole and essential qualification for owning British ships.

Patent law is treated as a matter of Colonial and not of Imperial law; but it requires consideration whether, under the most-favoured-nation clause of commercial Treaties, Canada must not, if she admits United States' citizens to the benefits of her patent law, do the same for nations with which we have Treaties containing that clause.

A matter for Canada.

Reciprocity of admission to patent rights.

That a Joint Commission be appointed for propagating and protecting fish in the lakes and for co-operation in establishing lighthouses.

No. 256.

Lord Tenterden to Sir H. Holland.

Sir, *Foreign Office, April 24, 1874.*
 WITH reference to my letter of the 21st instant, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch upon the subject of the negotiations with the United States' Government for the renewal of the Reciprocity Treaty.*

I am, &c.
 (Signed) TENTERDEN.

No. 257.

Sir E. Thornton to the Earl of Derby.—(Received April 25.)

(Telegraphic.)

Washington, April 25, 1874.
 THERE is no objection here to the new Act of Newfoundland. Mr. Fish thinks that the President's Proclamation can be issued for 1st of May, if the preliminary conditions can be fulfilled in time.

Sir E. Thornton to the Earl of Derby.—(Received April 26.)

(No. 137.)

My Lord,

Washington, April 13, 1874.

I HAVE the honour to inclose copy of a note which I recently received from Mr. Bancroft Davis, Acting Secretary of State in the absence of Mr. Fish, inquiring whether the laws of Canada deny to American vessels the right of transportation of goods and passengers between Canadian ports to the extent to which it is granted to Canadian vessels plying between ports in the United States, where such transportation is not regulated by the provisions of Articles XXVI, XXVII, or XXX of the Treaty of Washington.

As the question was some vague, I addressed a note on the 6th instant, copy of which is also inclosed, asking to what extent the right of transportation of goods and passengers is granted to Canadian vessels plying between ports of the United States.

I have as yet received no answer to this inquiry, and until I do so, I do not feel called upon to seek the information desired by the Secretary of the Treasury. I have, however, transmitted copies of the two notes to the Governor-General of Canada, and have requested his Excellency to inform me upon the subject. I have every reason to believe that Canada is much more liberal in this matter than the United States.

I have, &c.

(Signed) EDWD. THORNTON.

Inclosure 1 in No. 258.

Mr. Davis to Sir E. Thornton.

Sir,

Department of State, Washington, April 4, 1874.

WITH the view to enable this Department to answer an inquiry made by the Secretary of the Treasury upon the subject, I shall be much obliged if you will inform me whether the laws of Canada deny to American vessels the right of transportation of goods and passengers between Canadian ports, to the extent to which it is granted to Canadian vessels plying between ports in this country, where such transportation is not regulated by the provisions of Articles XXVI, XXVII, or XXX, of the Treaty of Washington.

I have, &c.

(Signed) J. C. B. DAVIS.

Inclosure 2 in No. 258.

Sir E. Thornton to Mr. Davis.

Sir,

Washington, April 6, 1874.

WITH reference to your note of the 4th instant, I regret that I am unable to furnish the information desired by the Secretary of the Treasury, without referring your inquiry to the Governor-General of Canada. I shall, however, have much pleasure in doing so; but I should, at the same time, be glad to be able to inform him to what extent the right of transportation of goods and passengers is granted to Canadian vessels plying between ports of the United States, where such transportation is not regulated by Articles XXVI, XXVII, or XXX, of the Treaty of Washington. I am unable to give him this information without your assistance, and should therefore be much obliged if you would put it in my power to do so.

I have, &c.

(Signed) EDWD. THORNTON.

No. 259.

Lord Tenterden to Sir H. Holland.

(Immediate.)

Sir,

Foreign Office, April 27, 1874.

WITH reference to your letter of the 18th instant, I am directed by the Earl of Derby to state to you, for the information of the Earl of Carnarvon, that a telegraphic

instruction was sent to Sir E. Thornton, on the 22nd instant, to communicate with Mr. Fish on the subject of the Newfoundland Fisheries' Act, in the terms suggested by his Lordship.

The following telegram has been received from Sir E. Thornton, in reply :—

“There is no objection here to the new Act of Newfoundland. Mr. Fish thinks that the President's Proclamation can be issued for the 1st of May, if the preliminary conditions can be fulfilled in time.”

I am, &c.
(Signed) TENTERDEN.

No. 260.

Mr. Meade to Lord Tenterden.—(Received April 29.)

My Lord,

Downing Street, April 25, 1874.

WITH reference to your letter of the 20th instant, inclosing copies of despatches from Sir E. Thornton and Mr. Rothery, respecting the proposed renewal of a Reciprocity Treaty with the Government of the United States, I am directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, a copy of the despatch in which his Lordship has communicated copies of those papers to the Governor-General of Canada.

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

Inclosure in No. 260.

The Earl of Carnarvon to the Earl of Dufferin.

(Secret.)

My Lord,

Downing Street, April 25, 1874.

WITH reference to previous correspondence respecting the proposed renewal of a Reciprocity Treaty with the United States, I have the honour to transmit to you herewith, for your information, copies of despatches received through the Foreign Office from Sir E. Thornton and Mr. Rothery, on this subject.

The opinion entertained by Sir E. Thornton, and agreed to by Mr. Smith, that a certain limit of time should be assigned to the prolongation of the negotiations, appears worthy of consideration, both in the interest of the Dominion, and with reference to the special object of negotiation now in view.

I have, &c.
(Signed) CARNARVON.

No. 261.

Sir E. Thornton to the Earl of Derby.—(Received April 29, 7:30 P.M.)

(Telegraphic.)

Washington, April 29, 1874.

WITH reference to your telegram of the 22nd instant, I believe that Mr. Fish would recommend immediate issue of necessary Proclamation if you will tell me, by telegraph, that the Queen has given her assent to Newfoundland Act, sent to me by Colonel Hill.

No. 262.

The Earl of Derby to Mr. Rothery.

(Telegraphic.)

Foreign Office, April 29, 1874.

YOU need not remain at Washington, but may visit any places in the United States you may wish to see.

Mr. Russell may return to Europe.

Deliver the cyphers to the care of the Legation.

No. 263.

Sir H. Holland to Lord Tenterden.—(Received April 30.)

My Lord,

Downing Street, April 29, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 27th instant, stating that a telegram has been received from the British Minister at Washington, to the effect that there is no objection on the part of the United States' Government to the new Act of Newfoundland, for carrying into effect the provisions of the Treaty of Washington, as far as they relate to that Colony; and that Mr. Fish thought that the President's Proclamation could be issued for the 1st of May, if the preliminary conditions could be fulfilled in time.

In reply, I am to acquaint you, for the information of the Earl of Derby, that the Act cannot be brought into operation by the 1st of May, as it requires to be specially confirmed by the Queen in Council; but it will be submitted for confirmation at the next Council, for which, however, no date has at present been announced.

Lord Carnarvon has informed the Governor of Newfoundland, by telegraph, that the Act will be confirmed at the next Council.

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

No. 264.

Mr. Rothery to the Earl of Derby.—(Received April 30.)

(Telegraphic.)

Washington, April 30, 1874.

WITH reference to your telegram of yesterday, I propose with your approval to leave shortly for San Francisco. I should be back by the middle of June or earlier if necessary. Sir E. Thornton sees no objection.

No. 265.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, April 30, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Minister at Washington upon the subject of the Regulations connected with the coasting trade between Canada and the United States.*

I am, &c.
(Signed) TENTERDEN.

No. 266.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, April 30, 1874, 4.15 P.M.

WITH reference to your telegram of yesterday, Newfoundland Act cannot be brought into operation by the 1st May, as it must be confirmed by the Queen in next Council, date of which is not yet fixed.

No. 267.

The Earl of Derby to Sir E. Thornton.

(No. 136.)

Sir,

Foreign Office, April 30, 1874.

WITH reference to my telegram of this day's date, I transmit to you herewith, for your information, a copy of a letter from the Colonial Office upon the subject

* No. 258.

of the new Act of Newfoundland for carrying into effect the provisions of the Treaty of Washington as far as they relate to that Colony.*

I am, &c.
(Signed) DERBY.

No. 268.

Lord Tenterden to Sir H. Holland.

(Immediate and Confidential.)

Sir, *Foreign Office, April 30, 1874.*
WITH reference to my letter of the 27th instant, I am directed by the Earl of Derby to acquaint you, for the information of the Earl of Carnarvon, that a telegram has been received from Sir E. Thornton, dated yesterday, stating his belief that Mr. Fish would recommend the immediate issue of the President's Proclamation if a telegram were sent to Washington notifying that Her Majesty's had been given to the Newfoundland Fisheries Act.

I am, &c.
(Signed) TENTERDEN.

P.S.—I am to add that the substance of your letter of yesterday's date, stating that the Act cannot be brought into operation by the 1st of May has been telegraphed to Sir E. Thornton.

T.

No. 269.

Lord Tenterden to Sir H. Holland.

Sir, *Foreign Office, April 30, 1874.*
WITH reference to my letter of the 21st instant, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a letter from the Board of Trade, containing observations upon the proposal for the renewal of the Reciprocity Treaty.†

I am, &c.
(Signed) TENTERDEN.

* No. 263.

† No. 255.

No. 270.

The Earl of Derby to Mr. Rothery.

(Telegraphic.)

Foreign Office, May 1, 1874, 2.40 P.M.

THERE is no objection to your going to San Francisco.

No. 271.

The Earl of Derby to Sir E. Thornton.

(No. 139.)

Sir,

Foreign Office, May 2, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence as marked in the margin,* upon the subject of the negotiations with the United States Government for the renewal of the Reciprocity Treaty.

I am, &c.
(Signed) DERBY.

No. 272.

Sir E Thornton to the Earl of Derby.—(Received May 3.)

(No. 151.)

My Lord,

Washington, April 20, 1874.

WITH reference to my despatch No. 131 of the 7th instant, I have the honour to enclose copy of a portion of a memorandum which Mr. Brown and I propose to submit to Mr. Fish as soon as the whole of it is completed. As the enclosed is part which may more immediately concern Her Majesty's Government, I thought it expedient to transmit the substance of it to your Lordship by telegraph, so that there might be time for me to receive any observations which you might think proper to make. A copy of the enclosed memorandum was forwarded to Canada on the 17th instant, and until Mr. Brown receives an answer from the Canadian Government, approving of its contents, the document will not be presented to Mr. Fish.

The unfinished part of the Memorandum is that which relates to the trade between Canada and the United States for many years past, and to the advantages which will accrue to the United States by a renewal of Reciprocity. To make this complete it was necessary to obtain a quantity of statistics both here and in Canada, and these are not yet quite ready. But though I much regret that any delay should take place, the case will be so strong when it is completed, that I agreed with Mr. Brown that it would be preferable to defer the submission of the paper to Mr. Fish until we could make it as full as possible. I fear that it will hardly be ready till about the 24th instant.

With regard to the proposals or rather suggestions made in the enclosed paper, they are intended rather as subjects for discussion than as final proposals; there are some of them which will doubtless be at once rejected by Mr. Fish, but although this will probably be the case, Mr. Brown thinks it better that they should be inserted, and I see no objection to this being done.

Mr. Brown had at first expressed his wish that it should be proposed that the whole coasting trade should be mutually thrown open. This was one of the proposals which I am convinced would be at once met by a rejection. But it also appeared to me that Her Majesty's Government might not consent that Canadian vessels should be allowed this privilege to the exclusion of vessels built and owned in the United Kingdom. It was therefore agreed that we should suggest the opening of the coasting trade only as far as the lakes and the River St. Lawrence were concerned, with which ships built in the United Kingdom might not care to interfere, although it would be always desirable to stipulate for the flag rather than for the ship. I do not however imagine that the United States Government would consent to throw open its coasting trade even in this modified form.

Neither do I suppose that the proposal that ships built in one country should be admitted to registration in the other, would be entertained by the United States Government.

There are some other suggestions, the discussion of which is also likely to be declined by Mr. Fish, but I have not objected to their insertion, as I understand from Mr. Brown that it is in accordance with the wishes of the Canadian Government.

* Nos. 255 and 261.

With reference to the last paragraph of the inclosed paper, it will probably be necessary in case a treaty should be signed, to insert something more precise as to the sanction of the Treaty by the Senate, and the passage of the necessary laws by both Houses of Congress; but it will be impossible to decide upon the exact language until we shall see whether the negotiation is likely to be successful or otherwise, and the period at which it is likely to terminate.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 272.

Memorandum proposed to be read to Mr. Fish, if approved by Government.

IN the interview which we had the honour to be favoured with by you at the State Department on the 28th March; we stated to you that Her Majesty's Government was prepared to accept a renewal of the IIIrd Article of the Reciprocity Treaty of 1854 as a substitute for the arbitration provision of the Washington Treaty, in reference to the Canadian Coast Fisheries.

You thereupon suggested an enlargement of the scope of that Article; and we asked in what manner you would propose to enlarge it.

You replied that you had no proposition to make, but that you suggested as topics for discussion, the enlargement of the Canadian Canals so as to facilitate the transportation of the products of the great Western States to the Atlantic sea board, and also the addition of certain classes of manufactures to the free list of the old Treaty.

We then stated that we were prepared to enter into an agreement for the enlargement of the Canadian Canals.

In regard to the addition of certain classes of manufactures to the free list under the old Treaty, we reminded you that the revenue of the Canadian Dominion was largely obtained from a fifteen per cent. *ad valorem* duty on manufactured goods, and that any articles made free in Canada under agreement with any foreign country must be made free to Great Britain. But we added that the Government of Canada was desirous to afford every facility for the encouragement of extended commercial relations between the Republic and the Dominion, in the belief that nothing could conduce more to their mutual advantage, not only in a pecuniary sense, but as tending to foster and strengthen those friendly feelings that ought eminently to prevail between two peoples mainly derived from the same origin, speaking the same language, and occupying the geographical position towards each other of the United States and Canada. We conveyed to you the assurance of the Canadian Government, that acting in this spirit and in the confidence that we would be met in the same spirit by the Government of the Republic, the assent of Canada will be heartily given to any measure calculated to promote the free and fair interchange of commodities, to reduce the cost of transportation, or conduce to the joint advantage of the two countries, so that it be not seriously prejudicial to existing industrial interests of the Canadian people.

In the spirit of this assurance we invited you to suggest for discussion the classes of manufactures that you would desire to have embraced in the new Treaty. This you declined to do; but you urged that we should indicate the enlargements of the old Treaty likely to be acceptable to both countries. Without acquiescing in the propriety of this course we yielded to your wishes, and now proceed to fulfil our promises to do so.

We propose that the new Treaty shall be for the term of twenty-one years.

We propose that the Treaty shall provide for the free admission into the United States, the Dominion of Canada, and the Island of Newfoundland, of the following articles as under the Treaty of 1854.

Animals and their Products.

Animals of all kinds.
Butter.
Cheese.
Eggs.
Furs, undressed.
Hides, undressed.
Horns.
Lard.

Meats, fresh, smoked, or salted.
Pelts.
Poultry.
Skins, undressed.
Tails, undressed.
Tallow.
Wool.

Products of the Farm.

Breadstuffs of all kinds.	Plants.
Broom, corn.	Rice.
Cotton, wool.	Seeds.
Flax, unmanufactured.	Shrubs.
Flour of all kinds.	Tobacco, unmanufactured.
Fruits, dried and undried.	Tow, unmanufactured.
Grain of all kinds.	Trees.
Hemp, unmanufactured.	Vegetables.

Products of the Forest.

Ashes.	Pitch.
Bark.	Tar.
Firewood.	Timber of all kinds, round, hewed, or sawed, unmanufactured in whole or in part.
Lumber of all kinds, round, hewed, or sawed, unmanufactured in whole or in part.	Turpentine.

Products of the Mine.

Burr or grindstones, hewn, wrought or unwrought.	Marble, in its crude or unwrought state.
Coal.	Ores of all kinds of metals.
Gypsum, ground or calcined.	Slate.
	Stone, in its crude or unwrought state.

Products of the Water.

Fish, products of, and of all other creatures, living in the water.	Fish of all kinds. Fish oil.
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Sundries.

Dye stuffs.	Manures.	Rags.
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We propose the following additions to the above list of free articles :—

Agricultural implements of all kinds.	Malt.
Bark, extract of, for tanning purposes.	Manufactures of iron or steel.
Bath bricks.	Manufactures of iron or steel and wood jointly.
Bricks for building purposes.	Manufactures of wood.
Earth ochres, ground or unground.	Plaster.
Hay.	Salt.
Lime.	Straw.

We propose that the enjoyment of the Canadian coast fisheries shall be conceded to the United States during the continuance of the new Treaty, in the manner and on the conditions provided under the Washington Treaty, except those in regard to the payment of money compensation for the privilege.

We propose that, during the continuance of the Treaty, the coasting trade of the Lakes, and of the River St. Lawrence, shall be thrown open to the vessels of both countries on a footing of complete reciprocal equality.

We propose that the Canadian canals, from Lake Erie to Montreal, be enlarged forthwith, at the expense of Canada, so as to admit of the passage of vessels 260 feet in length, with 45 feet beam, and a depth of 12 feet.

We propose that, during the continuance of the Treaty all the Canadian canals, and the Erie, Whitehall, Sault St. Marie, and Lake St. Clair canals, in the United States, shall be thrown open to the vessels, boats, and barges of both countries, on the same terms and conditions to the citizens of both countries; and that full power be given to unload cargo from ships or steamers into canal-boats at any canal entrance, and to unload boats into ships or steamers at any canal outlet.

The free navigation of the St. Lawrence River having been conceded for ever by Great Britain to the United States, under the Washington Treaty, but the free navigation of Lake Michigan having been conceded for ten years only by the United States to Great Britain under the same Treaty, we propose that this anomaly shall be removed, and both concessions placed on the same footing.

We propose that during the continuance of the Treaty, vessels of all kinds built in either country, may be owned and sailed in whole or in part by the citizens of the other, and be entitled to registry in either country, and to all the benefits thereto pertaining.

We propose that a joint Commission shall be formed and continued during the operation of the Treaty for deepening and maintaining in thoroughly efficient condition, at joint expense, the navigation of the River and Lake St. Clair, on which ever side of the river the best channel shall be found.

We propose that a joint Commission shall be formed at joint expense, and maintained

during the operation of the Treaty, for securing the erection and proper regulation of all lighthouses on the great lakes common to both countries necessary to the security of the shipping thereon.

We propose that a Joint Commission shall be formed at joint expense, and maintained during the continuance of the Treaty to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing-grounds.

We propose that citizens of either country shall be entitled, during the continuance of the Treaty, to take out letters patent for new discoveries in the other country, on the same footing as if they had been citizens of that country.

We propose that the best method of discountenancing and punishing illicit trade between the countries shall be the subject of consideration and co-operation by the Customs authorities of the two countries.

That, in case a Treaty of Commercial Reciprocity should not have been concluded before the end of the present Session of Congress, the right of adjudication of the claim of Canada to compensation for the fisheries under Articles XXII to XXV of the Treaty of Washington would in no degree be waived, and that, in that event, the fulfilment of the stipulations contained in those Articles would be immediately proceeded with.

No. 273.

Mr. Rothery to the Earl of Derby.—(Received May 3.)

(No. 32.)

My Lord,

Washington, April 21, 1874.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch of the 2nd instant, in which, in reply to my inquiry whether my stay at Washington should be prolonged, your Lordship informs me that it will be better that I should remain here for the present, and that further instructions will be sent to me when it is seen what turn the negotiations for the renewal of the Reciprocity Treaty are likely to take. This is the course which I have proposed, in the absence of instructions to the contrary, to adopt; and I have informed the Commissioners of the directions which I have received.

Since my last despatch to your Lordship, I have endeavoured as far as possible to act in accordance with the wish expressed by the Commissioners that I should not talk with any one on the subject either of the Reciprocity Treaty or of the negotiations, lest by so doing I should interfere with the course which they proposed to follow. Owing, however, to the position which, with the knowledge and approval of Her Majesty's Government and of Sir Edward Thornton, I had previously held, and to the fact that I was for a time the only channel of communication with Senators and others on the subject, it has been difficult for me to be altogether silent when I have been spoken to about it; but I have studiously avoided any discussion, and have refrained from distributing any more of the Statistical Tables which I had prepared. I trust that the course which I have taken will meet with your Lordship's approbation.

I have, &c.

(Signed) H. C. ROTHERY.

No. 274.

*Lord Tenterden to Mr. Herbert.**

Sir, WITH reference to my letter of the 30th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Minister at Washington, inclosing copy of a portion of a Memorandum proposed to be submitted to Mr. Fish by Sir E. Thornton and the Canadian Commissioner in connection with the negotiations for the renewal of the Reciprocity Treaty.†

I am, &c.

(Signed) TENTERDEN.

* A similar letter was addressed to the Board of Trade.
[150]

No. 275.

*Lord Tenterden to Sir H. Holland.*²

Sir,

Foreign Office, May 6, 1874.

WITH reference to my letter of the 6th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Mr. Rothery in regard to the course he proposes to pursue in connection with the negotiations for the renewal of the Reciprocity Treaty.*

I have, &c.
(Signed) TENTERDEN.

No. 276.

Sir H. Holland to Lord Tenterden.—(Received May 8.)

My Lord,

Downing Street, May 6, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 30th ultimo, and I am to request that you will inform the Earl of Derby that Lord Carnarvon will forward to the Governor-General of Canada by the mail of Thursday next, in a secret despatch, a copy of the Board of Trade letter of the 23rd of April relating to the proposals for the renewal of the Reciprocity Treaty with the United States.

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

No. 277.

Sir E. Thornton to the Earl of Derby.—(Received May 10.)

(No. 160.)

My Lord,

Washington, April 27, 1874.

WITH reference to my despatch No. 137 of the 13th instant, I have the honour to inclose copy of a note from Mr. Fish, transmitting a communication from the Secretary of the Treasury, copy of which is also inclosed, in which he shows to what extent, and on what conditions, Canadian vessels are allowed to convey goods between ports of the United States. Nothing, however, is said about the transportation of passengers.

I have forwarded copies of these documents to the Governor-General of Canada, and have requested his Excellency to inform me whether the transportation of goods between Canadian ports is allowed to American vessels to an equal extent.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 277.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, April 24, 1874.

REFERRING to your note of the 6th instant, in which you request to be informed as to what extent the right of transportation of goods and passengers is granted to Canadian vessels plying between ports of the United States, where such transportation is not regulated by Articles XXVI, XXVII, or XXX, of the Treaty of Washington, I have the honour to inclose herewith, for your information, a copy of a letter of the 11th instant upon the subject from the Secretary of the Treasury.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 2 in No. 277.

Mr. Richardson to Mr. Fish.

Sir,

Treasury Department, Washington, April 11, 1874.

I HAVE the honour to acknowledge the receipt of your letter of the 8th instant transmitting a copy of a note from the Britannic Minister of the 6th instant, in which he expresses his willingness to obtain the information requested in the letter from this Department to you, dated the 31st ultimo, relative to the Canadian coasting trade, and desires to be advised to what extent the right of transportation of goods and passengers is granted to Canadian vessels plying between ports of the United States where such transportation is not regulated by Articles XXVI, XXVII, or XXX of the Treaty of Washington.

In reply, I will thank you to inform the Minister that, if merchandize be brought into the United States in a Canadian vessel from a foreign port or place, and specified in the manifest verified on oath or affirmation before the Collector at the first port of arrival as destined for other districts in the United States, the importing vessel may proceed with the same from district to district in order to the landing or delivery thereof, the duties on such goods only as are landed or delivered in any district to be paid or secured in such district. But before such vessel can depart from the district in which she may first arrive for another district, if the departure be not within forty-eight hours after arrival, with merchandize brought in her from a foreign port or place, duties not having been paid or secured, the master or person in charge or command of such vessel is required to obtain from the Collector of the district a copy of the Report and manifest, certified by said Collector, to which must be annexed a certificate of the quantity and particulars of the goods landed within his district, or of the goods remaining on board, upon which duties are to be paid or secured in some other districts, and the master or person having charge or command of such vessel is also required to give bond, with one or more securities to the satisfaction of the Collector of the district in which the vessel may first arrive, in a sum equal to the amount of the duties on the residue of the cargo, according to the estimate of the Collector. Within twenty-four hours after the arrival of the vessel in another district, the master or person in command or charge thereof is required to report to the Collector of such district, exhibiting the certified copy of his first report, together with a certificate as aforesaid from the Collector of every district within which any of the merchandize brought in such vessel shall have been landed, and the quantity and particulars thereof. The bond given as above will be cancelled or discharged within six calendar months from the date thereof, on the production of a certificate from the Collector of the district for which the goods have been reported, testifying the due entry and delivery of the goods in such district, or upon due proof to the satisfaction of the Collector by whom the bond was taken that such entry and delivery were prevented by some unavoidable accident or casualty, and if the whole or any part of the goods shall not have been lost, that the same have been duly entered and delivered in the United States.

The master of any foreign vessel laden or in ballast, arriving in the waters of the United States from any foreign territory adjacent to the northern, north-eastern, and north-western frontiers of the United States must report at the office of the Collector or Deputy-Collector of Customs nearest the point at which such vessel enters the waters of the United States and present her clearances and manifests, and such vessel is not permitted to proceed farther inland, either to take or unlade cargo, without a special permit from such Collector or Deputy, to be endorsed upon her clearance or manifest. All vessels from any foreign contiguous territory, with cargo, must be actually unladen at the port of first arrival in the United States, in order to the inspection, entry, and appraisement of the cargo, if not duly corded and scaled, or if an inspector be not placed on board at such port at the request of the master, owner, or consignee of the cargo, and at his expense, who shall accompany the vessel to the place of destination, and if it be in another district, deliver her to the Collector thereof, or if it be in the same district, superintend the unloading and inspect the cargo.

Trusting that the information given above may be sufficient to serve the purpose of the Minister's inquiry, I have, &c.

(Signed)

WM. A. RICHARDSON, *Secretary*

No. 278.

Sir E. Thornton to the Earl of Derby.—(Received May 11.)

(No. 163.)

My Lord,

Washington, April 28, 1874.

I HAVE the honour to inclose copy of a paper which Mr. Brown and I yesterday submitted to Mr. Fish.

The greater part of this document is occupied with the history of the last fifty years of the trade relations between Canada and the United States, and shows the advantage which the United States, as well as Canada, would derive from greater liberality in those relations.

At page 73 we allude to the interview which we had with Mr. Fish on the 28th of March last, and proceed to make the proposals contained therein as the groundwork of a new Reciprocity Treaty which might replace Articles XXII to XXV of the Treaty of Washington. Amongst these proposals your Lordship will perceive that, at page 85, there is one for throwing open the coasting trade to the vessels of both countries. In the Memorandum which I had the honour to inclose in my despatch No. 151 of the 25th instant, it was proposed that the inland coasting trade only should be thrown open; but that document was submitted to the Canadian Government, who expressed a wish that a proposal should be made to throw open the whole coasting trade. In accordance with this wish I assented to the change, believing that Her Majesty's Government would have no objection to the measure, although I expressed to Mr. Brown my conviction that there was not the slightest chance of its being accepted by the United States Government.

In our interview yesterday with Mr. Fish, he was unable, on account of other engagements to give us much time; but I read to him the greater part of the inclosed document as far as it relates to the history of the trade relations between the two countries, and the whole of that portion which proposes the negotiation of a new Treaty.

Whilst I read it Mr. Fish showed interest in the subject but made very few remarks. With regard to the list of articles which we proposed should be reciprocally imported free of duty, he observed that there was no mention of textile fabrics, in which Mr. Brown and I merely acquiesced.

On concluding the reading of the enclosed document, I informed Mr. Fish that it contained nothing more than preliminary proposals, and that Her Majesty's Government was not at present able to pledge itself absolutely to adhere to or finally adopt them, as their effect would have to be fully and deliberately considered. Mr. Fish replied that there was little chance of its being asked to do so; for that if he were to send to the Senate the suggestions which we had made, there would be an end of the matter at once. But on Mr. Brown's enquiring to which of those suggestions he particularly alluded, he hesitated, and mentioned only the coasting trade and the patent rights, both of which he said would be entirely inadmissible. To this I answered that as he had declined to enlighten us upon the views of his Government with regard to the question of reciprocity, we had been obliged to insert a number of proposals which we had supposed it might desire to entertain; but as all of them were open to discussion, some might be modified or even rejected.

Mr. Fish took the document and said that he was much occupied at this moment with Congressional business, but that he would take our proposals into consideration and would let us have an answer as soon as he could.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 278.

Memorandum on the Commercial Relations past and present of the British North American Provinces with the United States of America.

THE Undersigned Joint Plenipotentiaries of Her Britannic Majesty with full powers for the negotiation and conclusion of a Treaty with the United States relative to Fisheries, Commerce, and Navigation, deem it fitting that at the outset of the negotiations with which they have been charged, they should submit for the consideration of the Secretary of State some suggestions in regard to the commercial relations between the United States and the Canadian Dominion which may not be worthy of attention.

All the figures used in this Memorandum are taken from the official documents of the United States' Government, except when otherwise stated.

When the British North American Provinces are spoken of, all the Provinces now composing the Dominion and also the Island of Newfoundland are included therein.

An important examination of the commercial relations that have existed between the United States and the British North American Provinces for the last fifty years cannot fail to establish, we venture to think, beyond all doubt, that the traffic between them has been exceedingly valuable to both countries, but that the United States have from first to last reaped greatly the largest advantage from it.

In the twelve years, from 1821 to 1832 (both years included) the United States' official records show that the exports of the United States to the British North American Provinces were of the aggregate value:—

							Dollars.
In Home products, of	..	..	..	..	..	..	30,997,417
In Foreign products, of	..	..	..	..	..	..	403,909
Total United States' exports	..	..	..	..	..	..	31,401,326
And that the entire imports of the United States in the same period from the Provinces were but	..	..	..	..	..	..	7,684,559
Leaving a balance of trade in favour of the United States of no less than	..	..	..	..	..	..	23,716,767

In the thirteen years following the above period (1833 to 1845) the same state of things is found, with a steady increase of the aggregate traffic.

The exports of the Republic to the British North American Provinces were:—

							Dollars
Of Domestic products	..	..	..	..	..	..	54,082,537
Of Foreign products..	..	..	..	..	..	..	4,640,332
Total United States' exports (1833 to 1845)	..	..	..	..	..	..	58,722,869
And the imports of the Republic from the Provinces were but	..	..	..	..	..	..	23,356,275
Leaving a balance in favour of the United States of	..	..	..	..	..	..	35,366,594

In 1846 we enter upon a period when the United States' Government, after very many years of earnest effort, succeeded in obtaining from Great Britain a relaxation of the old restrictive navigation laws in regard to the British Colonies. With it came the international drawback system for the encouragement of overland transportation to and from the Atlantic Ocean without payment of duties. Although this measure only extended to the transport of merchandize, it is instructive to observe the immediate and remarkable effect it had on the direct transactions between the Republic and the Colonies. The aggregate imports and exports between the countries immediately rose from 8,074,291 dollars in the year 1845 to the following figures:—

							Dollars.
1846. Aggregate import and export trade	..	..	..	..	..	..	9,344,150
1847. " " "	..	..	..	..	..	..	10,329,470
1848. " " "	..	..	..	..	..	..	12,029,122
1849. " " "	..	..	..	..	..	..	10,931,147
1850. " " "	..	..	..	..	..	..	15,193,497
1851. " " "	..	..	..	..	..	..	18,708,045
1852. " " "	..	..	..	..	..	..	16,619,315
1853. " " "	..	..	..	..	..	..	20,691,360
Total	..	..	..	..	..	..	113,846,106

Thus, while from 1821 to 1832, the aggregate annual traffic between the countries averaged 3,257,153 dollars; and from 1833 to 1845 to 6,313,780 dollars per annum; under the influence of a more liberal policy, the traffic rose from 1846 to 1853 to no less an average than 14,240,763 dollars per annum.

And the balance of trade still preponderated enormously to the advantage of the United States. In these eight years, the Republic exported to the Provinces:—

							Dollars.
Of Home products	..	..	..	..	..	..	55,072,260
Of Foreign products	..	..	..	..	..	..	22,020,254
Total United States' exports	..	..	..	..	..	..	77,092,514
While the imports of the Republic from the Provinces were but	..	..	..	..	..	..	36,758,592
Leaving in favour of the United States, in eight years' transactions, the vast balances of	..	..	..	..	..	..	40,338,822

But in addition to this direct interchange of merchandize, with its great preponderance in favour of the Republic, a large amount of the import and export traffic between Great Britain and the Provinces now began to be carried in bond over the canals and railways of the United States to Atlantic or inland ports, and thence dispatched to their ultimate destination in American ships and steamers, vastly to the gain of the Republic and without any corresponding advantage to the Provinces.

The great success that thus attended this first partial experiment of reciprocal liberality in commercial intercourse between the two countries, led directly and easily to proposals for the much more decided measure of an interchange of the natural products of the two countries free of Customs duty. For a number of years the subject was keenly debated in all its bearings, and it is instructive to look back on the record of those discussions and observe the long list of distinguished American Statesmen who were warm advocates of the measure.

The Reciprocity Treaty of 1854 was signed on the 5th of June of that year by Mr. Marcy, on behalf of the United States, and by the late Lord Elgin, as Representative of Great Britain. Its happy effects were felt instantaneously. And it is only necessary to refer to the speeches and papers of the able men of all parties in both countries who promoted the measure, and to analyse the official returns of its operation while in force, to arrive irresistibly at the conclusion that its results greatly surpassed the most sanguine anticipations of its originators and advocates.

The Treaty may be said to have been thirteen years in operation, for though nominally it began late in 1854 and ended early in 1866, the traffic was pushed with such energy during the months of its operation in these two years, as to place them on an equality with the other years.

To obtain a just appreciation of the value of the traffic between the Republic and the Provinces during the thirteen years' operation of the Treaty, it is necessary to keep in mind that the civil war in the States in the last four years of the Treaty's existence enhanced the value of commodities, and so changed the industrial interests of the Republic as to give the provinces a temporary advantage in the traffic, forbidding any fair deduction from it as to the ordinary course of trade in time of peace. In one year (1865-6) during the war, the exports of British North America to the United States rose to 54,714,383 dollars, United States' currency: an amount exceeding that of the entire importations of the Republic from the Provinces in thirty-one years, from 1821 to 1851. However profitable this casual advantage may have been to the Provinces, it can hardly be regarded as an objection to the Treaty, that in time of war, when the American husbandman was debarred from tilling his fields, the necessities of life were largely supplied under it without the addition of onerous Customs duties and Custom-house restrictions. Assuredly had the Treaty not then been in existence, every ton of these supplies, under the pressing urgency of the case, would have found its way across the lines, probably with little reduction of profit to the producer, but great increase of cost to the consumer.

The grand fact remains that, under the operation of the Reciprocity Treaty of 1854, the aggregate interchange of commodities between the Republic and the Provinces, to promote which the Treaty was concluded, rose from an annual average of 14,230,763 dollars in the previous eight years, to 33,492,754 dollars gold currency, in the first year of its existence; to 42,942,754 dollars gold currency in the second year of its existence; to 50,339,770 dollars gold in its third year; and to no less a sum than 84,070,955 dollars, United States' currency, in its thirteenth year.

And notwithstanding the anomalous character of the circumstances arising from the existence of civil war during so considerable a portion of the Treaty's existence, by which the imports from the Provinces were greatly increased in volume and value, and the exports to the Provinces as naturally reduced in quantity, the balance of trade during the existence of the Treaty was largely in favour of the United States. In the thirteen years of its operation, the Provinces purchased from the Republic commodities, according to the United States' returns, to the value of 346,180,264 dollars, and the Republic purchased from the Provinces 325,726,520 dollars, leaving a gross cash balance in favour of the United States of 20,454,246 dollars. But the balance was, in fact, much larger than this. During the first ten years of the Treaty, the transactions between the countries showed a clear balance in favour of the United States of 62,013,545 dollars. That balance appears from the United States' returns to have been reduced by the operations of the following three years to the amount of 20,454,246 dollars. But this arises from the importations from Canada being stated in the United States' returns in United States' currency, which was during these years much depreciated in value, in consequence of the civil war. According to the official returns of the several British Provinces (which are accurately kept), the Provinces purchased from the Republic, during the thirteen years in

question, commodities to the aggregate value of 359,667,257 dollars, gold valuation ; and the Republic purchased from the Provinces 197,056,257 dollars in same valuation, leaving as the sum total of the results of the Treaty of 1854 an aggregate international traffic of 623,437,525 dollars, and a gold balance in favour of the Republic for 95,796,989 dollars.

The importance of the Canadian traffic under the Reciprocity Treaty can be most clearly seen, perhaps, by a comparison of it with the transactions which the Republic had with other foreign countries during the same years. The total exports of the United States from 1854 to 1866 (both years inclusive) amounted to upwards of 4,000,000,000 dollars. Of this vast export traffic—

	Dollars.					
England and her Possessions took	2,769,974,538
France and her Possessions took	457,993,996
Spain and her Possessions took	265,893,221
Germany took	207,308,647
Total	3,697,170,402

And all the rest of the world took the balance.

Of the above exports, Canada's share, as we have already seen, was 346,180,264 dollars, an amount equal to the aggregate exports taken from the United States in the same years by China, Brazil, Italy, Hayti, Russia and her Possessions, Venezuela, Austria, the Argentine Republic, Denmark and her Possessions, Turkey, Portugal, and her Possessions, the Sandwich Islands, the Central American States, and Japan, all put together. In marked contrast to this, however, the United States imported from these countries in the same years to the amount of 538,523,386 dollars, leaving a cash balance to be paid to them by the Republic of 192,109,610 dollars, while Canada paid over to the States a cash balance of 95,796,989 dollars in gold.

The character of the commodities purchased from the Republic by the Provinces during the existence of the Reciprocity Treaty is also worthy of special note. In the thirteen years of its operation, the total purchases by the Provinces of United States' home production, and foreign articles imported by United States' merchants, were as follows:—

	Dollars.					
Animals and their products	35,433,213
Breadstuffs	112,058,473
Other farm products	3,242,982
Timber	8,511,488
Manufactures	88,649,855
Miscellaneous	24,044,977
Total Home productions	271,940,988
Foreign commodities bought from merchants of the United States and imported into Canada	62,379,718
Total purchases	334,320,706

From this, it will be seen that not less than 151,029,573 dollars of manufactured goods were purchased from the United States by the Provinces under the operation of the Reciprocity Treaty.

Did nothing more, therefore, than the volume of traffic between the countries, and the comparative contribution of each country to it, enter into the question of the relative advantages derived from the Treaty by each, no doubt could exist as to the United States having reaped much greater profit from the Treaty of 1854 than the Provinces. But there is another very important branch of the account. The transportation traffic sent to, and brought from, foreign countries by the Provinces in bond, over the railways and canals, and in the ocean ships and steamers trading from United States' ports, rose, under the operation of the Treaty, to an importance secondary only to the traffic in domestic productions. Previous to the negotiation of the Treaty, this traffic had assumed considerable dimensions; but the vast increase that occurred under its operation must have drawn very large gains into the coffers of the Republic, and indirect advantages quite as valuable as the direct ones. No official returns thus passed over the United States seem to have been preserved until the fiscal year 1867-8; but from the returns since published, we can form some idea of the great profit that must have accrued to the Republic while the Treaty was in force. These returns thus state the values of the foreign exports that passed over the United States, *in transitu*, during the past six years:—

					Dollars.
1868.	Total United States' transit traffic	..	..	..	21,515,604
1869.	"	..	..	..	21,095,984
1870.	"	..	..	..	23,191,860
1871.	"	..	..	..	25,375,037
1872.	"	..	..	..	31,385,320
1873.	"	..	..	..	40,099,185
	Total transit traffic	..	..	..	162,662,990

Of this vast traffic 115,241,704 dollars consisted of merchandize imported by the Provinces from other countries and carried over United States' railways and canals into Canada, and 48,556,557 dollars of it consisted of produce exported abroad from the Provinces *via* the United States. The fact that these two amounts appear to make, unitedly, more than the whole aggregate of the United States' transit trade, arises from shipments made from one part of Canada to another, and consequently appearing in the list of goods going into the United States as well as in that of goods sent out from the United States. Nearly the whole of the traffic *in transitu* of the Republic in these six years was either sent from or sent to the British Provinces. And from its volume in these recent years we may form some idea of its extent under the operations of the Treaty, when Colonial facilities for transportation were so different from what they now are.

The value of so vast a carrying trade is not easy to arrive at. Dr. Young, the able Chief of the United States' Bureau of Statistics, recently stated that inward ocean freights on goods "vary from 100 per cent. on the value of salt and some other bulky articles to 2 or 3 per cent. on dress goods," and that the average on merchandize alone is "not much less than 8 per cent." If the ocean freight on ordinary merchandize is 8 per cent., how greatly more must be the per-centage of overland freights, and how infinitely greater must be the percentage on the value of farm produce than on ordinary merchandize? If it is further considered that on the transit traffic to and from Canada inland and ocean carriage have both to be paid for, and that a large proportion of the commodities are heavy and bulky, it will at once be seen what a fertilizing stream is poured by the merchants of the Dominion over the railways, canals, steamships, commission agents, and port cities of the Republic, even from the limited share of their traffic now sent *via* the United States under a policy of severe restriction.

Nor was it merely from the vast interchange of commodities and the great carrying trade in bond that the United States reaped their golden annual harvest from the Treaty of 1854. It must not be forgotten that by virtue of that Treaty the Canadian canals and the navigation of the St. Lawrence were thrown open to the ships and commerce of the United States on precisely the same footing as to those of the Canadian people, who had spent vast sums in their construction. How largely the Republic profited by this concession, the enormous amount of American merchandize passed through the Canadian canals in American bottoms, at tolls so low as to do little more than defray the cost of attendance and maintenance, the public records of both countries amply establish. The sole return made to the Provinces for this concession was the permission to navigate Lake Michigan and the promise of the United States' Government to urge upon the State Governments of the Republic to extend to the Provinces the same free use of American canals as they had extended to the Republic. This promise never bore any fruit.

But the crowning concession enjoyed by the United States under the conditions of the Reciprocity Treaty of 1854 was the free use of the priceless coast fisheries of British North America. For this concession the able statesmen who represented the Thirteen States in the Peace Settlement at the close of the Revolutionary War struggled long and earnestly. To secure this much-valued possession, all the skill of American Diplomats, persistently employed for three-quarters of a century, was exerted in vain. Under the Treaty of 1818 the right to the sea fisheries of the Gulf of St. Lawrence was resigned to the United States; but not until 1854—and then only as part of the Reciprocity Treaty, and terminable with it—did they obtain access to the most valuable portion of the fisheries, namely, those within three miles from the coasts, bays, and creeks of the Provinces. What the value was to the United States of this concession it would not become us to discuss while an Arbitration to determine the compensation to be paid to Canada for twelve years' further enjoyment of it is pending under the provisions of the Treaty of Washington. But as illustrative of the enormous preponderance of advantages reaped by the United States under the Treaty of 1854, we may perhaps be permitted to quote one or two extracts from the Reports of two Commissioners, specially appointed by the United States' Government to inquire and report on the subject of Reciprocity, as to the value of this one item in the balance of the international account:—

“Without participation in the sea-fisheries near the shores of the Colonies our deep sea-fisheries in that region will become valueless.”—J. D. Andrews' Report, p. 35.

“England possesses no nursery for seamen at all equal to her North American Colonial trade.”—*Ibid.*

“The average number of French seamen engaged in the cod-fishing [of the Gulf of St. Lawrence] from 1841 to 1850 was 11,500, and the average bounty paid annually was 3,900,000 francs (780,000 dollars), equivalent to 67 dollars for each seaman. France trains up in this manner able and hardy seamen for her navy, who would cost the nation much more if they were trained on ships of war.”—*Ibid.*

“The United States tonnage engaged in 1862 in the cod fishery was 122,863 tons; in the mackerel fishery, 80,596 tons; aggregate, 203,459 tons. The returns of fish and oil from this tonnage for 1862 considerably exceeded 14,000,000 dollars.”—E. H. Derby, page 42.

“Seamen (United States) in fisheries in 1862, 28,048.” “The fisheries break in at least 5,000 new seamen annually.” “Six hundred sail have in a single season fished for mackerel in the Gulf of St. Lawrence and Bay of Chaleur, and taken fish to the amount of 4,500,000 dollars.” “Nearly one-fourth of our fishing fleet, with a tonnage of 40,000 to 50,000 tons, worth 5,000,000 to 7,000,000 dollars annually, fish near the three mile line of the Provinces.”—*Ibid.*, page 44.

Such was the Treaty of 1854 which the United States terminated in 1866 on the ground that the advantages from it were all on the side of the Provinces and against the Republic. Well might the Commissioner of the United States' Treasury (Mr. Derby), writing regretfully of the repeal, use these words:—“It quintupled our trade with the Provinces, gave an impulse to public improvement, and utilized the new canals, railways, and other avenues of commerce.” And he might as truly have added—“had the Provinces retaliated in the same spirit, it would have lost us the enjoyment of the shore fisheries of the maritime provinces, the use of the Canadian canals, and the navigation of the St. Lawrence river, all of which we enjoyed without consideration.” Fortunately the Provinces did not act in the same spirit. They thoroughly believed in the practical good sense of the United States' people, especially with such a balance sheet to look back upon as the results of the Treaty of 1854 present. They assumed that there were matters existing in 1865-66 to trouble the spirit of American Statesmen for the moment, and they waited patiently for that sober second thought which was sure ere long to put all things right.

Immediately on the repeal of the Treaty, Customs duties were imposed by the United States on nearly all the articles imported under it from the Provinces. The Canadian tariff was very little changed, and, as will be presently shown, a large preponderance of the exports from the United States into the Dominion are still admitted free of duty. The use of the Canadian canals was continued to American shipping and commerce on precisely the same terms as to those of Canada; the free navigation of the River St. Lawrence was still left open to American craft; and the shore fisheries of the St. Lawrence were thrown open from year to year to American fishermen on payment of a small license fee.

The industry of Canada had been largely directed to the supply of the American market with commodities for home consumption as well as for foreign exportation; and the repeal in 1866 of the Reciprocity Treaty, under which so vast a trade had grown up, rendered imperatively necessary prompt measures to open new markets for the sale of Canadian produce. These measures were at once taken.

Under the influence of the formal notice given by the United States in 1865 of their intention to terminate the Treaty, Federation of the Provinces, then under discussion, was hurried on, and became a *fait accompli* within fifteen months after its repeal. The Intercolonial Railway was at once undertaken at a cost of over 20,000,000 dollars at the national expense, to secure direct connection to and from the Atlantic Ocean at Halifax and St. John's on Canadian soil, and the last section of that road will shortly be opened for traffic. Commissioners were dispatched to the British and other West India Islands and to South American States to promote the extension of direct trade between them and the Dominion. The enlargement of the Canals, the improvement of the navigation of the lakes and River St. Lawrence, the construction of the Bay Verte Canal to connect the waters of the Bay of Fundy and the St. Lawrence, the subsidizing of ocean and river steam-ship lines, and the promotion of the great ship-building and fishery interests, all received a new and vigorous impetus.

These measures were attended with remarkable success. Only seven fiscal years have passed since the repeal of the Treaty; but already the loss inflicted by it has been more than made up, and excellent outlets in new directions opened for Canadian commerce, with an increasing annual proportion of the vast carrying trade formerly done for the Provinces

by the railways, canals, and steam-ships of the Republic transferred to Canadian hands. The traffic between the United States and the Provinces at once fell from an average, during the three years before the repeal (according to American official statistics), of nearly 75,000,000 dollars per annum to an average of 57,000,000 dollars per annum, during the first three years following repeal. The act of Confederation too, removed from the category of foreign commerce to that of home consumption the large interchanges of commodities between the several sections of the Dominion; and the aggregate foreign commerce of the Provinces consequently fell in the first year after the repeal of the Treaty to 139,202,615 dollars from 160,409,455 dollars in the previous year. As will be seen from the following statement, however, the trade of the Dominion speedily recovered from the blow, and the volume of its foreign commerce gradually increased until, in the seventh year from the repeal of the Treaty, it reached the great sum (for a people of 4,000,000) of 235,301,203 dollars, being 75,000,000 higher than it had ever reached in any year of the Treaty's existence.

Total exports and imports of Canada and Newfoundland—								Dollars.
1867 ..	..	..	..	..	..	..	..	139,202,615
1868 ..	..	..	..	..	..	..	..	139,595,615
1869 ..	..	..	..	..	..	..	..	142,240,897
1870 ..	..	..	..	..	..	..	..	161,275,538
1871 ..	..	..	..	..	..	..	..	184,852,006
1872 ..	..	..	..	..	..	..	..	205,339,943
1873 ..	..	..	..	..	..	..	..	235,301,203
Total, seven years								1,207,807,817

The traffic between the United States and the Dominion still assumed large proportions, notwithstanding the barriers now raised against it. The aggregate imports and exports which, immediately before the repeal had been (according to the United States' returns)—

								Dollars.
In 1864 ..	..	..	..	..	..	..	..	67,909,162
1865 ..	..	..	..	..	..	..	..	71,374,816
1866 ..	..	..	..	..	..	..	..	84,070,955

fell, immediately after the repeal, to—

								Dollars.
In 1867 ..	..	..	..	..	..	..	..	57,927,347
1868 ..	..	..	..	..	..	..	..	56,624,493
1869 ..	..	..	..	..	..	..	..	56,287,546

But then the falling-off stopped. The volume of traffic then begun steadily to re-ascend, and reached—

								Dollars.
In 1870 ..	..	..	..	..	..	..	..	67,939,125
1871 ..	..	..	..	..	..	..	..	71,927,077
1872 ..	..	..	..	..	..	..	..	73,720,512
1873 ..	..	..	..	..	..	..	..	82,381,626

or within 2,000,000 dollars of the highest point reached during the Treaty's operation. The aggregate traffic between the countries in the seven fiscal years since repeal was 466,807,726 dollars.

But large as this volume of trade is, it is instructive to observe how small a proportion of the foreign commerce of Canada this now forms, in comparison with the share of it enjoyed by the United States while the Treaty was in operation. During its thirteen years' existence the aggregate exchange of commodities between the countries averaged 46 per cent. of the entire foreign commerce of the Provinces; and in its last year the average had reached not less than 52½ per cent. of their entire commerce. But since the repeal the case is totally altered. The proportion of the foreign commerce of Canada transacted with the United States fell—

In 1867 to ..	..	..	..	..	..	..	..	42 per cent.
1868 to ..	..	..	..	..	..	..	..	41 "
1869 to ..	..	..	..	..	..	..	..	40 "
1870 to ..	..	..	..	..	..	..	..	42 "
1871 to ..	..	..	..	..	..	..	..	40 "
1872 to ..	..	..	..	..	..	..	..	36 "
1873 to ..	..	..	..	..	..	..	..	35 "

The average proportion of the commerce of the Provinces has been since the repeal but 38½ per cent., against nearly 50 per cent. in the last five years of the Treaty. Had

the Treaty not been abrogated in 1866, and the percentage of Canadian traffic with the States risen no higher than it did under the Treaty, the interchange of commodities between the countries in the last seven years would have aggregated 600,000,000 dollars.

But it is not only in the diminution of commerce that the United States have suffered by the abrogation of the Treaty. The changed character of the traffic now carried on between the countries in comparison with that formerly done is also worthy of attentive observation. In spite of Customs duties and Custom-house barriers, the purchases of the United States from Canada are still large, but the character of the purchases is very much changed. For example, the consumption of lumber throughout the Republic increases enormously every year, and indeed all over the world. The home supply of it in the United States is fast disappearing; prices go up steadily; and here is the result since the repeal of the Treaty on the United States purchases from Canada of that one article:—

					Dollars.
1866-7.	Lumber exports to United States	..	..	..	6,437,860
1867-8.	"	"	"	"	6,727,006
*1868-9.	"	"	"	"	1,208,446
1869-70.	"	"	"	"	8,670,702
1870-1.	"	"	"	"	8,264,837
1871-2.	"	"	"	"	8,410,917
1872-3.	"	"	"	"	11,134,956

And the prices of lumber go up in prompt sympathy with the increasing demand, for the benefit of the lumber operators, who are in no need of sympathy in Canada, whatever they may be in the United States, but to the injury of numerous branches of industry in which wood forms an important element, and to the serious embarrassment of agricultural operations on prairie lands and elsewhere.

And so it is with fish, barley, peas, wool, hides, sheep, horses, and other articles of Canadian production which cannot easily be got elsewhere, the demand from the United States is good and constant, notwithstanding the Custom-house barriers, and the prices go steadily up.

But in regard to wheat, flour, provisions, and other articles of which the United States have a surplus as well as Canada, the effect of the duties upon them has been to send through Canadian channels direct to the maritime provinces, the West India Islands, and Great Britain, a vast amount of products that were formerly sold to New York and Boston houses, and shipped to those same markets through American channels. Where two countries alongside of each other have each a large annual surplus of the same article, and that article is in world-wide demand, heavy duties against each other can hardly be effective. The stuff will find its way to market by some route or other.

The change on the other side of the account is equally instructive. The imports of domestic productions of the United States (as distinguished from foreign productions) into Canada, in the four years previous to the abrogation of the Treaty, averaged 28,131,802 dols. annually, but on its abrogation they immediately fell to 20,548,704 dols. in 1867; and though they have since gradually recovered, so that the imports of the last seven years have averaged 25,649,349 dollars per annum, this was due, not to a demand for home consumption, but to the increasing carrying trade of the Dominion with foreign countries. The necessity of direct intercourse with foreign markets for Canadian products, forced on Canadian merchants by the repeal of the Treaty, led on to a considerable traffic with those markets in American domestic products. Hence we find in the imports of Canada from the United States in the last few years, such items as the following:—

					1871-2.	1872-3.
					Dollars.	Dollars.
Meats, fresh, salted, and smoked	..	..	..	..	1,047,272	1,227,870
Swine	..	..	..	..	612,506	1,265,813
Flour and meal	..	..	..	..	2,604,644	2,505,581
Indian corn	..	..	..	..	3,778,256	4,360,854
Wheat	..	..	..	..	4,450,404	6,894,247
Total	..	..	..	..	12,493,082	16,254,365

Large portions of these articles were purchased for foreign exportation, either in the raw state or after being manufactured in Canada. The general progress of this trade,

* This great reduction, we assume, arose from the expectation of the lowering of the duty on lumber, which went into force the following year.

though not consisting solely of American products, is pretty well indicated by the following official returns:—

						Dollars.
1868.	Exports of foreign goods	..	..	..	..	4,196,821
1869.	" "	..	..	..	..	3,855,801
1870.	" "	..	..	..	..	6,527,622
1871.	" "	..	..	..	..	9,853,033
1872.	" "	..	..	..	..	12,744,125
1873.	" "	..	..	..	..	9,405,910
	Total	..	..	..	..	46,583,312

The home consumption of American domestic products in the Canada market has, therefore, largely decreased since the repeal of the Reciprocity Treaty.

But the most remarkable effect of the abrogation of the Reciprocity Treaty was the immediate change it produced in the balance of trade between the countries. From the year 1820 up to 1866—a term of forty-six years—there were only (according to the United States' returns) five years in which the annual transactions between the Republic and the Provinces did not show a large cash balance against the Provinces. But four of these five exceptions were merely the result of temporary depreciation of the currency consequent on the war. The entire interchange of traffic from 1820 to 1866, showed a cash balance in favour of the United States of 195,219,272 dollars.

But this state of things came to a sudden end with the expiration of the Treaty, and the balances in favour of the Dominion have since been as follows:—

							Dollars.
1866-7	..	..	..	..	..	..	9,281,009
1867-8	..	..	..	..	..	..	4,099,949
1868-9	..	..	..	..	..	..	7,893,082
1869-70	..	..	..	..	..	..	14,240,477
1870-1	..	..	..	..	..	..	2,921,625
1871-2	..	..	..	..	..	..	8,202,352
1872-3	..	..	..	..	..	..	5,236,514
	Total in seven years	..	..	..	..	..	51,875,008

There is still another feature of the changed relations between the countries well worthy of special note. The time was when the merchants of New York and Boston controlled a large proportion of the import and export traffic of the British Provinces, but that time passed away with the Reciprocity Treaty. Customs duties, Custom-house restrictions and examinations, Consuls' Certificates and Bonding entries and charges, with all their annoyances and delays, have acted severely against the traffic of these ports in Canadian products and the railways and Canals leading from them, and forced the business into more northern channels.

Mr. E. H. Derby, Special Commissioner of the Treasury, in his official Report to Mr. McCulloch of 1st January, 1866, page 81, makes this statement: "The commerce of Boston affected by the Treaty of Reciprocity exceeds 27,000,000 dollars annually, namely, imports from and exports to the maritime provinces, 6,000,000 dollars; outfits and returns in deep sea fisheries, 11,000,000 dollars; imports of wool, grain, and animals across the frontier of Canada, and entered there, with returns, at least 10,000,000 dollars." We have no personal knowledge as to the accuracy of this estimate, but no better authority on the point than Mr. Derby could be desired; and if this was the annual interest of one United States' port affected by the Treaty in 1866, when the entire annual foreign commerce of the provinces was little more than 100,000,000 dollars, how shall the gain of 5,000,000 or 6,000,000 dollars to the public Treasury levied on such necessities of life as beef, flour, coals, lumber, &c., compensate the loss of driving away from the great marts of the Republic the lion's share of a traffic already amounting to 235,000,000 dollars per annum?

But with all these barriers and drawbacks in the way of natural and easy traffic, it is in the highest degree instructive to observe how important the commercial transactions between the Republic and Canada remain, even now, in comparison with those between the United States and countries more remote. Permit us to analyse the export traffic of the United States for the fiscal year ending 30th June, 1872, in order to show this. In that year the entire export traffic of the Republic with foreign countries, including the trade *in transitu*, was as follows:—

	Dollars.
Of Home products	549,219,718
Of Foreign products	22,769,749
Of Foreign products <i>in transitu</i> over the railways, &c., of the United States to foreign countries.. .. .	31,385,320
Total export traffic in 1871-2	603,374,787

Of this vast traffic, Great Britain and her Colonies (omitting Canada and Newfoundland) took from the United States—

	Dollars.
Of Home products	329,224,701
Of Foreign products	8,844,872
Of goods <i>in transitu</i>	3,420,332
	<hr/>
	341,489,905
Remaining export traffic	261,884,882

Of this remaining traffic the British North American Provinces took—

	Dollars.
Of Home products	27,774,091
Of Foreign products	4,984,989
Of goods <i>in transitu</i>	24,098,114
Total British North American products	56,857,194
Germany took	43,483,003
France and her Possessions took	34,704,730
Spain and her Possessions took	27,577,792
	<hr/>
	162,622,719
And all the rest of the World	99,262,163

From these figures it will be seen that, in the year 1871-72, Great Britain and her Colonies (including Canada) took over 66 per cent. of the entire export traffic of the United States, and all the rest of the world but 34 per cent.

It will also be seen that in that year the Canadian Dominion and Newfoundland took 13,374,191 dollars more of the export traffic of the United States than did any country in the world outside the British Empire; that she took 22,152,464 dollars more of it than France and all her Possessions; and more than double the amount taken by Spain and all her Possessions.

A further analysis of the foreign commerce of the United States shows that in the same year the export traffic from the United States to the Dominion exceeded the entire exports of the United States to the Chinese Empire, the Russian Empire, Brazil, Mexico, Italy, Japan, Hayti, Venezuela, Denmark and her Possessions, Chili, Portugal and her Possessions, the Central American States, the Austrian Empire, the Argentine Republic, the Turkish Empire, the Sandwich Islands, Sweden, Norway, Liberia, and Greece, all put together. The total export traffic of the United States to these twenty countries in home products, foreign goods, and goods *in transitu* being 56,663,359 dollars, while that to Canada was 56,857,194 dollars.

A continued analysis of the United States official returns shows that while Canada, in 1871-72, thus swelled the export sales of domestic and foreign goods of the United States, and the carrying trade of their ocean fleet and railways and canals to an equal extent with the above twenty countries, the United States took that year from Canada in return but 40,961,432 dollars, of which 4,604,502 dollars was gold and silver. 1,180,790 dollars goods of United States' production returned to the States from Canada; and 691,299 dollars effects of immigrants passing through Canada into the United States. But, on the other hand, while the twenty countries above-named took, as above stated, but 56,663,359 dollars of the export traffic of the United States, their import traffic into the United States was no less than 108,377,613 dollars.

Again, of the entire purchases by Canada from the United States in 1871-72 of home and foreign products (excluding the transport traffic from the comparison) articles to the value of 20,710,532 dollars were admitted free of duty, and only on 12,048,548 dollars was any duty paid. The total amount of duty levied was 2,216,215 dollars, or an average percentage on Canada's entire importations from the States (free and dutiable) of that year of only 6 $\frac{3}{4}$ per cent. On the other hand, of the purchases by the United States from Canada in the same year, the articles admitted free of duty were to the value of but 9,329,881, and those subjected to duty 31,631,551 dollars. Indeed, as there were

included among the free importations 4,619,502 dollars of gold and silver coin and bullion, 1,180,790 dollars of United States' productions returned to the States, and 686,800 dollars of effects of immigrants passing through Canada into the States, the free importations of merchandize from Canada by the United States were in reality but 2,842,789 dollars against 31,631,555 dollars, on which Customs duties were levied to somewhere about 25 per cent. on the entire importations of the year. And the same state of things is found in the year ending 30th June, 1873. The declared value of the entire export traffic of the United States with foreign countries was as follows:—

	Dollars.
Of Home products	649,132,563
Of Foreign products	28,149,511
Of Foreign products passing in transit over the railways and canals of the States to foreign countries.. .. .	40,099,185
Total of United States' export traffic, 1872-3	<u>706,949,259</u>

Of this vast export traffic, Great Britain and her Colonies received from the United States:—

	Dollars.
Of Home products	420,939,283
Of Foreign products	18,639,171
Of Foreign goods brought over the railways and canals of the States	33,071,529
	<u>472,649,983</u>
Balance to rest of the World.. .. .	234,299,276

Of the above great amount of traffic taken from the United States by Great Britain and her Colonies, Canada took:—

	Dollars.
Of Home products	34,368,811
Of Foreign products.. .. .	4,203,745
Of goods imported over the railways and canals of the United States.. .. .	26,784,184
Total export traffic to Canada	<u>65,356,740</u>
Germany's share was	68,724,421
France and her Possessions took	36,083,266
Spain and her Possessions took	29,257,121
And all the rest of the World.. .. .	100,234,468

Great Britain and her possessions, therefore took 67 per cent. of the entire export traffic of the United States for 1872-3, and all the rest of the world but 33 per cent.

With the exception of Germany (whose traffic exceeded that of the Dominion by only 3,367,681 dollars) Canada in this year was the largest customer of the United States outside the British Empire. She took 29,273,470 dollars of United States export traffic more than was taken by France and her Possessions; more than double what was taken by Spain and all her Possessions; and more than the Russian Empire, Spain, Japan, Italy, Brazil, Mexico, Hayti, Peru, the Argentine Republic, Venezuela, Sweden, Norway, Denmark and her Possessions, Chili, China, Uruguay, the Austrian Empire, the Turkish Empire, the Central American States, Portugal and her Possessions, the Sandwich Islands, Liberia and Greece all put together. These twenty-two countries took in all 64,901,145 dollars, of the export traffic of the United States, of which 12,397,315 dollars was gold. While Canada alone took 65,556,740 dollars, of which only 4,289,181 dollars was gold.

On the other hand the United States in the same year imported from Canada but 43,809,070 dollars, of which 6,159,538 dollars was gold, 1,211,155 dollars products of the United States returned from Canada to the States, and 729,985 dollars effects of immigrants passing through Canada into the United States. The actual importation of Canadian merchandize was, therefore, but 35,708,392 dollars; while the twenty-two countries above named, whose share of the United States export traffic of the year was but 64,901,145 dollars, including gold, or 52,593,830 dollars excluding it, sent into the United States in the same year no less than 131,101,423 dollars of which but 2,104,393 dollars was gold. The "balance of trade" for the year 1872-3, therefore, was 52,593,830 dollars of export traffic from the United States into these twenty-two countries, and 128,597,030 dollars of imports into the United States from them, or 76,303,200 against the United States.

And the contrast is even more marked when the United States' Customs duties on Canadian products is compared with those on those of the products of other countries

whose commerce is of infinitely less moment than that of Canada. In the year 1872-3, of the 35,708,392 dollars of merchandize imported by the United States from Canada, only 4,334,285 was admitted free of duty, and on the remaining amount of 31,374,107 dollars duties were levied to somewhere about 25 per cent. on the entire importations from Canada of that year. Canada on the other hand on her importations from the United States, the same year admitted merchandize to the value of 22,016,590 dollars entirely free of duty and levied duties on only 16,555,866 dollars, to the amount of but 2,923,795 dollars, or $8\frac{1}{2}$ per cent. on the entire importations of merchandize for the year. How different was it with the twenty-two countries above named. Of their importations into the United States 102,501,338 dollars was received free of duty, and only on 29,200,085 dollars was any duty charged.

It is not for us to criticise in any way the manner in which the United States choose to impose their duties. We merely mention these things to remind you of the disadvantageous position Canada occupies in her transactions with the Republic in comparison with that of other countries whose transactions are not to be compared in extent or profit with those of the British Provinces.

When with all these facts before them, Her Majesty's advisers invite the Government of the United States to reconsider the whole commercial relations of the Republic and the Dominion, with a view to placing them on a friendly and durable basis of reciprocal advantage, the question naturally presents itself, how it comes that having prospered so well since the repeal of the Reciprocity Treaty of 1854, Canada now seeks for its restoration? The answer is as natural as the question. The population of the United States is 40,000,000, and that of the Dominion is but 4,000,000; the boundary between them is for the most part but a surveyor's line, often unknown even to those who live beside it; and it is of the utmost importance to Canada that common interests and mutual good will should exist between the countries. And what so conducive to this end as commercial intercourse generously carried on and mutually profitable? The people of Canada are not ignorant that a market near at hand is better than a distant one; and good as their present markets are, they would gladly have the old one in addition. They comprehend the barrier that Custom-house restrictions throw in the way even of the existing traffic, and they seek to have these withdrawn. They are proud of their own St. Lawrence route, and intend to improve it to the uttermost for the benefit of the great west and their own, but would gladly use the ocean ports and other channels of commerce of the Republic when freights and fares and friendly reciprocity draw them in that direction. And very great as have been the advantages always accruing to the United States from reciprocity, the Canadians can find only cause of hearty rejoicing at that, so long as they themselves continue to enjoy that moderate degree of prosperity with which Providence has blessed them. There is no mystery—no *arrière pensée*—in their desire that the commercial relations of the Republic and the Dominion should be placed on the most kindly and unfettered and mutually advantageous basis consistent with their respective existing obligations, and of that connection with Great Britain which the provinces so happily enjoy:

It was with these views, and in this spirit, that the Canadian Administration availed itself of the opportunity presented by the XXIInd Article of the Treaty of Washington to represent to Her Majesty's Government the advantage that would accrue to both countries by the substitution of a satisfactory Commercial Treaty in lieu of the money compensation to be paid (under arbitration) by the United States for twelve years' enjoyment of the coast fisheries of the Dominion. It was felt that if the large value placed by the Canadian people on their fisheries were not reasonably compensated by the results of the arbitration a feeling of dissatisfaction might be engendered in the Provinces not conducive to international harmony; and that if, on the other hand, an award were made equal to the confident anticipations of the Provinces, the good feeling restored in the United States by the Treaty of Washington might be sensibly impaired. To merge the matter in a general measure of mutual commercial concessions, for the mutual advantage of both parties, and with injury or injustice to neither, seemed the fitting conclusion to be arrived at by the Governments of two great nations.

Her Majesty's Ministers were pleased to adopt the suggestion of the Canadian Government, and the matter having been brought under the attention of the Secretary of State, and through you, Sir, to the notice of the President of the United States, a friendly response was at once received, and the necessary measures instituted for opening formal negotiations.

1. In the interview which we had the honour to be favoured with by you at the State Department on the 28th of March, we stated to you that Her Majesty's Government was prepared to accept a renewal of the Reciprocity Treaty of 1854 as a substitute for the

arbitration provision of the Washington Treaty, in reference to the Canadian coast fisheries.

2. You thereupon suggested an enlargement of the scope of that Article, and we asked in what manner you would propose to enlarge it.

3. You replied that you had no proposition to make, but that you suggested as topics for discussion—the enlargement of the Canadian canals, so as to facilitate the transportation of the products of the Great Western States to the Atlantic sea board, and also the addition of certain classes of manufactures of the free list of the old Treaty.

4. We then stated that we were prepared to enter into an agreement for the enlargement of the Canadian canals.

5. In regard to the addition of certain classes of manufactures to the free list under the old Treaty, we reminded you that the revenue of the Canadian Dominion was largely obtained from a 15 per cent. *ad valorem* duty on manufactured goods, and that any article made free in Canada, under agreement with any foreign country, must be made free to Great Britain. But we added that the Government of Canada was desirous to afford every facility for the encouragement of extended commercial relations between the Republic and the Dominion, in the belief that nothing could tend more to their mutual advantage, not only in a pecuniary sense, but as tending to foster and strengthen those friendly feelings that ought eminently to prevail between two peoples mainly derived from the same origin, speaking the same language, and occupying the geographical position towards each other of the United States and Canada. We conveyed to you the assurance of the Canadian Government that, acting in this spirit, and in the confidence that we would be met in the same spirit by the Government of the Republic, the assent of Canada will be heartily given to any measure calculated to promote the free and fair interchange of commodities, to reduce the cost of transportation, or conduce to the joint advantage of the two countries, so that it be not seriously prejudicial to existing industrial interests of the Canadian people.

6. In the spirit of this assurance we invited you to suggest for discussion the classes of manufactures that you would desire to have embraced in the new Treaty. This you declined to do, but you urged that we should indicate the enlargement of the old Treaty likely to be acceptable to both countries. Without acquiescing in the propriety of this course we yielded to your wishes, and now proceed to fulfil our promise to do so.

7. We propose that the new Treaty shall be for the term of twenty-one years—to inspire confidence among business men their investing capital in such expensive enterprises as would naturally follow from the completion of a comprehensive Treaty.

8. We propose that the Treaty shall provide for the free admission into the United States, the Dominion of Canada, and the Island of Newfoundland of the following articles, as under the Treaty of 1854:—

Animals and their Products.

Animals of all kinds.
Butter.
Cheese.
Eggs.
Furs, undressed.
Hides, undressed.
Horns.
Lard.

Meats, fresh, smoked, or salted.
Pelts.
Poultry.
Skins, undressed.
Tails, undressed.
Tallow.
Wool.

Products of the Farm.

Breadstuffs of all kinds.
Broom, corn.
Cotton, wool.
Flax, unmanufactured.
Flour of all kinds.
Fruits, dried and undried.
Grain of all kinds.
Hemp, unmanufactured.

Plants
Rice.
Seeds.
Shrubs.
Tobacco, unmanufactured.
Tow, unmanufactured.
Trees.
Vegetables.

Products of the Forest.

Ashes.
Bark.
Firewood.
Lumber of all kinds, round, hewn, or sawed, unmanufactured in whole or in part.

Pitch.
Tar.
Timber of all kinds, round or sawed, unmanufactured in whole or in part.
Turpentine.

Products of the Mine.

Burr or grindstones, hewn, wrought or unwrought.	Marble, in its crude or unwrought state.
Coal.	Ores of all kinds of metals.
Gypsum, ground or unground.	Slate.
	Stone, in its crude or unwrought state.

Products of the Water.

Fish, products of, and of all other creatures living in the water.	Fish of all kinds.
	Fish oil.

Sundries.

Dye stuffs.	Manures.	Rags.
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9. We propose the following additions to the above list of free articles :—

Agricultural implements, to be defined.	Manufactures of iron or steel and wood jointly.
Bark, extract of, for tanning purposes.	Manufactures of wood.
Bath bricks.	Mineral and other oils.
Bricks for building purposes.	Plaster, raw or calcined.
Earth ocbres, ground or unground.	Salt.
Hay.	Straw.
Lime.	Stone, marble or granite, partly or wholly cut or wrought.
Malt.	
Manufactures of iron and steel.	

10. We propose that the enjoyment of the Canadian coast fisheries shall be conceded to the United States during the continuance of the new Treaty in the manner and on the conditions provided under the Washington Treaty, except those in regard to the payment of money compensation for the privilege.

11. We propose that during the continuance of the Treaty the coasting trade of Canada and of the United States shall be thrown open to the vessels of both countries on a footing of complete reciprocal equality.

12. We propose that the Canadian canals, from Lake Erie to Montreal, be enlarged forthwith at the expense of Canada, so as to admit of the passage of vessels 260 feet in length with 45 feet beam, with a depth equal to the capacity of the lake harbours.

13. We propose that during the continuance of the Treaty, all the Canadian canals and the Erie, Whitehall, Sault St. Marie, and Lake St. Clair Canals in the United States shall be thrown open to the vessels, boats, and barges of both countries, on the same terms and conditions, to the citizens of both countries; and that full power be given to tranship cargo from ships or steamers, into canal boats at any canal entrance, and also to tranship boats into ships or steamers at any canal outlet.

14. The free navigation of the St. Lawrence River having been conceded for ever by Great Britain to the United States under the Washington Treaty, but the free navigation of Lake Michigan having been conceded for ten years only by the United States to Great Britain under the same Treaty, we propose that both concessions be placed on the same footing, free from restrictions as to reporting at any port in the United States other than the port of destination.

15. We propose that during the continuance of the Treaty vessels of all kinds built in the United States or Canada may be owned and sailed by the citizens of the other, and be entitled to registry in either country and to all the benefits thereto pertaining.

16. We propose that a Joint Commission shall be formed, and continued during the operation of the Treaty for deepening and maintaining in thoroughly efficient condition, the navigation of the Rivers St. Clair and Detroit, and Lake St. Clair, on which ever side of the river the best channel can be found; the expense to be defrayed jointly by the Contracting Parties, by contributions corresponding to the commerce carried on in these waters by them respectively.

17. We propose that a Joint Commission shall be formed, at joint expense, and maintained during the operation of the new Treaty, for securing the erection of proper regulation of all lighthouses on the great lakes, common to both countries, necessary to the security of the shipping thereon.

18. We propose that a Joint Commission shall be formed, at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing grounds.

19. We propose that citizens of either country shall be entitled, during the continuance of the Treaty, to take out letters-patent for new discoveries, in the other country, on the same footing as if they had been citizens of that country.

20. We propose that the best method of discountenancing and finishing illicit trade between the countries shall be the subject of consideration and co-operation by the Customs authority of the two countries.

21. That in case a Treaty of Commercial Reciprocity should not have been concluded before the end of the present Session of Congress, the right of adjudication of the claim of Canada to compensation for the Fisheries under Articles XXII to XXV of the Treaty of Washington would in no degree be waived; and that in that event, the fulfilment of the stipulations contained in those Articles would be immediately proceeded with.

(Signed) EDWD THORNTON.
GEO. BROWN.

Washington, April 27, 1874.

No. 279.

Sir E. Thornton to the Earl of Derby.—(Received May 10.)

(No. 164.)

My Lord,

Washington, April 28, 1874.

DURING the interview which Mr. Brown and I had yesterday with Mr. Fish, the latter alluded to a letter which he had received in 1871 from the Governor of the State of New York relative to the provisions of the XXVIIth Article of the Treaty of Washington, relating to the navigation of the State canals.

In my despatch to Earl Granville No. 23 of the 15th January, 1872, I informed his Lordship that Mr. Fish had read to me the above-mentioned letter. Mr. Fish yesterday expressed his belief that he had sent me a copy of that letter; but on my replying that he had not done so, and expressing a wish to have it, he promised to send it to me. In answer to my question whether the Governor had obtained any expression of opinion upon the subject from the State Legislature of New York, he said that he did not know, but would make inquiries.

I now have the honour to inclose copies of Mr. Fish's note to me, and of the letter of the Governor of New York dated the 4th December, 1871, upon the subject of the canals of that State.

I shall also forward copies of these documents to the Governor-General of Canada.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 279.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, April 27, 1874.

I HAVE the honour to inclose herewith, in compliance with your verbal request, a copy of a letter addressed to the President by the Government of the State of New York under date of the 4th December, 1871, upon the subject of carrying into effect the provisions of the XXVIIth Article of the Treaty of Washington.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 2 in No. 279.

Governor Hoffman to President Grant.

State of New York, Executive Chamber,
Albany, December 4, 1871.

Sir,

I RECEIVED this morning your letter of the 29th November, transmittting to me a copy of a Treaty concluded on the 8th May last between the United States and Great Britain, calling my attention to the XXVIIth Article thereof, whereby the United States engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State canals connected with the navigation of the lakes or rivers traversed by or contiguous to the boundary line between the possessions of the High Contracting Parties on terms of equality with the inhabitants of the United States,

and requesting me to bring the provisions of this Article before the Legislature of this State, now about to convene, and to recommend to it such legislation as will secure to the subjects of Her Britannic Majesty in North America the use of the canals of this State on equal terms with our own citizens.

I have caused inquiries to be made of those charged with the administration of the canals of this State, and learn from them that they know of no restrictions now to be found in the laws of this State upon the equal use of the canals by British subjects and American citizens; that there are no restrictions upon foreigners being the owners, in part or in whole, of boats entitled to navigate our canals, nor would a boat owned wholly in Canada be forbidden the use of our canals, or be subjected to other tolls or other regulations than those imposed upon boats owned in our own State.

I shall, nevertheless, with great pleasure call the attention of the Legislature to the subject, and recommend them to pass such laws as they may find to be necessary to carry into effect at once the agreement made in the XXVIIth Article of the Treaty.

I have, &c.
(Signed) JOHN W. HOFFMAN.

No. 280.

Mr. Rothery to the Earl of Derby.—(Received May 10.)

(No. 33.)

My Lord,

Washington, April 27, 1874.

ON the 24th instant I received from Mr. Edward Atkinson of Boston, the gentleman mentioned in my despatch No. 23 of the 16th ultimo, and one of the most able writers on free-trade in this country, a letter of which a copy is inclosed, informing me that he had spoken to Governor Washburn, the newly-elected Senator for Massachusetts, on the subject of a new Reciprocity Treaty, that he (Senator Washburn) would soon be in Washington, and that I might be sure of his hearty interest, if I brought the subject to his attention.

After what had passed between the Commissioners and myself, as reported in my previous despatches to your Lordship, I thought that it would be better to send a copy of this letter to Sir Edward Thornton, and to ask him if it was his wish that I should not see Senator Washburn. In reply, Sir Edward informed me that he thought it would be better that I should avoid discussing the Reciprocity question with Mr. Washburn, that he knew him pretty well, and should take an early opportunity of calling upon him when he arrived, and of introducing Mr. Brown to him.

Under these circumstances I can of course take no further steps in the matter.

I have, &c.
(Signed) H. C. ROTHERY.

Inclosure in No. 280.

Mr. Atkinson to Mr. Rothery.

Dear Sir,

Boston, April 22, 1874.

I HAVE informed Senator Washburn in regard to the action of the late Senator Sumner upon a new Reciprocity Treaty, and hope that he will be able to forward the matter.

He will soon be in Washington, and you may be sure of his hearty interest if you bring the subject to his attention. He is more of a protectionist than Mr Sumner was, but he is not bigoted.

Yours. &c.
(Signed) EDWD. ATKINSON.

No. 281.

Mr. Rothery to the Earl of Derby.—(Received May 10.)

(No. 35.)

My Lord,

Washington, April 28, 1874.

I HAVE the honour to send you herewith copy of a work to which my attention has just been called. It is the Report of Professor Baird, the Commissioner of Fish and

Fisheries for the United States, on the condition of the Sea Fisheries of the South Coast of New England for the years 1871 and 1872; and although dated in 1873, has only recently been issued.

On finding what a very valuable work it was, and how useful it would be, in case the Commission at Halifax went on, to show the present condition of the United States' Sea Fisheries, I obtained through Senator Anthony, the Chairman of the Committee on Printing, several copies of the work, one of which I now inclose.

In his Report (page 18) Professor Baird says that "the fact of an alarming decrease of the shore fisheries has been thoroughly established by my own investigations, as well as by evidence of those whose testimony was taken on the subject." He says (page 19) "the evidence of the fishermen, and of others familiar with the subject, as published in the present Report, goes to prove that the decrease has continued in an alarmingly rapid ratio during the last fifteen or twenty years, or even less; and I can state of my own personal observation that localities in Vineyard Sound, where nine years ago an abundance of scup, luntog, sea-bass, &c., especially the former, could be caught, do not now yield one-tenth part of the weight of fish, in the same time, and at the same season."

And summing up the result of his inquiries and observations in the year 1872, the Professor says (page 36), "I found what I had expected, that with the exception of the scup, fishes of all kinds in Vineyard Sound and Buzzard's Bay were as much scarcer in 1872 compared with 1871 as they had been in that year compared with the preceding one. The testimony everywhere with scarcely an exception, both from line men and trappers, was that the whole business of fishing was pretty nearly at an end, and that it would scarcely pay parties to continue the work on a large scale in 1873." And further on he says, "At Edgartown and Hyannis the testimony was absolutely unanimous as to the fact of a woeful diminution, and the doubtful future of the entire fishery interest."

This alarming condition of affairs Professor Baird attributes to two causes; first, over-fishing by means of fish-ponds and weirs, more especially during the spawning season, when the fish approach the shore to deposit their spawn; and, secondly, the presence in American waters of a fish called the blue fish, whose powers of destruction seem to be almost fabulous. The fish, Professor Baird informs us (page 236), "appear to have a regular migration along our coast, presenting themselves later and later in the Spring the farther they are found to the north, and disappearing in the inverse order from the same regions in the autumn." They are first seen on the Carolina coast as early as March or April; they then pass northward, and appear off the middle States from about the middle of May to the middle of June; and in the month of October they again pass to the southward. So voracious are they that it is said that each fish will, on the average, eat, or at least, destroy, its own weight of fish daily. They drive away or destroy every other kind of fish, and from the day on which they appear not a mackarel is ever caught, although they might immediately before have been plentiful.

So great appears to have been the destruction of fish from these two causes, that according to Professor Baird (page 38) "it is too evident that, unless some protective measures be adopted, the fisheries in these waters will be practically destroyed in a very short time." As to the blue fish, the Professor says that there are no known means of destroying them; and the only way in which he proposes to mitigate the evil is by regulating the number and use of the fish-ponds or weirs; but there would seem to be some difficulty in doing this, owing to the fact that they are under State and not under Federal Government, and that it is not easy to obtain united action for the control of the fisheries between those States which are situated at the mouths, and those which are on the upper waters of their rivers.

On the other hand in Canada, owing to the effective control exercised by the General Government over the whole coast, and to the measures which have been taken for the protection of the breeding grounds, an ample supply of young fishes is annually obtained. The great scourge, too, of the American waters, the blue fish, has not yet found its way into the Canadian waters, nor is there any reason to fear that it will ever get so far north owing to the increasing coldness of the waters.

It will be seen then how important such a work as this of Professor Baird's will be, should the case ultimately go to an arbitration, where the principal question to be decided will be the relative values of the Canadian and United States fisheries. Coming, too, as it does from the highest authority on the subject in this country, it would be impossible for those, who might be employed to defend the interests of the United States before the Commission, to deny that there has been for some years past, of the waters of the New England States, what Professor Baird calls "an alarming decrease in the inshore fisheries," and that, unless some protective measures can be adopted, "the fisheries in those waters will be practically destroyed in a short time." As, too, the evil appears to be growing, it

might very fairly be argued that the difference between the values of the Canadian and United States' fisheries will become year by year greater, and that, on that account, a larger compensation ought to be awarded.

The work contains a very great deal of important matter in addition to the Report of Professor Baird; I refer more particularly to the testimony collected in regard to the condition of the fisheries in 1871 (pp. 7 to 72); the reports of the States Commissioners as to regulating the fisheries by law (pp. 73 to 124); the evidence of the great abundance of fish on the New England coast in former times (pp. 149 to 172); the supplementary information collected in 1872 (pp. 182 to 195); the arguments for and against regulating the fisheries by law (pp. 196 to 227); and above all the very valuable papers on the two most important food fishes of the New England States, the scup and the blue fish (pp. 228 to 252). The whole book is full of valuable matter, and I shall probably have occasion at no distant period again to call your Lordship's attention to it.

If the Treaty which is now being negotiated should be signed, it would seem at first sight that any inquiry into the state of the New England fisheries would be superfluous; but apart from the fact that any information in regard to the American fisheries cannot be otherwise than important to us, it appears to me that, in the event of the negotiations being broken off, it would be desirable that no time should be lost in preparing for the Arbitration at Halifax, and that there could, therefore, be no harm in collecting the necessary materials for it beforehand.

I have, &c.
(Signed) H. C. ROTHERY.

No. 282.

Mr. Farrer to Lord Tenterden.—(Received May 11.)

My Lord,

Board of Trade, Whitehall Gardens, May 9, 1874.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 6th instant, inclosing copy of a despatch from Her Majesty's Minister at Washington and copy of a portion of a Memorandum to be submitted to Mr. Fish.

On most of the points contained in these papers, the Board of Trade have already observed sufficiently in their letter of the 23rd ultimo. But there is one point in these papers of great importance to which they desire again to call special attention.

The Memorandum contains the following paragraph:—

“We propose that during the continuance of the Treaty vessels of all kinds built in either country may be owned or sailed in whole or in part by the citizen of the other, and be entitled to registry in either country, and to all the benefits thereto pertaining.”

And Sir E. Thornton's letter contains the following remarks on that proposal:—

“But it also appeared to me that Her Majesty's Government might not consent that Canadian vessels should be allowed this privilege to the exclusion of vessels built and owned in the United Kingdom. It was therefore agreed that we should suggest the opening of the coasting trade only as far as the Lakes and the River St. Lawrence were concerned, with which ships built in the United Kingdom might not care to interfere, although it would be always desirable to stipulate for the flag rather than for the ship.”

The first and most serious objection to the proposal is that it would make for the first time a distinction for the purposes of trade between the Imperial and the Colonial flag.

The self-government of the Colonies is now an essential part of the British Imperial system. But Colonial self-government has not been allowed to infringe upon the unity of the Empire; and of that unity the unity of the British flag is one of the most important features.

A British ship, to whatever part of the Empire she may belong, is a British ship throughout the world. The rules concerning ownership, identification, title and transfer, measurement, navigation, liability, and many other matters are prescribed by Imperial legislation, and are the same for all British ships; and all of them enjoy everywhere the same rights and privileges of trade and of protection. To allow ships built and owned in Canada to obtain, under an Imperial Treaty with the United States, privileges of trade which are not granted to other British ships would be a very serious infringement of these principles, and one which, in the opinion of the Board of Trade, Her Majesty's Government ought not to countenance.

If, for the purpose of trade, a distinction is made between the ships of a particular Colony and those of the rest of the Empire, it will scarcely be possible to resist further

changes in the same direction, and the efforts which have hitherto been successfully made to effect the highly important object of uniform legislation concerning ships and seamen will receive a serious check.

Further, British shipowners whose ships have been built, or who reside elsewhere than in Canada, will have good reason to complain if they are excluded from a trade to which a Canadian is admitted merely because he resides in Canada and has had his vessel built there; and although this ground of objection will be narrowed if, as proposed in Sir E. Thornton's letter, the privilege is confined to the inland waters of America, the principle of the objection remains, and it is to be remembered that ocean-going vessels can and do now reach those inland waters.

Further, if American ships are admitted to the Canadian coasting trade, the ships of other nations, *e.g.*, Austria, which have a Navigation Treaty with this country containing a most-favoured-nation clause, must also be admitted to that trade.

A further objection to the proposal as stated in the Memorandum appears to be that it would destroy all distinction of nationality between Canadian and United States' vessels. The proposal is not that Canadian-built vessels may be purchased by an American citizen and registered as American ships in the United States, which would, of course, be a very desirable thing, but that vessels built in either country may be owned by the citizens of the other and be entitled to registry in either country. These words are not, perhaps, very clear, but if they mean that a Canadian ship may be owned by an American citizen, and *vice versa*, they are open to objection on the ground above noticed, and are contrary to the first principles of Imperial legislation under which British ownership is the one essential condition of the right to carry the British flag.

It would be easy, if it were necessary, to add illustrations of the practical confusion which might ensue if this proposal were carried into effect. For instance, a ship can now be built and registered in England, and her register can be, by a simple letter, transferred to Canada; or she may be built and registered in Canada, and transferred to England. In both cases she has, and retains the character and privileges of a British ship; and this character and these privileges are shown by her flag and register. But if the proposal under consideration were adopted, there would be a distinction between those British ships which are built and are owned in Canada, and those which are built or owned elsewhere.

And this distinction would not appear on the register of the ship, and must be proved by external evidence.

But it is needless to add further illustrations. What has been said is sufficient, in the opinion of the Board of Trade, to show that the proposal in question is open to most serious objections.

I have, &c.
(Signed) T. H. FARRER.

No. 283.

Mr. Herbert to Lord Tenterden.—(Received May 13.)

My Lord,

Downing Street, May 12, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 6th instant, inclosing copy of a despatch from Her Majesty's Minister at Washington, forwarding a portion of a Memorandum proposed to be submitted to Mr. Fish by Sir E. Thornton and the Canadian Commissioner, in connection with the negotiations for a renewal of the Reciprocity Treaty.

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

No. 284.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, May 13, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, copies of despatches, as marked in the margin,* on the subject of the negotiations for the renewal of the Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 285.

Lord Tenterden to Mr Herbert.

(Confidential.)

Sir, *Foreign Office, May 13, 1874.*
 WITH reference to my letter of the 6th instant, I am directed by the Earl of Derby to transmit to you a copy of a letter from the Board of Trade, pointing out objections to the paragraph in the Memorandum to be submitted by Sir E. Thornton and Mr. Brown to the United States' Government, which relates to the proposed reciprocal arrangement for the registry and ownership of vessels,* and I am to request you to inform the Earl of Carnarvon that Lord Derby proposes, with his concurrence, to telegraph to Sir E. Thornton in the sense of the Board of Trade letter.

I am also to suggest, for his Lordship's consideration, that a telegram in the same sense should be sent to the Canadian Government.

I am, &c.
 (Signed) TENTERDEN.

No. 286.

Sir H. Holland to Lord Tenterden.—(Received May 14.)

Sir, *Downing Street, May 14, 1874.*
 WITH reference to your letter of the 30th of April, I am directed by the Earl of Carnarvon to acquaint you, for the information of the Earl of Derby, that the Newfoundland Fisheries Act was specially confirmed at the Council held on the 12th instant, and that the Governor of Newfoundland has been to-day informed by telegraph of its confirmation.

I am to request that the British Minister at Washington may be informed by telegraph that the Act has been confirmed, and that he may be instructed to take whatever steps may be necessary for obtaining, with as little delay as possible, the issue of the President's Proclamation for carrying into effect the provisions of the Treaty of Washington as far as they relate to Newfoundland.

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

No. 287.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.) *Foreign Office, May 14, 1874, 6.15 P.M.*
 "WITH reference to my telegram of April 30, Newfoundland Fisheries Act was specially confirmed at the Council on the 12th instant.
 "Take whatever steps may be necessary for obtaining, as soon as possible, the issue of the President's Proclamation."

No. 288.

Lord Tenterden to Mr. Farrer.

Sir, *Foreign Office, May 14, 1874.*
 WITH reference to your letter of the 9th instant, I am directed by the Earl of Derby to transmit to you, to be laid before the Lords of the Committee of Privy Council for Trade, an extract of a despatch from Sir E. Thornton, stating that, by the wish of the Canadian Government, a proposal for opening the whole of the coasting trade has been inserted in the Memorandum submitted to the United States' Government.† I am at the same time to inclose the copy of two paragraphs of the Memorandum relating to the the registry and ownership of vessels and to patents; and I am to add that Lord Derby has proposed to the Colonial Office that instructions should be sent by telegraph to Sir E. Thornton and to the Canadian Government in the sense of your letter of the 9th instant.

I am, &c.
 (Signed) TENTERDEN.

* No. 282.

† No. 278.

No. 289.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, May 14, 1874.

WITH reference to my letter of the 6th instant, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Sir E. Thornton, forwarding the Memorandum submitted by Mr. Brown and him to the United States' Government, containing proposals for a Reciprocity Treaty.*

I am to request you to inform Lord Carnarvon that there are no means of checking the statements in the Memorandum at this office, but that it appears to be drawn up with care and ability, and that Lord Derby purposes, with his Lordship's concurrence, to state this to the Commissioners.

I am, &c.
(Signed) TENTERDEN.

No. 290.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, May 14, 1874.

WITH reference to my letter of the 30th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a further despatch from Her Majesty's Minister at Washington upon the subject of the coasting trade between the United States and Canada.†

I am, &c.
(Signed) TENTERDEN.

No. 291.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, May 15, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Mr. Rothery, inclosing Professor Baird's Report on the condition of the Sea Fisheries of the South Coast of New England for the years 1871 and 1872.‡

I am, &c.
(Signed) TENTERDEN.

No. 292.

Mr. Rothery to the Earl of Derby.—(Received May 17.)

(No. 37.)

My Lord,

Washington, May 4, 1874.

ON Wednesday last, the 29th ultimo, I received from your Lordship a cypher telegram, informing me in reply to my despatch of the 31st of March last, that I need not remain at Washington, but might visit any place in the United States which I might wish to see; and that Mr. Russell might return to Europe.

Feeling, however, that notwithstanding your Lordship's kind permission, I ought not to leave Washington if there was any probability that my presence here would be of any use during the pending negotiations, I called the same evening at the Legation for the purpose of consulting Sir Edward Thornton on the subject. I did not, however, see him then; but on the following morning, early, I found Sir Edward at home, and discussed the matter with him.

I told him that I proposed, if he saw no objection, to go to San Francisco, but that if he thought that it would be better that I should not go so far from Washington, I could very well employ my time in visiting some of the places in the neighbourhood, so that I might be able to return at once, in case my presence should be required here. In reply

* No. 278.

† No. 277.

‡ No. 281.

Sir Edward informed me that the Commissioners had only on Monday last handed to Mr. Fish a statement of their demands, that it was very long, that Mr. Fish would, no doubt, take his time before replying to it, and that he did not think that there was the least chance of the negotiations being speedily terminated; and that even if the negotiations were suddenly broken off, it must take some time before the Commission could be constituted at Halifax; and that under these circumstances he thought that there could be no objection to my going, if I wished it, to San Francisco.

I accordingly sent a telegram to your Lordship, stating in effect that I proposed, with your Lordship's approval, to leave shortly for San Francisco, and that I should be back by the middle of June or earlier if necessary, and that Sir Edward Thornton saw no objection. On the 1st May I received from your Lordship a telegram, informing me that there was no objection to my going to San Francisco.

As soon, therefore, as the next mail shall have arrived, probably on Thursday or Friday next, I shall start for Chicago on my way to San Francisco. I hope to return to Washington in about six weeks from the time of my departure, but I shall take care to keep Sir Edward informed of my movements, in case he should find it necessary at any time to summon me back to Washington.

I cannot conclude this despatch without thanking your Lordship, as I do most sincerely, for the very gracious terms in which you conveyed to me your permission to visit any places in the States which I might wish to see, and for so kindly acceding to my request to be allowed to go to San Francisco.

I have, &c.
(Signed) H. C. ROTHERY.

No. 293.

Sir E. Thornton to the Earl of Derby.—(Received May 17.)

(No. 175.)

My Lord,

Washington, May 5, 1874.

WITH reference to my despatch No. 163 of the 28th ultimo, I have the honour to inclose three printed copies of the paper which Mr. Brown and I submitted to Mr. Fish on the 27th ultimo.

These have been printed confidentially, entirely for our own use. The printed copy contains some slight alterations from the original manuscript, which, though they are of little importance, we found it expedient to make. With Mr. Fish's permission they have been inserted in the manuscript which we submitted to him.

But we have since discovered a more important error at page 15 of the printed copy, which was due to an incorrect return furnished to us by the United States' Bureau of Statistics.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 293.

Printed copy of Memorandum submitted in MS. to Mr. Fish on the 27th of April, 1874.

[This will be found as Inclosure in No. 180, which contains the alterations and corrections alluded to in the covering despatch.]

No. 294.

Sir H. Holland to Lord Tenterden.—(Received May 20.)

My Lord,

Downing Street, May 19, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 14th instant, inclosing copy of a despatch from Sir E. Thornton forwarding the Memorandum submitted to the United States' Government by Mr. Brown and himself containing proposals for a Reciprocity Treaty.

Lord Carnarvon desires me to request that you will state to the Earl of Derby

that he concurs in the communication which his Lordship proposes to address to the Commissioners in reference to this Memorandum.

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

No. 295.

Sir H. Holland to Lord Tenterden.—(Received May 20.)

My Lord, *Downing Street, May 19, 1874.*

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 13th instant, inclosing despatches from Sir E. Thornton and Mr. Rothery on the subject of the negotiations for the renewal of the Reciprocity Treaty.

Lord Carnarvon is disposed to think that Mr. Rothery may be instructed to return to England as soon as circumstances admit.

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

No. 296.

Mr. Herbert to Lord Tenterden.—(Received May 21.)

My Lord, *Downing Street, May 20, 1874.*

WITH reference to the letter from this Department of the 14th instant, I am directed by the Earl of Carnarvon to acquaint you, for the information of the Earl of Derby, that the following telegram was received yesterday evening from the Governor of Newfoundland:—

“May 19. Sir E. Thornton telegraphs me. President will issue Proclamation admitting Newfoundland to Washington Treaty on June 1. Can I also issue necessary Proclamation for same date?” To which Lord Carnarvon has replied by telegraph to-day, “Issue Proclamation Fisheries Act from June 1, under Section 1.”

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

No. 297.

Mr. Herbert to Lord Tenterden.—(Received May 21.)

My Lord, *Downing Street, May 21, 1874.*

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 13th instant, inclosing a copy of a letter from the Board of Trade pointing out objections to that part of the Memorandum proposed to be submitted to the United States Government by the British Minister at Washington and the Canadian Commissioner, which relates to the proposed reciprocal arrangement for the registry and ownership of vessels.

In reply I am to acquaint you, for the information of the Earl of Derby, that the Board of Trade forwarded a copy of their letter direct to this department on the 12th instant, and I now inclose a copy of Lord Carnarvon's despatch to Lord Dufferin.

Lord Carnarvon sees no objection in telegraphing to Sir E. Thornton the sense of the Board of Trade letter, if Lord Derby thinks it desirable to do so; but as Mr. Brown, the Canadian Commissioner, is at Washington, he does not think it necessary to telegraph to the Governor General of Canada on the subject.

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

Inclosure in No. 297.

The Earl of Carnarvon to the Earl of Dufferin.

My Lord,

Downing Street, May 14, 1874.

WITH reference to my despatches of the 23rd and 27th April and 6th May, I transmit to you a copy of a despatch from the British Minister at Washington inclosing copy of a portion of a Memorandum proposed to be submitted by himself and the Canadian Commissioner to the United States Government in connection with the negotiations for the renewal of a Reciprocity Treaty.* I also inclose a copy of a letter which the Board of Trade have addressed to the Foreign Office in regard to that part of the proposals which relates to navigation.†

I concur generally in the views expressed by the Board of Trade, and I trust that they will receive the careful consideration of your Government.

I have, &c.
(Signed) CARNARVON.

No. 298.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, May 22, 1874, 4.45 P.M.

I HAVE received your despatch No. 163, forwarding Memorandum submitted to the United States' Government. Her Majesty's Government approve the care and ability with which it appears to be drawn up.

No. 299.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, May 22, 1874, 5 P.M.

BOARD of Trade object to the proposal in the Memorandum respecting reciprocal arrangement for the registry and ownership of vessels.

Copy of their letter has been forwarded to Canadian Government, and will be sent to you to-morrow.

No. 300.

The Earl of Derby to Sir E. Thornton.

(No. 163.)

Sir,

Foreign Office, May 22, 1874.

WITH reference to your despatch No. 163 of the 28th ultimo, I inclose, for your information and guidance, a copy of a letter from the Board of Trade stating certain objections to the proposal contained in the Memorandum submitted by you and Mr. Brown to the United States' Government which relates to a reciprocal arrangement for the registry and ownership of vessels.†

A copy of this letter has been forwarded to the Governor-General of Canada.

I am, &c.
(Signed) DERBY.

No. 301.

The Earl of Derby to Mr. Rothery.

(No. 12.)

Sir,

Foreign Office, May 22, 1874.

I HAVE had under my consideration, in communication with Her Majesty's Secretary of State for the Colonies, your despatch No. 34 of the 27th ultimo, in which you ask for instructions as to your future proceedings, I have to state to you that you will be at liberty to return to England as soon as circumstances admit of your doing so.

I am, &c.
(Signed) DERBY.

No. 302.

The Earl of Derby to Sir E. Thornton.

(No. 164.)

Sir,

Foreign Office, May 22, 1874.

I INCLOSE, for your information, a copy of a despatch which I have addressed to Mr. Rothery as to his future movements.*

I am, &c.
(Signed) DERBY.

No. 303.

The Earl of Derby to Sir E. Thornton.

(No. 165.)

Sir,

Foreign Office, May 22, 1874.

I HAVE received your despatch No. 163 of the 28th ultimo, forwarding a copy of the Memorandum containing proposals for a Reciprocity Treaty which has been submitted by yourself and Mr. Brown to the United States' Government, and I have to state to you that Her Majesty's Government approve this paper, which appears to be drawn up with care and ability.

I am, &c.
(Signed) DERBY.

No. 304.

Sir E. Thornton to the Earl of Derby.—(Received May 23, night.)

(Telegraphic.)

Washington, May 23, 1874.

WITH reference to your telegram of yesterday, Brown and I think Board of Trade misapprehend our meaning of the proposal with regard to the registration of vessels, and we therefore intend, with your approval, to substitute following:—

“During the continuance of the Treaty vessels of all kinds built in the United States may be purchased by Canadian subjects of Great Britain and registered in Canada as Canadian vessels; and that vessels of all kinds built in Canada may be purchased by citizens of the United States and registered in the United States as United States' vessels.”

No. 305.

The Earl of Derby to Sir E. Thornton.

(No. 167.)

Sir,

Foreign Office, May 23, 1874.

WITH reference to my despatch No. 153 of the 14th instant, I transmit to you herewith, for your information, a copy of a letter from the Colonial Office upon the subject of the Newfoundland Fisheries Act.†

I am, &c.
(Signed) DERBY.

No. 306.

Sir E. Thornton to the Earl of Derby.—(Received May 25.)

(No. 178.)

My Lord,

Washington, May 11, 1874.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 127 of the 23rd ultimo, relative to the Newfoundland seal fisheries, and to refer your Lordship to my despatch No. 285 of the 30th of June last, in which I transmitted copy of a note from Mr. Fish to the effect that the proposal made by the Government of that Colony was

* No. 30

† No. 296.

one which must receive the sanction of Congress, and that it was not considered probable that the assent of that body would be given thereto.

I understood that the United States' Government has never caused any message upon the subject to be submitted to Congress in the belief that no attention would be paid to it.

At this moment, owing to the negotiations with which Mr. Brown and I are charged, I am of opinion that it would be inopportune to make an isolated proposal upon the subject to the United States' Government. But your Lordship will observe that, at pages 28 and 29 of the Paper which Mr. Brown and I recently submitted to Mr. Fish, we proposed that the products of fish and of all other creatures living in the water should be reciprocally admitted free of duty into the United States, the Dominion of Canada, and the Island of Newfoundland; and we intend, should there be any hope of the negotiation resulting in a Treaty, to ask that its provisions should extend to Newfoundland, as far as they are applicable to that Colony. The above-mentioned proposal would certainly include the products of the seal fisheries.

The Paper in question does not contain any proposal that American fishermen should be admitted to the right of taking seals within the territorial jurisdiction of Newfoundland; but I presume that, in case Mr. Fish should ask for such a concession, there would be no objection to its being granted, provided that the products of the seal fisheries should be admitted free of duty into the United States.

I have, &c.
(Signed) EDWD. THORNTON.

No. 307.

Mr. Lister to Sir H. Holland.

Sir,

Foreign Office, May 25, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, copies of despatches, as marked in the margin,* in regard to the negotiations for the renewal of the Reciprocity Treaty.

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

No. 308.

Mr. Lister to Mr. Farrer.

(Confidential.)

Sir,

Foreign Office, May 25, 1874.

WITH reference to your letter of the 9th instant, I am directed by the Earl of Derby to transmit to you a copy of a telegram which, after communication with the Colonial Office, his Lordship sent to Sir E. Thornton,† informing him that objections were entertained to the proposal respecting a reciprocal arrangement for the registry and ownership of vessels contained in the Memorandum submitted by him and Mr. Brown to the United States' Government.

I am also to inclose, for any observations which the Board of Trade may have to offer upon it, a copy of a telegram which has been received from Sir E. Thornton in reply.‡

A copy of your letter was sent to Washington by the mail of the 23rd instant.

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

No. 309.

Mr. Trevor to Mr. Lister.—(Received May 28.)

Sir,

Board of Trade, Whitehall Gardens, May 28, 1874.

IN reply to your letter of the 25th instant, inclosing telegrams on the subject of the Canada Reciprocity Treaty, I am directed by the Board of Trade to inform you that the proposal contained in Sir E. Thornton's telegram of the 23rd May is, in the opinion of

* Nos. 292 and 293.

† No. 299.

‡ No. 304.

this Board, not only unobjectionable, but very desirable, as indeed is evident from the Board's previous letters on the subject.

I have, &c.
(Signed) C. CECIL TREVOR.

No. 310.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.) *Foreign Office, May 28, 1874 5.45 P.M.*
BOARD of Trade approve proposal contained in your telegram of the 23rd instant.

No. 311.

Mr. Lister to Mr. Holland.

Sir, *Foreign Office, May 28, 1874.*
WITH reference to your letter of the 18th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Minister at Washington upon the subject of the Newfoundland seal-fisheries.*

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

No. 312.

Sir E. Thornton to the Earl of Derby.—(Received May 29.)

(Telegraphic.) *Washington, May 28, 1874.*
MR. BROWN and I have deemed it expedient to hand to Mr. Fish a draft Treaty which he will submit to the Cabinet, and perhaps to the Senate, for its opinion.
The draft begins by Articles XVIII, XIX, XX, and XXI of the Treaty of Washington.
The reciprocal free lists of imports contained in the paper transmitted in my despatch No. 175 of the 5th instant, is increased by a list of agricultural implements and by various heavy manufactures of leather, cotton, wool, iron, and steel.
Mr. Brown states that if the Treaty be made the same articles will be duty free coming from England into Canada.
Canada is to enlarge her canals and to construct Caughnawaga Canal.
Coasting trade is allowed to American vessels in Canadian ports east of the Rocky Mountains, and to Canadian vessels built in Canada, in America, and ports in the great Lakes, St. Lawrence and Red Rivers.
Canadian and United States' canals to be open to both on equal terms.
Reciprocal purchase and registration of vessels, as stated in my telegram of the 23rd instant.
Lake Michigan to be open for ever.
Joint Commissioners to be appointed for river and lake, channels, lighthouses, and the propagation of fish.
Treaty may include Newfoundland.
Treaty to last twenty-one years with three subsequent years' notice.
When this Treaty comes into operation, Articles XXII, XXIII, XXIV, and XXV of the Treaty of Washington to become null and void.
Mr. Fish is well disposed towards a Treaty of the above nature, and there is a fair chance that it will be generally acceptable.
Please tell me as soon as possible whether there is objection to any of the above conditions.

No. 313.

Mr. Herbert to Lord Tenterden.—(Received May 29.)

Sir, *Downing Street, May 28, 1874.*
 I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 15th, inclosing copy of a despatch from Mr. Rothery forwarding Professor Baird's Report on the condition of the sea fisheries of the south coast of New England for the years 1871 and 1872.

Lord Carnarvon would suggest, for the consideration of the Earl of Derby, that Sir E. Thornton should be requested to obtain a copy of this work and forward it to the Governor-General of Canada.

The copy forwarded in your letter is retained for the use of this office.

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

No. 314.

*Mr. Lister to Sir H. Holland.**

Sir, *Foreign Office, May 29, 1874.*
 I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegram from Sir E. Thornton giving the substance of a draft Reciprocity Treaty which Mr. Brown and he have submitted to the United States' Government; † and I am to request you to state to his Lordship that if he concurs, Lord Derby proposes to inform Sir E. Thornton by telegraph that the draft Treaty is approved by Her Majesty's Government.

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

No. 315.

Sir E. Thornton to the Earl of Derby.—(Received May 31.)

(No. 200.)
 My Lord,

Washington, May 18, 1874.

I HAVE the honour to inclose two copies of the May number of a monthly periodical published here called the "Republic," which contains an Article at page 284 relative to the relations between the United States and Canada. It has probably been inspired by those who oppose the present attempt to renew commercial reciprocity between the two countries, and it endeavours to show that it would be much more desirable for the inhabitants of both that they should be permanently united—an opinion which I do not imagine will just now find an echo in Canada. The Magazine in question has a very small circulation, and is little read.

In the meantime a number of articles have appeared in the best newspapers in the United States, favouring the renewal of reciprocal commercial relations with Canada, and showing the advantages which would be derived from it by the United States. These Articles avail themselves of the present fact of great stagnation in commercial matters to express the hope that an attempt may be made to revive them by a closer connection in trade with Canada.

I have, &c.
 (Signed) EDWD. THORNTON.

No. 316.

Sir E. Thornton to the Earl of Derby.—(Received May 31.)

(No. 202.)
 My Lord,

Washington, May 19, 1874.

ON the receipt of your Lordship's telegram of the 14th instant, I addressed to Mr. Fish a note, copy of which I have the honour to inclose, informing him that the Act

* A similar letter was addressed to the Board of Trade.

† No. 312.

of Newfoundland for carrying into effect, with regard to that Colony, the provisions of the Treaty of Washington, had received the Queen's assent, and requesting that the President's Proclamation for the same purpose might be issued.

I received yesterday an answer from Mr. Fish, copies of which and of its inclosure are also transmitted herewith. In this note he states that the President will be prepared to issue a Proclamation on the 1st of June next, to give effect on that day to the provisions of the Treaty with regard to Newfoundland, if the Governor of that Colony will also issue his Proclamation on the same day.

I telegraphed last night to Colonel Hill, asking whether he would issue a similar Proclamation, and requesting him to send me a copy of the one he proposed to issue.

I shall to-day forward to him, by post, copies of Mr. Fish's note, and of its inclosure.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 316.

Sir E. Thornton to Mr. Fish.

Sir,

Washington, May 14, 1874.

I HAVE the honour to transmit herewith copy of an Act passed on the 28th of March last by the Colony of Newfoundland to carry into effect the provisions of the Treaty of Washington, as far as they relate to that Colony.

This Act was specially confirmed by the Queen in Council on the 12th instant, and I have been, consequently, instructed by the Earl of Derby to request you to invite the President of the United States to issue the necessary Proclamation, so that the provisions of the above-mentioned Treaty may be carried into effect with regard to Newfoundland at as early a date as possible.

Should you think it expedient that a Protocol should be signed, as was the case with regard to Canada and Prince Edward Island, I shall be happy to call at the Department of State whenever you shall be pleased to summon me.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 2 in No. 316.

Mr. Fish to Sir E. Thornton.

Sir,

Department of State, Washington, May 18, 1874.

I HAVE the honour to acknowledge the receipt of your note of the 14th instant, conveying the information that the Act of the Legislature of Newfoundland, passed by that body on the 28th of March, 1874, for the purpose of extending the provisions of Articles XVIII to XXV inclusive of the Treaty of Washington to that Colony, was specially confirmed by Her Majesty on the 12th instant, and inclosing a copy of the Colonial Act.

Presuming that the special confirmation mentioned is meant as signifying the assent of Her Majesty, contemplated by the provisions of this Act, I have the honour to state that the Act of Congress, in pursuance of which the President is authorized to issue the Proclamation extending the provisions of the Articles in question to the Colony of Newfoundland, provides that such Proclamation may issue when the President shall have received satisfactory evidence that the Colony of Newfoundland has consented, "in a due and proper manner," to have the provisions of the said Articles extended to it; and the Act of the Colonial Legislature contains the following provision, viz. :—"The Governor may, at any time hereafter, by his Proclamation, to be published in the 'Royal Gazette' of this Colony, declare that after a time, to be therein named, the provisions and stipulations of the said Articles . . . shall extend to this Colony of Newfoundland, so far as they are applicable."

The issue and publication of the Governor's Proclamation would, therefore, seem necessary to complete the required action of the Colony, in a due and proper manner. I inclose herewith, for your information, a copy of a draft of the Proclamation which the President is prepared to issue on the subject, and have the honour to suggest the 1st of June proximo, as the day when the reciprocal privileges secured by the Articles of the

Treaty referred to shall become operative. I will thank you, if convenient, in the meantime to furnish me with a copy of the Proclamation proposed to be issued by the Governor of Newfoundland. Should any other date than that suggested be fixed by the latter, the President will no doubt adopt it, in order to have the provisions in question take effect simultaneously in regard to citizens of the United States and Her Majesty's subjects in Newfoundland.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 3 in No. 316.

By the President of the United States of America.

A Proclamation.

WHEREAS, by an Act approved March 1, 1873, entitled "An Act to carry into effect the Provisions of the Treaty between the United States and Great Britain, signed in the City of Washington the 8th day of May, 1871, relating to the Fisheries," it was enacted that, whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of Articles XVIII to XXV of the said Treaty, inclusive, to that Colony, and the Legislature thereof and the Imperial Parliament shall pass the necessary laws for that purpose, all fish-oil and fish of all kinds (except fish of the inland lakes and of the rivers falling into them, and except fish preserved in oil), being the produce of the fisheries of the Colony of Newfoundland, shall be admitted into the United States free of duty from and after the date of a Proclamation by the President of the United States declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles XVIII to XXV, inclusive, of the said Treaty extended to it, and to allow the United States the full benefit of all the stipulations therein contained, and shall be so admitted free of duty so long as the said Articles XVIII to XXV, inclusive, and Article XXX of the said Treaty shall remain in force, according to the terms and conditions of Article XXXIII of the said Treaty.

Now, therefore, I, Ulysses S. Grant, President of the United States of America, in pursuance of the premises, do hereby declare that I have received satisfactory evidence that the Legislature of the Colony of Newfoundland and the Imperial Parliament has passed the necessary laws for the purposes above recited, and that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the Articles XXIII to XXXV, inclusive, of the said Treaty extended to it, and to allow the United States the full benefit of the stipulations therein contained.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this day of in the year of our Lord one thousand eight hundred and seventy-four, and of the Independence of the United States of America the ninety .

By the President.

Secretary of State.

No. 317.

Sir E. Thornton to the Earl of Derby.—(Received May 31.)

(Telegraphic.)

Washington, May 31, 1874.

MR. BROWN has gone to Canada to confer with his Government upon the proposed free list of imports, which it seems to think too comprehensive, and upon the construction of the Caughnawaga Canal. He will be here again next Thursday or Friday.

No. 318.

The Earl of Derby to Sir E. Thornton.

(No. 176.)

Sir,

Foreign Office, June 1, 1874.

IN compliance with the suggestion of the Secretary of State for the Colonies, I have to instruct you to furnish the Governor-General of Canada with a copy of Professor Baird's Report on the condition of the sea fisheries of the south coast of New England for the years 1871 and 1872, which formed the inclosure to Mr. Rothery's despatch No. 35 of the 28th of April.

I am, &c.
(Signed) DERBY.

No. 319.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 1, 1874.

WITH reference to my letter of the 29th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegram from Sir E. Thornton,* stating that Mr. Brown has left Washington for the purpose of consulting the Canadian Government on certain points connected with the renewal of the Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 320.

Lord Tenterden to Mr. Herbert.

(Confidential.)

Sir,

Foreign Office, June 1, 1874.

WITH reference to your letter of the 21st ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, the correspondence marked in the margin† relative to the proposal for a reciprocal arrangement as to the ownership and registration of vessels contained in the Memorandum submitted by Sir E. Thornton and Mr. Brown to the United States' Government.

I am, &c.
(Signed) TENTERDEN.

No. 321.

Mr. Farrer to Mr. Lister.—(Received June 3.)

Sir,

Board of Trade, Whitehall Gardens, June 2, 1874.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 29th ultimo, transmitting a copy of a telegram from Sir Edward Thornton, giving the substance of a Draft Reciprocity Treaty which Mr. Brown and he have submitted to the United States' Government, and intimating that, with the concurrence of this Board, the Earl of Derby proposes to inform Sir E. Thornton, by telegraph, that the Draft Treaty is approved by Her Majesty's Government.

In reply, I am to request that you will state to Lord Derby that the only portion of the Draft Treaty which appears to this Board to call for their observations is so much as relates to the coasting trade.

If United States' ships are admitted to any portion of the Canadian coasting trade, then the ships of other foreign nations which have Navigation Treaties with most-favoured-nation clauses may claim the same privileges.

It appears to the Board of Trade that this possibility should be pointed out to the Canadian Government.

I have, &c.
(Signed) T. H. FARRER.

* No. 317.

† Nos. 299, 304, 308, 309, and 310.

No. 322.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, June 3, 1874, 4.45 P.M.

WITH reference to clause in Draft Treaty relating to the coasting trade, Board of Trade observe that if United States' ships are admitted to any portion of the Canadian coasting trade the ships of other foreign nations which have Navigation Treaties with most-favoured-nation clauses may claim the same privileges. See, for example, "Hertslet's Treaties," vol. xii. pp. 764 and 1,108, "Treaties with Prussia and Austria."

No. 323.

The Earl of Derby to Sir E. Thornton.

(No. 178.)

Sir,

Foreign Office, June 3, 1874.

WITH reference to my despatch No. 174 of the 28th ultimo, I transmit to you herewith, for your information, a copy of a letter from the Board of Trade upon the subject of the proposal for the renewal of the Reciprocity Treaty.*

I am, &c.

(Signed) DERBY.

No. 324.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 3, 1874.

WITH reference to my letter of the 29th ultimo, forwarding the Draft Treaty submitted by Sir E. Thornton and Mr. Brown to the United States' Government, I am directed by the Earl of Derby to transmit to you a copy of a letter from the Board of Trade containing some observations as to the clause in the Treaty relating to the coasting trade;† and I am to request you to inform the Earl of Carnarvon that the substance of this letter has been telegraphed to Sir E. Thornton, and that Lord Derby would suggest that it should also be communicated by telegraph to the Governor-General of Canada.

I am, &c.

(Signed) TENTERDEN.

No. 325.

Sir H. Holland to Lord Tenterden.—(Received June 4.)

Sir,

Downing Street, June 3, 1874.

IN reply to your letters of the 29th ultimo and 1st instant, on the subject of the negotiations now in progress for the renewal of a Reciprocity Treaty between Canada and the United States, I am directed by the Earl of Carnarvon to state that his Lordship has no particular objection to offer to any of the proposals contained in the telegram from Sir E. Thornton of the 28th May, but that, looking to the important character of these negotiations, and the risk involved in giving more than a very general assent to proposals which are to be transmitted shortly by telegraphic wire, his Lordship would again urge the necessity of explaining clearly by telegraph to Sir E. Thornton, that Her Majesty's Government are not in a position definitely to undertake to be bound in all cases by the precise terms of the Articles of the Draft Treaty, as stated in the telegram; and that, although there would appear to be no objection to the discussion of the subjects specified, their submission to the Senate would imply a more definitive concurrence in the details than Her Majesty's Government, with every desire to advance the negotiation, can, as at present informed, safely undertake to give.

I am, &c.

(Signed) H. T. HOLLAND.

No. 326.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, June 4, 1874, 6.20 P.M.

HER Majesty's Government are not in a position definitely to undertake to be bound in all cases by the precise terms of the Articles of the Draft Treaty, as stated in your telegram of 28th May; and, although there would appear to be no objection to the discussion of the subjects specified, their submission to the Senate would imply a more definitive concurrence in the details than Her Majesty's Government, with every desire to advance the negotiation, can safely undertake to give without having each article *in extenso* before them.

No. 327.

Lord Tenterden to Sir H. Holland.

(Confidential.)

Sir,

Foreign Office, June 4, 1864.

WITH reference to your letter of yesterday's date, I am directed by the Earl of Derby to transmit to you, for the information of the Earl of Carnarvon, a copy of a telegram which has this day been sent to Sir E. Thornton, respecting the negotiations with the United States' Government for a renewal of the Reciprocity Treaty.*

I am, &c,
(Signed) TENTERDEN.

No. 328.

The Earl of Derby to Sir E. Thornton.

(No. 185.)

Sir,

Foreign Office, June 6, 1874.

WITH reference to my despatch No. 177 of the 3rd instant, I transmit to you herewith, for your information, a copy of a letter from the Board of Trade, containing observations upon the coasting trade clause of the proposed Reciprocity Treaty.†

I am, &c.
(Signed) DERBY.

No. 329.

Sir E. Thornton to the Earl of Derby.—(Received June 7.)

(No. 208. Confidential.)

My Lord,

Washington, May 23, 1874.

I, this morning, called upon Mr. Fish at the State Department upon other matters. As I got up to leave him I asked him when he would be ready to see Mr. Brown and myself with reference to the paper which we had submitted to him. Mr. Fish replied in a somewhat peevish tone that he thought I understood, from what he had already said to me, that he considered it was of no use to submit to the Senate a paper containing such proposals, and that he would not do it. I inquired whether he would not see Mr. Brown and myself, and tell us plainly what he thought about the paper and the objections he had to it, for that I was acting jointly with Mr. Brown and should wish that he should hear all that Mr. Fish had to say upon the subject. He answered in a tone of injured innocence that he would be happy to see us whenever we liked, and that he thought I was quite aware of that. I at once answered that I would take Mr. Brown to see him on Monday the 25th instant. He said that he might be engaged on that day; but I answered that we would take our chance.

By this time Mr. Fish sat down again and said that if we would make some reasonable proposals he would send them to the Senate for consideration, but that the paper contained proposals which the Senate would never be brought to agree to; indeed, he would not submit them to that body.

I inquired what were the points to which he had so particular an objection. He said

* No. 326.

† No. 321.

that to grant the coasting trade would be impossible; not five Senators would agree to it. Upon my inquiring whether the reciprocal registration of vessels was equally objectionable, he replied that this might not meet with so much opposition.

But he went on to say that the United States would lose by our proposals about 6,000,000 dollars of revenue, while Canada would sacrifice a little over 1,000,000 dollars, yet nothing was offered to compensate the United States for this loss. Our paper stated that American manufactures could not be admitted into Canada unless similar manufactures from the United Kingdom were placed on the same footing. If the free admission of American textile fabrics had been proposed, without giving the same advantage to English manufactures, the proposal might have been considered. Neither had we said how soon the work of the enlargement of the canals would be finished. If we wished to reconcile certain interests to the conclusion of a Reciprocity Treaty, we might have proposed the construction of the Caughnawaga Canal, in which the States of Vermont and New York were much interested, and which might induce the Senators of those States to favour a Reciprocity Treaty.

With regard to the textile fabrics, I merely said that such an arrangement would be very hard upon England. As to the Canals I had no doubt that an agreement might be come to.

I gathered generally from Mr. Fish's observations that it is his wish and object to force us into making definite proposals in writing, which should be advantageous to the United States, and should in particular include the free admission of American textile fabrics in Canada. He also evidently intends to make it appear that he has made no suggestions whatever, and that all the proposals come from our side.

I have, &c.
(Signed) EDWD. THORNTON.

No. 330.

Sir E. Thornton to the Earl of Derby.—(Received June 7.)

(No. 212.)
My Lord,

Washington, May 25, 1874.

IN consequence of the conversation I had on the 23rd instant with Mr. Fish, relative to commercial relations with Canada as reported in my despatch No. 208 of that day, Mr. Brown and I deemed that it would be expedient to draw up, for subsequent submission to Mr. Fish, a draft of a Treaty in which we should endeavour to omit some of the proposals which he seemed to consider objectionable, and to insert others which might perhaps meet the views of the United States' Government.

With regard to the construction of the Caughnawaga Canal, Mr. Brown telegraphed to his Government, and received an answer, to the effect that this work might perhaps be agreed to, if the United States' Government would consent to throw open the coasting trade, though it were only in a modified form. We accordingly drew up the draft of a Convention which I have the honour to inclose.

But owing to the observations which Mr. Fish had made to me relative to the free admission of American textile fabrics into Canada whilst duties were at the same time imposed upon the same articles imported from England, it was thought advisable to find out whether this was a *sine quâ non* in his mind for the negotiation of a Treaty, before we showed him the inclosed draft. Mr. Brown himself was strongly opposed to such a stipulation, even though Her Majesty's Government should be generous enough to acquiesce in it, unless it were possibly with regard to some coarse and heavy manufactures which were not generally imported from Great Britain, and upon which, in that case, if they should come from England, the duties would, of course, be remitted. The Canadian Government, to which he telegraphed upon the subject, replied that such a condition in general would be inadmissible.

When, therefore, we called upon Mr. Fish this morning at the State Department, I opened the conversation by reminding him of what he had said to me on the 23rd instant with regard to the free admission of American textile fabrics into Canada, and added that Mr. Brown and I, after reflection upon the subject, had come to the conclusion that we could not agree to such a condition involving discrimination against British goods of the same class; and that, if such a condition were indispensable, it would hardly be worth while to trouble him further upon the proposals which we had previously made, or to spend more time in useless discussion.

Mr. Fish replied that he had made the suggestion merely in the hope of reconciling some of the interest which would be opposed to the proposals which we had made, and

that, if it could not be done in that way, some other means might possibly be found which would answer the same purpose. If we would submit to him some reasonable proposals, of the acceptance of which by the Senate there might be a chance, he would transmit them to that body for their opinion, and for their sanction to proceeding with the negotiation. But it would be useless, neither would he consent, to submit proposals which it was notorious were opposed to the feeling of the whole nation, as, for instance, to throw open coasting trade. There were several precedents for the course of ascertaining the views of the Senate before commencing negotiation, and, as I knew, in the case of the Treaty which was ultimately signed on May 8, 1871, the preliminary proposals were submitted to that body, which authorized the President to appoint Commissioners who should negotiate with Commissioners appointed by Her Majesty upon the questions referred in Mr. Fish's correspondence with me.

Mr. Brown subsequently suggested that it was possible that there might be some articles of coarse and heavy manufacture, whether of wool, cotton, iron, or wood, which were not often imported from England, and the importation of which, from the United States into Canada duty free, might be agreed to, always supposing that they would also be free of duty when coming from England.

With regard to the Caughnawaga Canal, I said that, in consequence of Mr. Fish's suggestion, Mr. Brown and I had thought of the matter, and had come to the conclusion that, as it would be a work involving immense expense, it was but fair that Canada should receive some compensation for it; and we should, therefore, propose that, as the United States' Government objected so strongly to a general throwing open of the coasting trade of this country, it should be agreed that that of the great lakes and the St. Lawrence should be common to American and Canadian vessels. Upon this remark Mr. Fish made no comment.

I then read to Mr. Fish the inclosed draft. He made very few observations upon it. With regard to the Articles for throwing open the canals, and for the construction of Caughnawaga Canal, he remarked that, as I knew, the canals in the State of New York belonged to the State, which alone had the power to throw open or to agree to the construction of new canals or the improvement of those already existing. He reminded me, however, of the letter from the Governor of New York, copy of which I had the honour to transmit in my despatch No. 164 of the 26th ultimo.

In answer to an inquiry from Mr. Brown, Mr. Fish said that, personally, he did not see any objection that the duration of such a Treaty should be for twenty-one years.

After I had read the draft, and Mr. Fish had offered no particular objection to its contents, there was some further discussion as to inserting some articles of coarse textile fabric, and it was finally agreed that we should consult with some Senator or Representative, who was well acquainted with such matters, upon the articles which should be selected. At Mr. Fish's suggestion it was agreed that Mr. Brown should see Mr. Boutwell, one of the Senators from Massachusetts, and late Secretary of the Treasury, and they are to meet this evening.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 330.

Draft of proposed Reciprocity Treaty between Canada and the United States.

HER Majesty the Queen of Great Britain and the United States of America being desirous of improving the commerce and navigation between their respective territories and people, and more especially between Her Majesty's Possessions in North America and the United States in such manner as to render the same reciprocally beneficial, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say:—

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

ARTICLE .

(Copy of Article XVIII of the Treaty of May 8, 1871, merely substituting a blank for XXXIII.)

ARTICLE .

(Copy of Article XIX of the Treaty of May 8, 1871, merely substituting a blank for XXXIII.)

ARTICLE .

(Copy of Article XX of the Treaty of May 8, 1871.)

ARTICLE .

(Copy of Article XXI of the Treaty of May 8, 1871, merely substituting a blank for XXXIII.)

ARTICLE .

It is agreed that for the term of years mentioned in Article of this Treaty, the articles enumerated in the schedule hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada, or of the United States, shall be admitted into each country respectively free of duty.

SCHEDULE.

Animals of all kinds.	Malt.
Ashes, pot, pearl and soda.	Manufactures of iron or steel.
Agricultural implements.	Manufactures of iron or steel and wood jointly.
Bark.	Manufactures of wood.
Bark, extracts of, for tanning purposes.	Manures.
Bath bricks.	Marble, in its crude or unwrought state.
Breadstuffs of all kinds.	Meats, fresh, smoked, or salted.
Bricks for building purposes.	Mineral and other oils.
Broom, corn.	Ores of all kinds of metals.
Burr or grindstones, hewn, wrought or unwrought.	Pelts.
Butter.	Pitch.
Cheese.	Plants.
Coal.	Plaster, raw or calcined.
Cotton, wool.	Poultry.
Dye stuffs.	Rags.
Earth ochres, ground or unground.	Rice.
Eggs.	Salt.
Fish of all kinds.	Seeds.
Fish, products of, and of all other creatures living in the water.	Shrubs.
Fish oil.	Skins, undressed.
Firewood.	Slate.
Flax, unmanufactured.	Stone, in its crude or unwrought state.
Flour of all kinds.	Stone, marble or granite, partly or wholly cut or unwrought.
Fruits, dried and undried.	Straw.
Furs, undressed.	Tails, undressed.
Grain of all kinds.	Tallow.
Gypsum, ground or unground.	Tar.
Hay.	Timber of all kinds, round, hewed, or sawed, unmanufactured in whole or in part.
Hemp, unmanufactured.	Tobacco, unmanufactured.
Hides, undressed.	Tow, unmanufactured.
Horns.	Trees.
Lard.	Turpentine.
Lime.	Vegetables.
Lumber of all kinds, round, hewed, or sawed, unmanufactured in whole or in part.	Wool.

ARTICLE .

The Canadian canals, from Lake Erie to Montreal, shall be enlarged forthwith at the expense of the Dominion, so as to admit of the passage of vessels 260 feet in length with 45 feet beam, with a depth equal to the capacity of the lake harbours, and this work shall be completed by the 1st of January, 1880.

ARTICLE .

For the term of years mentioned in Article of this Treaty, all the Canadian canals and the Erie, Whitehall, Sault St. Marie, and Lake St. Clair canals, in the United States, and also the communication by the proposed Caughnawaga Canal, Lake Champlain, and the Whitehall Canal to be established in accordance with the provisions of Article shall be thrown open to the vessels, boats, and barges of both countries on the same

terms and conditions to the subjects and citizens of both countries; and full power shall be given to transship cargo from ships or steamers into canal boats at any canal entrance, and also to transship cargo from boats into ships or steamers at any canal outlet.

ARTICLE .

It is agreed that the Contracting Parties shall establish on or before the 1st January, 1880, a communication by ship canals to connect the St. Lawrence River at Caughnawaga with the Hudson River at Troy. The dimensions of these canals shall be such as to admit, if it be found practicable, of the passage of vessels 260 feet in length, with 45 feet beam, with a depth equal to the capacity of the harbours of the great Lakes. The Dominion of Canada will construct at its expense the canal from Caughnawaga to Lake Champlain, and the United States will guarantee the construction of the canal from Whitehall to Troy, and that Lake Champlain shall be maintained at a depth corresponding with the canals.

ARTICLE .

American vessels shall be allowed to carry cargo and passengers from any one Canadian port on the Great Lakes and the River St. Lawrence to another; and Canadian vessels shall be allowed to carry cargo and passengers from any one American port on the great Lakes and the River St. Lawrence to another.

ARTICLE .

The navigation of Lake Michigan shall for ever remain free and open for the purposes of commerce to the subjects of Great Britain, free from restrictions as to reporting at any port in the United States other than the port of destination.

ARTICLE .

For the term of years mentioned in Article of this Treaty, vessels of all kinds built in the United States may be purchased by Canadian subjects of Great Britain, and registered in Canada as Canadian vessels; and vessels of all kinds built in Canada may be purchased by citizens of the United States, and registered in the United States as United States' vessels.

ARTICLE .

As soon as possible after the exchange of the ratifications of this Treaty, a Joint Commission shall be created, and continued during the operation of the Treaty, for deepening and maintaining in thoroughly efficient condition the navigation of the Rivers St. Clair and Detroit, and Lake St. Clair, on which ever side of those rivers or lake the best channel shall be found; the expense to be defrayed jointly by the Contracting Parties, by contributions in proportion to the commerce carried on in these waters by them respectively.

ARTICLE .

A Joint Commission shall also be established and maintained at joint expense, during the operation of this Treaty, for securing the erection and proper regulation of all light-houses on the great Lakes common to both countries, necessary to the security of the shipping thereon.

ARTICLE .

A Joint Commission shall also be established at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing-grounds.

ARTICLE .

It is further agreed, that the provisions and stipulations of this Treaty shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect by either of the legislative bodies aforesaid, shall not in any way impair any other Articles of this Treaty.

ARTICLE .

This Treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other. If such legislative assent shall not have been given within months from the date hereof, then this Treaty shall be null and void. But such legislative assent having been given, this Treaty shall remain in force for the period of twenty-one years from the date at which it shall come into operation, and further until the expiration of three years after either of the High Contracting Parties shall have given notice 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 period of twenty-one years, or at any time afterwards.

When the Treaty shall have come into operation as above-mentioned, Articles XXII, XXIII, XXIV, and XXV of the Treaty of May 8, 1871, between Great Britain and the United States, shall become null and void.

ARTICLE .

This Treaty shall be duly ratified by Her Britannic Majesty and by the President of the United States, and the ratifications shall be exchanged either at Washington or at London, within three months from the date hereof, or earlier if possible.

No. 331.

Sir E. Thornton to the Earl of Derby.—(Received June 6, night.)

(Telegraphic.)

Washington, June 6, 1874.

MR. FISH wishes to insert a clause that the navigation of the Gut of Canso shall be open for ever to United States' citizens. Would Her Majesty's Government object?

I propose to send this evening or to-morrow the amended draft Treaty submitted to-day to Mr. Fish.

No. 332.

Mr. Meade to Lord Te. rden.—(Received June 8.)

(Confidential.)

My Lord,

Downing Street, June 6, 1874.

I AM directed by the Earl of Carnarvon to transmit to you, for the consideration of the Earl of Derby, a copy of a telegram from the Governor-General of Canada, pointing out that the large immediate loss of revenue to Canada, which would be caused by the proposed Reciprocity Treaty with the United States, is a serious obstacle to the Treaty, but that it would strengthen his Ministers' hands if this Government were to suggest that British goods should continue to pay the existing duties for three, or four years.

Lord Derby will remember that, in the letter from this Office of the 20th of April, it was pointed out that, looking to the recent precedent in the Australasian Colonies, this Government could hardly refuse its consent to the discrimination in favour of Canadian goods imported into the United States, and United States' goods imported into Canada, as against English goods; and the present proposal is comparatively favourable to this country.

Looking to the present circumstances of Canada, and to the difficulties which have been experienced in dealing with the question of discriminating duties, Lord Carnarvon does not consider this proposal to be unreasonable, and is prepared to comply with it if Lord Derby should concur.

With regard to the placing of British goods on the same footing as Canadian goods in the United States after the expiration of the same term of four years, Lord Carnarvon thinks that it would be very desirable to secure this advantage if it should be possible to do so without imperilling the Treaty; and he would suggest that the opinion of the United States' Government should be ascertained on the subject, although he does not think that this point should be insisted on if serious difficulty is raised by the United States' Government.

I am, &c.

(Signed) R. H. MEADE.

Inclosure in No. 332.

Lord Dufferin to the Earl of Carnarvon.

(Telegraphic.)

June 4, 1874, 9 A.M.

RECIPROCITY Treaty probably successful; effect not only on Canadian prosperity but on British commerce will be great. One serious obstacle is immediate loss to Canada of 3,500,000 dollars revenue. More than three-fourths is in English goods concurrently freed of duty by proposed Treaty. My Government appear reluctant to discriminate against English goods even temporarily, but cannot see their way to raise revenue enough without continuing existing duty on such goods for three or four years. It would much strengthen my Ministers' hands were the Imperial Government themselves to suggest that the removal of existing duties on British goods might be postponed for that period. Records show that the arrangement was effected with their concurrence, and not in an ungenerous spirit towards England.

The above framed by my Ministers.

I would suggest that, in return, a pledge should be demanded that the duties referred to should be abolished within specified period, say four years at most, and not increased in the meantime.

No. 334.

Sir E. Thornton to the Earl of Derby.—(Received June 8.)

(Telegraphic.)

Washington, June 7, 1874.

THE first three Articles of an amended draft of the Treaty submitted to Mr. Fish to-day are, *mutatis mutandis*, Articles XVIII, XIX, and XX of the Treaty of Washington.

ARTICLE IV.

It is agreed that the articles enumerated in the Schedules (A), (B), and (C), hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada, or of the United States, shall, from the 1st of July, 1875, to the 1st of July, 1876, pay only two-thirds of the duties payable previous to the former date on their importation into each country, one-third of those duties from the 1st of July, 1876, to the 1st of July, 1877, and shall be admitted duty free into each country respectively after the latter date until the end of the term of years mentioned in Article XV of this Treaty.

For the term mentioned in Article XV no other or higher duty shall be imposed in the United States upon other articles not enumerated in the said Schedules, the growth, produce, or manufacture of Canada, or in Canada, upon such other articles, the growth, produce, or manufacture of the United States, than are respectively imposed upon the like articles the growth, produce, or manufacture of Great Britain, or of any other foreign country.

SCHEDULE (A).

Consisting of following natural products:—animals of all kinds, ashes, potash, pearl and soda, barley, extract for tanning purposes, bath bricks, bread stuffs of all kinds, bricks for building, and fire-bricks, broom, corn.

Burr or grindstones (hewn, wrought or unwrought), butter, cheese, coal and coke, cotton wool, cotton waste, dye-stuffs, earths, clays, ochres, sand (ground or unground), eggs, fish of all kinds, fish, products of, and of all other creatures living in the water, fire-wood, flax (unmanufactured), flour and meals of all kinds, fruits (green or dried), furs (undressed), grain of all kinds, gypsum (ground, unground, or calcined), hay, hemp (unmanufactured), hides, horns, lard, lime, lumber of all kinds, malt, manufactures of marble, stone, slate, or granite (wrought or unwrought), meats (fresh, smoked, or salted), ores of all kinds of metals, pelts, petroleum oil (crude, refined, or benzole), pitch, planks, poultry and birds of all kinds, rags of all kinds, rice, salt, seeds, shrubs, skins, straw, tails, tallow, tar, timber of all kinds, tobacco (unmanufactured), tow (unmanufactured), trees, turpentine, vegetables, woods of all kinds, wool.

SCHEDULE (B).

Consisting of the following agricultural implements:—axes, bag holders, beehives, bone-crushers or parts thereof, cultivators' ditto, chaff-cutters' ditto, corn-huskers' ditto,

cheese vats, cheese factory heaters, cheese presses or parts thereof, churns ditto, cattle feed boilers and steamers ditto, field rollers ditto, fanning mills ditto, feed chopper ditto, forks for hay and manure, hand or horse grain driers or parts thereof, grain broadcast sowers ditto, grain crushers ditto, harrows, hoes, hand or horse drills, horse-power machines or parts thereof, hay tedders ditto, liquid manure carts ditto, manure sowers ditto, mowers ditto, oil and oil cake crushers ditto, ploughs ditto, rope and seed planters ditto, rope cutters, pullers and washers ditto, reapers or parts thereof, reaper and mower combined ditto, spades, shovels, scythes, snaths, threshing machines or parts thereof.

SCHEDULE (C).

Consisting of the following manufactures:—axles, all kinds of boots and shoes of leather, boot and shoe making machines, buffalo robes, (dressed and trimmed), cotton grain bags, cotton, cloth, unbleached cotton denims, cotton jeans, unbleached cotton drillings ditto, cotton tickings, cotton plaids, cottonades (unbleached), cabinet ware and furniture, or parts thereof, carriages, carts, waggons, and other wheeled vehicles and sleighs ditto, fire-engines ditto, gutta percha belting and tubing, iron bar, hoop, pig, puddled, rod, sheet, or scrap iron doubles, spikes, bolts, tacks, brads, or springs, iron castings, india rubber belting and tubing, locomotives for railways, or parts thereof, lead, sheet or pig, leather sole or upper leather, harness and saddlery, mill or factory or steamboat fixed engines and machines, or parts thereof, manufactures of marble, stone, slate, or granite, manufactures of wood solely or of wood nailed, bound, hinged, or locked with metal materials, mangles, washing-machines, wringing-machines, and drying-machines, or parts thereof, printing paper for newspapers, paper-making machines, or parts thereof, type, presses, and folders, cutters, ruling-machines, page-numbering machines, and stereotyping and electrotyping apparatus or parts thereof, refrigerators ditto, railroad cars, carriages and trucks ditto, satinets of woollen and cotton, steamers or parts thereof, steel, wrought or cast, and steel plates and rails, tin tubes and piping, tweeds of woollen, water-wheel machinery and apparatus, or parts thereof.

Article V is the same as the Article for the enlargement of the canals inclosed in my despatch No. 212 of the 25th ultimo.

ARTICLE VI.

It is agreed that the Government of Canada shall construct, on or before the 1st of January, 1880, a canal to connect the St. Lawrence River at Caughnawaga with Lake Champlain. The dimensions of the said canal shall be such as to admit, if it be found practicable, of the passage of vessels of _____ feet in length, with _____ feet beam and depth _____ feet : provided always that the Government of Canada shall not be bound to proceed with the construction of the said canal until it has received satisfactory proof that a canal similar in dimensions shall be constructed on or before the 1st day of January, 1880, from Whitehall to Troy, and that a channel through Lake Champlain shall be maintained at a regular depth equal to that of the said canals by the United States' Government, or the Government of the State of New York, or by a sufficient Company formed for that purpose, and having funds provided for work to be done : and it is further agreed that, on the completion of the said canals, the free and open navigation of the said canals and of the waters of Lake Champlain, and access to all parts thereon, shall be enjoyed by citizens of both countries on terms of equality.

ARTICLE VII.

Vessels carrying the United States' flag shall, during the term of years mentioned in Article XV of this Treaty, be allowed to carry cargo and passengers from one Canadian port to another on the great Lakes or River St. Lawrence. Vessels built in Canada or the United States, and carrying the British flag, shall be allowed to carry cargo and passengers from one port of the United States on the great Lakes or River St. Lawrence to another port on the said lakes or river. Vessels carrying the United States' flag, and vessels built in Canada or the United States, and carrying the British flag, shall during the said term be allowed to carry cargo and passengers from any port of the United States or Canada on the Red River or waters connecting therewith to any other such port on the said river or waters connecting therewith.

ARTICLE VIII.

For the term of years mentioned in Article XV of this Treaty, the Welland, St. Lawrence, Chambly, and Burlington Bay Canals, in the Dominion of Canada, and the Erie, Whitehall, Sault Ste. Marie, and Lake St. Clair Canals, in the United States and also the communication by the proposed Caughnawaga Canal, Lake Champlain, and the Whitehall Canal, to be constructed in accordance with the provisions of Article VI of this Treaty, shall be thrown open, &c. (the remainder of this Article being the same as in a similar Article inclosed in my despatch above-mentioned).

ARTICLE IX.

Is contained in my telegram of the 23rd ultimo.

ARTICLE X.

The navigation of Lake Michigan shall for ever remain free and open for the purposes of commerce to the subjects of Great Britain, subject to any laws and regulations of the United States bordering thereon, not inconsistent with such free navigation.

Articles XI, XII, and XIII, for the establishment of Joint Commissions, are the same as similar Articles inclosed in my despatch above-mentioned.

Article XIV, relative to Newfoundland, is also the same as Article inclosed in that despatch.

Articles XV and XVI are the two parts of an Article relative to the duration of the Treaty and annulling Articles XXII and XXIII, and, therefore, XXIV and XXV of the Treaty of Washington, as inclosed in my despatch above mentioned.

Article XVII is the usual form for ratification, leaving the number of the month blank for the present.

No. 335.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 8. 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegram from Sir E. Thornton, stating that Mr. Fish wishes the insertion of a clause in the proposed Reciprocity Treaty granting the free navigation of the Gut of Canso for ever to the United States' citizens.*

I am, &c.
(Signed) TENTERDEN.

No. 336.

Sir E. Thornton to the Earl of Derby.—(Received June 8, at night.)

(Telegraphic.)

Washington, June 8, 1874.

THE Canadian Government would agree, if it be necessary, and if Her Majesty's Government would consent, to the perpetual freedom of navigation of the Gut of Canso. Mr. Broughton suggests that we might ask, as an offset, the perpetual freedom of the navigation of the Douglas Channel, near San Juan and the Rosario Straits.

It is important that I should receive as soon as possible any observations which you may make upon this point, and upon the Draft Convention in my telegram of yesterday.

No. 337.

Mr. Farrer to Lord Tenterden.—(Received June 9.)

(Immediate and Confidential.)

My Lord,

Board of Trade, Whitehall, June 9, 1874.

WITH reference to correspondence relative to the Reciprocity Treaty between Canada and the United States, I am directed by the Board of Trade to transmit to you, for Lord

* No. 331.

Derby's consideration, a copy of a letter which they have this day addressed to the Colonial Office, in answer to a letter from that Department, endorsing a suggestion from the Governor-General of Canada to the effect that, in carrying out the proposed Reciprocity Treaty with the United States' Canada should be permitted to reduce certain duties in favour of the United States without, at the same time, reducing them on the same articles when imported from the United Kingdom.

I have, &c.
(Signed) T. H. FARRER.

Inclosure in No. 337.

Mr. Farrer to Sir H. Holland.

Sir,

Board of Trade, Whitehall Gardens, June 9, 1874.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 6th instant, inclosing copy of a telegram from the Governor-General of Canada, suggesting, that in carrying into effect the proposed Reciprocity Treaty with the United States, Canada should be permitted to reduce certain duties in favour of the United States, without at the same time reducing them on the same articles when imported from the United Kingdom, these articles being articles which, *ex hypothesi*, are imported in large quantities from the United Kingdom.

In reply, I am to state that in the opinion of the Board of Trade the step thus advocated is one of great importance, and one which should not be adopted by Her Majesty's Government without serious consideration.

In your letter to the Foreign Office, you refer to the recent precedent in the Australian Colonies, but that case is very different from the present. In the case of the Australian Colonies, the Colonies were allowed to impose discriminating duties in favour of one another, as compared with the duties imposed by them on similar goods from other parts of the world, including the United Kingdom. But in that case it was admitted that Her Majesty's Government could not have objected to a Federal Union, or even to a Customs' Union between the Colonies in question, which, if it had been created, would have brought about complete free trade within its own limits, and might have been at the same time thoroughly protective against the rest of the world, and it was fairly argued that the proposed discriminating duties were only a step towards such an Union.

In the present case no such argument will hold. A Customs' Union between Canada and the United States, to the exclusion of the mother-country, is a conclusion which has not yet been suggested; but it is one to which the proposal now under consideration naturally leads. It is further to be observed that in the case of the Act enabling the Australian Legislatures to impose differential duties (36 Vict., cap. 22), a proviso was inserted to the effect that, as regards countries other than the Australian Colonies, the Colonies should not, either by the imposition of new duties, or the remission of existing duties, treat any country differentially, and in the debates on this Bill great stress was laid on this proviso. So far, therefore, from being a precedent in point, the case of the Australian Colonies is an authority the other way. The present proposal must, therefore, be considered on its own merits, and is certainly not sanctioned by the precedent referred to.

In favour of the proposal it may be argued that the autonomy of the Colonies as regards Customs' dues has been admitted; that by the former Canadian Reciprocity Treaty the principle of discriminating dues against all the world was also admitted, and that the interests of adjacent countries in free communication with each other are so obvious that it is impossible to resist their desires for such communication, even though such communication is made at the expense of communication with other countries the expediency of communication with which may be equally desirable, but less obvious. It may also be urged that if no Reciprocity Treaty is made the trade from the United Kingdom will be, in some respects, as badly off as it will be under the Treaty, since Canada will not in that case reduce her present tariff, whilst if the Treaty is made she undertakes to reduce it in favour of this country in four years. On the other hand, it is a strong, and, as the Board of Trade believe, an unprecedented step for a colony to make an arrangement with a foreign country whereby the trade of the colony with that country shall be favoured distinctly and expressly at the cost of the trade with the mother-country. Such a precedent will obviously lead to separate Treaties of Commerce between each separate colony and any foreign nation with which it may think it its interest to trade; and the commercial ties between the colony and the mother-country will be weakened; for the

purpose of strengthening the ties between the colony and foreign countries. Such a policy is not shown to be inevitable, and if not inevitable it is one which certainly ought not to be lightly adopted.

The above observations are founded solely on the relations which exist, or ought to exist, between the mother-country and the colony, and are independent of those principles of free trade which are adopted by the mother-country. According to these principles the proposal now made is, of course, entirely objectionable.

The management of Commercial Treaties now rests, as Lord Carnarvon is aware, with the Foreign Office and not with the Board of Trade, but as his Lordship has sent the papers to the Board of Trade, they have thought it right to make the above observations.

A copy of this letter has been sent to the Foreign Office.

I have, &c.
(Signed) T. H. FARRER.

P.S.—It is further to be observed that if the proposed Treaty affects articles largely imported from Great Britain, it also probably affects articles imported into Canada from other foreign countries. If this is the case, it may prove a much more serious breach of foreign Commercial Treaties than the old Canadian Reciprocity Treaty, under which no complaint seems ever to have been made by a foreign country.

No. 338.

Lord Tenterden to Mr. Farrer.

(Immediate and Confidential.)

Sir,

Foreign Office, June 9, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Board of Trade, a copy of a telegram from Sir E. Thornton, stating the terms of an amended Draft of the Reciprocity Treaty which has been submitted to Mr. Fish,* and I am to request that you will move the Board to favour his Lordship with any observations they may have to offer thereon, at their earliest convenience.

I am, &c.
(Signed) TENTERDEN.

No. 339.

Lord Tenterden to Sir H. Holland.†

(Pressing and Confidential.)

Sir,

Foreign Office, June 9, 1874.

WITH reference to my letter of this day I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, two copies, in a complete form, of the Draft of Treaty proposed by Sir E. Thornton and Mr. Brown to the United States' Government.*

I am, &c.
(Signed) TENTERDEN.

No. 340.

Lord Tenterden to Sir H. Holland.

(Very Pressing and Confidential.)

Sir,

Foreign Office, June 9, 1874.

I AM directed by the Earl of Derby to transmit to you the accompanying telegrams received from Sir E. Thornton respecting the Reciprocity Treaty negotiations,† and I am to request that, in laying the same before the Earl of Carnarvon, you will move him to cause Lord Derby to be informed, at his earliest convenience, of the replies which he is of opinion should be returned thereto.

* No. 334.

† A similar letter was addressed to the Board of Trade.

‡ Nos. 334 and 336.

I am to add that a complete copy of the Draft Treaty will be prepared from Sir E. Thornton's previous despatches and telegrams, and furnished for Lord Carnarvon's use as soon as it can be compiled and printed.

I am, &c.
(Signed) TENTERDEN.

No. 341.

Lord Tenterden to Sir H. Holland.

(Immediate.)

Sir,

Foreign Office, June 9, 1874.

WITH reference to my letter of this day's date I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a short Memorandum which has been prepared in this Office on the question of the navigation of the Gut of Canso.

I am, &c.
(Signed) TENTERDEN.

Inclosure in No. 341.

Memorandum respecting the Gut of Canso.

THE Colonists of Nova Scotia on several occasions memorialized the Prince Regent against the Treaty of 1818; and in a memorial to Her Majesty in 1837 they complained of the mode of fishing adopted by the Americans. They urged that the three-miles limit closed the Gut of Canso against them, and they prayed that such measures might be adopted by the Imperial Government as would protect their fisheries against the encroachments of American fishermen.

The Queen's Advocate, to whom the question was referred, was of opinion that the terms of the Convention did not deprive the citizens of America of the right of passing through the Strait of Canso for the purpose of taking fish in common with British subjects in the Gulf of St. Lawrence; but in 1841, in consequence of the attempts made by the Colonial Government to enforce the rights of Great Britain with regard to the fisheries, Mr. Stevenson, the American Minister in London, complained of the measures which had been adopted, more particularly as related to the exclusion of the United States' fishermen from the Bays of Fundy and Chaleur, and from passing through the Gut or Strait of Canso.

Queen's Advocate,
March 10, 1838.

Mr. Stevenson,
March 27, 1841.

The several questions raised by the American Minister, as well as by the Colonial Government, were referred to the Law Officers of the Crown, who reported, with reference to the Gut of Canso, that, in their opinion, the Americans had no right by Treaty or otherwise to navigate that passage.

Law Officers,
August 30, 1841.

The Law Officers' Reports of March 10, 1838, and August 30, 1841, will be found annexed to Mr. Green's Memorandum respecting the North American Fisheries of July 1866, a copy of which is in the possession of the Colonial Office.

(Signed) E. HERTSLET.

Foreign Office, June 9, 1874.

No. 342.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 9, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, copy of a despatch which has been received from Sir E. Thornton upon the subject of articles which have appeared in the American press respecting the Reciprocity Treaty between Canada and the United States.*

I am, &c.
(Signed) TENTERDEN.

No. 343.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 9, 1874.

WITH reference to your letter of the 14th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Sir E. Thornton, with its inclosures, respecting the issue of the President's Proclamation for carrying into effect, with regard to Newfoundland, the provisions of the Treaty of Washington.*

I am, &c.
(Signed) TENTERDEN.

No. 344.

Sir E. Thornton to the Earl of Derby.—(Received June 10.)

(Telegraphic.)

Washington, June 9, 1874.

YOU would assist me greatly in the Reciprocity negotiation if you would give me at once an answer about the Gut of Canso, the Douglas Channel, and the Rosario Straits. Time is of the greatest importance. Congress will adjourn on the 22nd instant.

No. 345.

Mr. Lister to Sir H. Holland.

(Immediate and Confidential.)

Sir,

Foreign Office, June 10, 1874.

WITH reference to Lord Tenterden's letters of the 8th and 9th instant, I am directed by the Earl of Derby to transmit to you a telegram from Sir E. Thornton requesting answers, as soon as possible, to his previous telegrams respecting the opening of the Gut of Canso, the Douglas Channel, and Rosario Straits, to free navigation.†

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

No. 346.

Mr. Lister to Sir H. Holland.‡

(Confidential.)

Sir,

Foreign Office, June 10, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, two despatches from Sir E. Thornton on the subject of the negotiations for the renewal of the Reciprocity Treaty with the United States.§

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

No. 347.

Mr. Herbert to Mr. Lister.—(Received June 11.)

Sir,

Downing Street, June 10, 1874.

IN reply to your letter of yesterday and this day, inclosing telegrams from Sir E. Thornton on the subject of the proposal to open the Gut of Canso in perpetuity to free navigation by United States' vessels, I am directed by the Earl of Carnarvon to request that you will inform the Earl of Derby that his Lordship is inclined to think that, looking to the possibility of difficulties arising hereafter in regard to that navigation as connected with the Fisheries question, it may be on the whole most prudent to suggest to

* No. 316.

† A similar letter was addressed to the Board of Trade.

‡ No. 344.

§ Nos. 334 and 336.

Sir E. Thornton the expediency of limiting the concession of free navigation to the duration of the Reciprocity Treaty. But as the matter is one which affects Canadian rather than Imperial interests, Lord Carnarvon thinks it should be explained to Sir E. Thornton that Her Majesty's Government have no desire to press this suggestion if it is considered that to do so would injuriously affect the negotiations for the Treaty.

I am to add that Lord Carnarvon is of opinion that whether the arrangement as to opening the Gut of Canso be made in perpetuity, or for the limited time suggested by him, the free navigation by British vessels of the Douglas Channel and the Rosario Straits may be reasonably asked for as an equivalent.

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

No. 348.

Mr. Herbert to Mr. Lister.—(Received June 11.)

Sir, *Downing Street, June 11, 1874.*
I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 9th instant, transmitting copy received by telegraph of the Draft Reciprocity Treaty between the United States and Canada.

2. I am to request that you will state to the Earl of Derby that, after considering the effect of the provisions of the proposed Treaty, as now fully set forth, together with the observations contained in the letter from the Board of Trade of the 9th instant (a copy of which has been sent direct to the Foreign Office), Lord Carnarvon is disposed to withdraw the expression of opinion conveyed in the letter from this Department of the 6th instant, to the effect that the proposal to postpone for a few years the removal of the existing duties on British goods might be favourably entertained.

3. Under the proposed Treaty, the question to be considered is, in fact, very different from what it was when it originally came before Lord Carnarvon. The first suggestion conveyed in Sir E. Thornton's telegram of February 10 (inclosed in your letter of February), and concurred in by Lord Carnarvon in the letter from this office of February 26, was, that the IIIrd Article of the Reciprocity Treaty of 1854 should be renewed. This Article dealt with a number of unmanufactured articles, hardly any of which were, or were likely to be, imports from this country or from European States. But the Schedules (B) and (C) to the Draft Treaty now received comprise many articles largely manufactured in and exported from England and the Continent, and the question has therefore assumed an altogether new aspect.

4. In Lord Carnarvon's opinion, it will not be possible to relieve the Dominion from the necessity of admitting, on precisely the same terms as are secured to the United States by the new Treaty if it comes into effect, not only articles of British origin or manufacture comprised in the Schedules to the Treaty, but also similar articles the produce or manufacture of countries having Commercial Treaties with this country in which the treatment accorded to the most favoured nation is secured to those countries in the British Colonies.

5. There are, however, two qualifications which his Lordship thinks it would be right to make in this stipulation: First, that as under Article IV of the Draft Treaty the exemption from duty to articles produced or manufactured in the United States is made gradual and is spread over a certain specified period of time, so the reduction of duty on those articles of English produce or manufacture comprised in Schedules (B) and (C) should be subject to a similarly gradual reduction, so as to provide for the two processes proceeding equally and *pari passu*. Secondly, that in regard of those particular things which having been comprised within Article III of the Treaty of 1854 are now again mentioned in the Schedules to the present Draft Treaty, the concession desired by the Canadian Government might be made; and this country, having already submitted, without material inconvenience, to the disadvantageous position in which it has been placed with respect to the importation of those goods, might consent (if the Dominion Government should think it worth while to press for the concession so limited) to continue to pay for a further term of years the existing duties upon them. The effect of this would be that, in so far as the present arrangements revive Article III of the Treaty of 1854, this country would agree to be placed in an unfavourable position as compared with the United States, but would claim equal treatment with the United States in respect of all new matter.

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

No. 349.

*Mr. Farrer to Lord Tenterden.--(Received June 11.)**Office of Committee of Privy Council for Trade,
June 11, 1874.*

My Lord,

WITH reference to your letter of the 9th instant, forwarding copies of the draft of a Treaty proposed by Sir E. Thornton and Mr. Brown to the United States' Government, I am directed by the Board of Trade to transmit to you, to be laid before the Secretary of State for Foreign Affairs, a copy of a letter which has been addressed to the Colonial Office on this subject.

I have, &c.
(Signed) T. H. FARRER.

Inclosure in No. 349.

*Mr. Farrer to Mr. Herbert.**Office of Committee of Privy Council for Trade,
June 10, 1874.*

Sir,

I AM directed by the Lords of the Committee of Privy Council for Trade to acknowledge the receipt of your letter of the 10th instant containing the proposed Draft Treaty between Canada and United States and asking for observations.

The Treaty, it is to be observed, does not raise the question discussed in my letter of the 9th instant, which would arise directly, not on that instrument, but on any law which Canada may pass for carrying the Treaty into effect. It is, however, to be observed that in Mr. Fish's conversation with Sir E. Thornton, as reported by the latter in his despatch of the 23rd May (forwarded to the Board of Trade by the Foreign Office), Mr. Fish distinctly suggested the exemption of certain articles from duty when imported into Canada from the United States, and the maintenance of the duty on the same articles when imported from the United Kingdom; the suggestion being made, of course, not for the purpose of keeping up Canadian revenue, but for the purpose of encouraging United States' manufactures at the expense of British manufactures.

As regards Article IV in the present Draft the Board of Trade desire, therefore, only to refer to their letter of the 9th instant, for the purpose of pointing out, as far as their records enable them, how the admission into Canada of some of the articles mentioned in the present Draft free of duty, when imported from the United States, but subject to duty when imported from other countries, will affect the United Kingdom and some foreign countries. It will be seen from the Tables of the Trade and Navigation of Canada for the year 1873, that the import of some of the articles mentioned in Article IV from the United Kingdom is a large one, *e.g.*, of iron; and although the imports from other countries into Canada, *e.g.*, France and Germany (with both of which we have commercial Treaties with most-favoured-nation clauses) are not large, yet such imports do exist and do include goods mentioned in the proposed Treaty.

It is also to be remembered that the trade of these countries with Canada probably depends in a great measure on the duties imposed by Canada, and that if those duties were repealed altogether it might much increase.

At any rate, if such an argument were put forward by France or Germany it would be difficult to answer it.

As regards Article VII, it appears that it is proposed that ships built in Canada or the United States shall be allowed to carry cargo from one port on the internal waters of each of the two countries to any other port situate on the same waters.

This would give to ships built in the United States an advantage in Canadian ports over British ships built elsewhere, and to ships built in Canada an advantage in United States' ports over British ships built elsewhere, and is thus open, theoretically, at any rate, to the objection stated in my letter of the 9th ultimo to the Foreign Office, copy of which was sent to you, and to which the Board desire me to refer. Of course, the extent to which this objection is a practical one must depend on the extent to which ships built elsewhere than in Canada or the United States trade on the waters in question.

As regards Article IX, it is to be observed that it allows ships built in Canada to be registered in the United States. This will give to Canadian ship-builders an advantage over British ship-builders in other parts of the Empire.

I have, &c.
(Signed) T. H. FARRER.

No. 350.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, June 11, 1874, 3.55 P.M.

HER Majesty's Government suggest that, looking to the possibility of difficulties arising hereafter in regard to the Gut of Canso as connected with the Fisheries Question, it would be expedient to limit the concession of free navigation to the duration of the Reciprocity Treaty. As the matter, however, affects Canadian rather than Imperial interests, Her Majesty's Government have no desire to press this suggestion if it is considered that it would injuriously affect the negotiations.

Whether arrangement be made perpetual or limited, free navigation of Douglas Channel and Rosario Straits may be reasonably ask for as an equivalent.

No. 351.

The Earl of Derby to Sir E. Thornton.

(No. 197.)

Foreign Office, June 11, 1874.

Sir,

HER Majesty's Government have had under their consideration your telegrams of the 6th and 8th instant relative to the desire of Mr. Fish that a clause securing to United States' vessels the right of free navigation through the Gut of Canso in perpetuity should be inserted in the Reciprocity Treaty, and looking to the possibility of difficulties arising hereafter in regard to that navigation as connected with the Fisheries question, they think that the most prudent course would be to limit the concession of free navigation to the duration of the Reciprocity Treaty.

As the matter, however, is one which affects Canadian rather than Imperial interests, Her Majesty's Government have no desire to press their views if it is considered by the Canadian Government that to do so would injuriously affect the negotiations for the Treaty.

Whether the arrangement be made in perpetuity or for a limited time, the free navigation by British vessels of the Douglas Channel and the Rosario Straits might reasonably be asked for as an equivalent.

I am, &c.
(Signed) DERBY.

No. 352.

Lord Tenterden to Mr. Herbert.

(Immediate and Confidential.)

Sir,

Foreign Office, June 11, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, copies of correspondence which has been printed at this office upon the subject of the negotiations for the renewal of the Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 353.

Lord Tenterden to Mr. Herbert.

(Immediate.)

Sir,

Foreign Office, June 11, 1874.

I HAVE laid before the Earl of Derby your letter of the 6th instant respecting the Reciprocity Treaty negotiations; and I am directed by his Lordship to request that you will state to the Earl of Carnarvon, in reply, that Lord Derby is unable to concur in the suggestion of the Governor-General of Canada that Her Majesty's Government should propose to the Government of the Dominion, in order to meet a deficit in the Canadian revenue which may otherwise occur, that customs duties should continue for three or four years to be imposed on articles imported from Great Britain which the proposed Reciprocity Treaty would remit on articles of American produce or manufacture imported from the United States; and Lord Derby cannot but believe that the fuller information

received by telegraph from Sir E. Thornton, and since communicated to the Earl of Carnarvon, may cause him to reconsider the impression which he first entertained on the subject.

The Draft Treaty provides (Article IV) that the Articles enumerated in the annexed Schedules "shall, from the 1st of July, 1875, to the 1st of July, 1876, pay only two-thirds of the duties payable previous to the former date on their importation into each country, one-third of those duties from the 1st of July, 1876, to 1st July, 1877, and shall be admitted duty free into each country respectively after the latter date until the end of the term of years mentioned in Article XV."

The telegram from the Governor-General of Canada does not specify these dates or explain whether it is intended that the duties on British goods should be maintained only while these gradual reductions in the duties on American goods are taking place up to the 1st of July, 1877, or should be maintained until then and for a period afterwards. However this may be, the principle would, in Lord Derby's judgment, be equally objectionable.

The Board of Trade in the letter from that Department of the 9th instant, of which a copy has been furnished to this office, have pointed out, in a manner which appears to his Lordship to be conclusive, that the precedent of the Australian Colonies is inapplicable; and he concurs in the reasons therein given, showing that it would be most inadvisable to countenance any proposal for establishing differential duties in the Colonies in favour of a foreign country against Great Britain.

Besides the principle involved, the effect upon the trade and manufactures of Great Britain could not fail, in the present instance, to be most disastrous.

Lord Derby is not sufficiently well informed as to the provisions of the Canadian tariff to be able to state what would be the extent of the injury; but the effect of admitting American manufactures in such articles as cotton goods and woollen tweeds (to mention only some of the articles enumerated), would be to check the trade in those goods which the Returns show to be annually increasing,* and probably to annihilate it, as it could not be expected that after the American manufactures had commanded the market for three or four years under the discriminating duties in their favour, British manufactures would be able to regain it.

Lord Carnarvon will have seen from Sir E. Thornton's despatches that both he and Mr. Brown pointed out to Mr. Fish, who had mooted the subject, that such discriminating duties on textile fabrics would be most unfair, and Mr. Fish seems to have acquiesced in this.

Moreover, should the result be that the British manufactures were driven from the Canadian market, the Canadian Government would at once lose the benefit of the duties on British goods, and the object with which the proposal has been made would be defeated.

English exporters would also have good ground of immediate complaint, as well as their correspondents in Canada, who have contracts with them for delivery on speculative sale, or who hold bills secured on the value of goods of British manufacture exported to Canada, as that value would fall as soon as American manufactures were placed in a position to under sell them.

Many other similar considerations will no doubt occur to Lord Carnarvon, but there is one to which Lord Derby must more particularly call his Lordship's attention, and that is, that there are most-favoured-nation provisions in the Commercial Treaties between this country and Austria, Germany, France and Russia, Italy and Belgium and other powers, which either specifically or generally extend to the Colonies, and the effect of which is to compel Canada to give to those countries all advantages of trade and navigation given to any other country. The consequence would be that if the proposal of the Governor-General of Canada and his Council were adopted, Canadian ports would be thrown open to the goods, produce, and manufacture of these countries and the United States on a gradually diminishing scale, and eventually free, while British manufactures would be subjected to a differential, and thus presumably to a prohibitive, tariff.

Lord Derby cannot suppose that this has been seriously contemplated.

I am to add that it appears to his Lordship that it would be useless to propose to the United States to admit British manufactures free, at the expiration of the period mentioned, or on the same terms as Canadian manufactures, and that to make such a proposal without the intention of insisting on it would be inexpedient.

I am, &c.
(Signed) TENTERDEN.

* See Trade and Navigation Returns, laid before House of Lords, March 19, 1874.

No. 354.

Lord Tenterden to Mr. Farrer.

Sir,

Foreign Office, June 11, 1874.

I HAVE laid before the Earl of Derby your letter of the 9th instant, forwarding a copy of a letter to the Colonial Office, relative to the suggestion made by the Governor-General of Canada, that in carrying out the proposed Reciprocity Treaty that Colony should be permitted to reduce the duties in favour of the United States, without reducing the same duties in favour of the United Kingdom, and I am directed by his Lordship to request you to inform the Board of Trade that he concurs in the views expressed in this letter.

I am at the same time to transmit to you, to be laid before the Board, a copy of a letter on the same subject which his Lordship has caused to be addressed to the Colonial Office.*

I am, &c.
(Signed) TENTERDEN.

No. 355.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, June 12, 1874.

I HAVE laid before the Earl of Derby your letter of yesterday, which has crossed my letter of the same day, on the subject of the Reciprocity Treaty, and I am to request that you will state to the Earl of Carnarvon that his Lordship sees no objection to the remission of duties in Canada on British and foreign goods proceeding *pari passu*, with the reductions proposed by the draft Treaty to be allowed on American imports.

Lord Derby, however, is unable to concur in the suggestion that the Government of the Dominion should be allowed to continue to levy duties on the British goods mentioned in the Reciprocity Treaty of 1854 after the duties on such American articles had been reduced and remitted.

The grave objections of principle to which Lord Carnarvon's attention has already been called apply equally to any discriminating duties upon British goods, of whatever description, in favour of American goods. Those objections extend to any admission of a precedent that a British Colony may establish differential duties against Great Britain in favour of a foreign country.

Moreover, it must be borne in mind that when the Reciprocity Treaty of 1854 was entered into, the Commercial Treaties, to which I have referred in my previous letter, had not been concluded. Each of those countries has a positive right to import its goods into Canada on the same footing as any other foreign country, and Her Majesty's Government could not properly assent to anything which would interfere with the exercise of that right.

I am, &c.
(Signed) TENTERDEN.

No. 356.

Mr. Meade to Lord Tenterden.—(Received June 12.)

My Lord,

Downing Street, June 12, 1874.

IN reply to your letter of this day's date, I am directed by the Earl of Carnarvon to transmit to you the draft of a telegram which he proposes, with the Earl of Derby's concurrence, to send to the Governor-General of Canada respecting the proposed Reciprocity Treaty with the United States.

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

No. 357.

Lord Tenterden to Mr. Meade.

(Pressing.)

Sir,

Foreign Office, June 12, 1874.

I HAVE laid before the Earl of Derby your letter of this day, inclosing a draft of a telegraphic instruction which the Earl of Carnarvon proposes to address to the Governor-General of Canada respecting the Reciprocity Treaty, and I am to request that you will state to his Lordship that Lord Derby concurs therein, and that a telegram in the same sense will be sent to Sir E. Thornton.

I am, &c.

(Signed) TENTERDEN.

No. 358.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, June 12, 1874, 7.25 p.m.

THE Canadian Government have appealed to Her Majesty's Government to allow duties on English goods to be continued for three or four years after they are remitted on American goods. Her Majesty's Government have replied that they regret that they cannot entertain proposal to postpone for a term removal of duties on British goods. Foreign countries with favoured-nation clauses will be on the same footing in Canada as United States, and England would be placed at great disadvantage if duties were retained against her alone. Original proposal was that IIIrd Article of Convention of 1854 should be renewed, but Schedules B and C contain articles largely manufactured in, and exported from, Europe. Her Majesty's Government are willing to allow the same gradual reduction on British goods as may be fixed for United States' goods.

No. 359.

Lord Tenterden to the Law Officers of the Crown and Dr. Deane.

(Very Pressing.)

Gentlemen,

Foreign Office, June 12, 1874.

I AM directed by the Earl of Derby to transmit to you the accompanying draft of a Reciprocity Treaty which has been submitted to the United States' Government by Sir E. Thornton and Mr. Brown of Canada, who have been authorized to negotiate on the subject; and I am to request that you will take the same into your consideration, and favour Lord Derby with your opinion, whether the wording of the Articles is right and proper, and whether there are any objections in English law to the draft being approved.

I am, &c.

(Signed) TENTERDEN.

P.S.—Copies of the Treaty of Washington and of the Reciprocity Treaty of 1854, are inclosed for reference, if required.

No. 360.

Mr. Herbert to Mr. Lister.—(Received June 13.)

Sir,

Downing Street, June 12, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 10th instant, forwarding copies of two despatches from Sir E. Thornton, dated May 23 and 25, reporting conversations with Mr. Fish in regard to the proposed Reciprocity Treaty.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

No. 361.

Mr. Herbert to Mr. Lister.—(Received June 13.)

Sir,

Downing Street, June 12, 1874.

I AM directed by the Earl of Carnarvon to request that you will acquaint the Earl of Derby that, after considering the full text of the draft of the proposed Reciprocity Treaty between Canada and the United States in connection with the correspondence which has passed on this subject, his Lordship is of opinion that it may be intimated to Sir E. Thornton that Her Majesty's Government generally approve the Articles of that Treaty.

The Board of Trade have observed, in their letter of the 11th June, a copy of which has been laid before Lord Derby, that Articles VII and IX of the Treaty would confer upon Canadian-built ships and Canadian builders certain advantages not possessed by British ships built elsewhere and their builders.

It is not, however, represented, nor does Lord Carnarvon anticipate that it will be the case, that the disadvantages to persons and property, other than Canadian, involved in the adoption of these Articles will practically amount to any such serious or extensive inconvenience as would justify Her Majesty's Government in objecting to their terms; and it appears to his Lordship that it is especially desirable to avoid raising questions on points of minor importance at a time when it has been found necessary to refuse consent to larger questions, such as the request for a concession as to the continuance of duty on British goods imported into Canada.

I am, &c.

(Signed)

ROBERT G. W. HERBERT.

No. 362.

The Earl of Derby to Sir E. Thornton.

(No. 196.)

Sir,

Foreign Office, June 13, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence, as marked in the margin,* upon the subject of the negotiations for the renewal of the Reciprocity Treaty.

I am, &c.

(Signed)

DERBY.

No. 363.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, June 13, 1874, 5 P.M.

HER Majesty's Government approve generally the Articles of the draft Treaty telegraphed by you on the 7th instant, subject to the concurrence of the Canadian Government.

The draft is now before the Law Officers for opinion as to its wording.

Have you received any, and what, answer from Mr. Fish?

No. 364.

Lord Tenterden to Mr. Farrer.

Sir,

Foreign Office, June 13, 1874.

WITH reference to my letter of the 11th instant, I am directed by the Earl of Derby to transmit to you to be laid before the Lords of Trade, copies of further correspondence with the Colonial Office, in regard to the negotiations for the renewal of the Reciprocity Treaty.†

I am, &c.

(Signed)

TENTERDEN.

* Nos. 332, 337, 348, 349, 353, 354, and 355.

† Nos. 348 and 355.

No. 365.

Sir E. Thornton to the Earl of Derby.—(Received June 14.)

(Telegraphic.)

Washington, June 13, 1874.

SINCE my telegram of the 7th instant, Mr. Brown and I have had several conferences with Mr. Fish, who has made fresh demands to which we have not yielded. The phrasology of the draft Treaty has been considerably changed; the substance, very little. But it is useless to telegraph until the language is more completely agreed upon.

No. 366.

Sir E. Thornton to the Earl of Derby.—(Received June 15.)

(No. 225.)

My Lord,

Washington, June 1, 1874.

ON the receipt of your Lordship's telegram of the 14th ultimo, I addressed a note to Mr. Fish, informing him that Her Majesty had confirmed the Newfoundland Fisheries' Act, and suggesting that the President's Proclamation should be issued without delay, in order that the provisions of the Treaty of Washington with regard to that Colony might be carried into effect.

Mr. Fish replied, that if the Governor of Newfoundland would issue a Proclamation so that the Articles of the Treaty might go into effect on the 1st of June, the President would be prepared to issue a similar Proclamation; and he begged me to furnish him a copy of the Governor's proposed Proclamation.

I telegraphed this information at once to Colonel Hill, and begged him to send me a copy of his Proclamation; but, from his Excellency's answer, I found that it was impossible that the copy could reach me in time. Fortunately I had a Draft of the Proclamation, which he had intended to issue on the occasion of the previous Act, which was objected to.

I showed it to Mr. Fish, who agreed that if the Governor of Newfoundland would, on the 30th of May, issue his Proclamation in the same language, *mutatis mutandis*, and with a slight verbal alteration, the President would also issue his Proclamation on the same day.

I telegraphed to this effect to Colonel Hill, who replied, that he would comply with the suggestions contained in my telegram.

I have now the honour to inclose three printed copies of the Proclamation issued by the President on the 30th ultimo, and published on that day. It also comprises the Protocol which Mr. Fish and I signed upon the subject, on the 28th ultimo, and which is also inclosed in original.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 366.

• By the President of the United States of America.

A Proclamation.

WHEREAS by the XXXIIIrd Article of a Treaty concluded at Washington on the 8th day of May, 1871, between the United States and Her Britannic Majesty, it was provided that "Articles XVIII to XXV inclusive, and Article XXX of this Treaty, shall take effect as soon as the laws required to carry them into operation shall have been passed by the Imperial Parliament of Great Britain, by the Parliament of Canada, and by the Legislature of Prince Edward Island, on the one hand, and by the Congress of the United States on the other:"

And whereas it is provided by Article XXXII of the Treaty aforesaid, "That the provisions and stipulations of Article XVIII to XXV of this Treaty, inclusive, shall extend to the Colony of Newfoundland, so far as they are applicable; but if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make

provision by law to give it effect by either of the legislative bodies aforesaid shall not in any way impair any other Articles of this Treaty :—

And whereas by the 2nd section of an Act, entitled, “An Act to carry into effect the provisions of the Treaty between the United States and Great Britain, signed in the city of Washington, the 8th day of May, 1821, relating to the fisheries,” it is provided :—

“That whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles XVIII to XXV of said Treaty, inclusive, to that Colony and the Legislature thereof and the Imperial Parliament shall pass the necessary laws for that purpose, the above enumerated Articles, being the produce of the fisheries of the Colony of Newfoundland, shall be admitted into the United States free of duty from and after the date of a Proclamation by the President of the United States, declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles XVIII to XXV, inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty, so long as the said Articles XVIII to XXV, inclusive, and Article XXX of said Treaty, shall remain in force, according to the terms and conditions of Article XXXIII of said Treaty :—”

And whereas the Secretary of State of the United States and Her Britannic Majesty’s Envoy Extraordinary and Minister Plenipotentiary at Washington have recorded, in a Protocol of a Conference held by them in the Department of State in Washington, on the 28th day of May, 1874, in the following language :—

“Protocol of a Conference held at Washington on the 28th day of May, 1874.

“Whereas it is provided by Article XXXII of the Treaty between the United States of America and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, signed at Washington on the 8th day of May, 1871, as follows :—

“ARTICLE XXXII.

“It is further agreed, that the provisions and stipulations of Articles XVIII to XXV of this Treaty, inclusive, shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect by either of the legislative bodies aforesaid, shall not in any way impair any other Articles of this Treaty.’

“And whereas an Act was passed by the Senate and House of Representatives of the United States of America in Congress assembled, and approved on the 1st day of March, 1873, by the President of the United States, entitled ‘An Act to carry into effect the provisions of the Treaty between the United States and Great Britain, signed in the City of Washington the 8th of May, 1871, relating to Fisheries,’ by which Act it is provided :

“Section 2. That whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles XVIII to XXV of said Treaty, inclusive, to that Colony and the Legislature thereof, and the Imperial Parliament shall pass the necessary laws for that purpose, the above-enumerated Articles, being the produce of the fisheries of the Colony of Newfoundland, shall be admitted into the United States free of duty from and after the date of a Proclamation by the President of the United States declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented in a due and proper manner to have the provisions of the said Articles XVIII to XXV, inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty so long as the said Articles XVIII to XXV, inclusive, and Article XXX of said Treaty shall remain in force, according to the terms and conditions of Articles XXXIII of said Treaty :

“And whereas an Act was passed by the Governor, Legislative Council, and Assembly of Newfoundland, in legislative session convened, in the thirty-seventh year of Her Majesty’s reign, and assented to by Her Majesty on the 12th day of May, 1874, entitled ‘An Act to carry into effect the provisions of the Treaty of Washington as far as they relate to this Colony :—”

“The undersigned, Hamilton Fish, Secretary of State of the United States, and the Right Honourable Sir Edward Thornton, one of Her Majesty’s most Honourable Privy Council, Knight Commander of the Most Honourable Order of the Bath, Her Britannic

Majesty's Envoy Extraordinary and Minister Plenipotentiary to the United States of America, duly authorized for this purpose by their respective Governments, having met together at Washington, and having found that the laws required to carry the Articles XVIII to XXV, inclusive, and Articles XXX and XXXII of the Treaty aforesaid into operation, have been passed by the Congress of the United States on the one part, and by the Imperial Parliament of Great Britain, by the Parliament of Canada, and by the Legislature of Prince Edward Island, and the Legislature of Newfoundland on the other, hereby declare that Articles XVIII to XXV, inclusive, and Article XXX of the Treaty between the United States of America and Her Britannic Majesty shall take effect in accordance with Article XXXIII of said Treaty, between the citizens of the United States of America and Her Majesty's subjects in the Colony of Newfoundland on the 1st day of June next.

"In witness whereof the undersigned have signed this Protocol, and have hereunto affixed their seals.

"Done in duplicate at Washington this 28th day of May, 1874.

(L.S.)

"HAMILTON FISH.

(L.S.)

"EDWARD THORNTON."

Now, therefore, I, Ulysses S. Grant, President of the United States of America, in pursuance of the premises, do hereby declare that I have received satisfactory evidence that the Imperial Parliament of Great Britain and the Legislature of Newfoundland have passed laws on their part to give full effect to the provisions of the said Treaty, as contained in Articles XVIII to XXV, inclusive, and Article XXX of said Treaty.

In testimony whereof I have hereunto set my hand, and caused the seal of the United States to be affixed.

Done at the city of Washington, this 29th day of May, in the year of our Lord 1874, and of the Independence of the United States of America the ninety-eighth.

(Signed)

U. S. GRANT.

By the President,

(Signed)

HAMILTON FISH, *Secretary of State.*

No. 367.

Sir E. Thornton to the Earl of Derby.—(Received June 15.)

(No. 228.)

My Lord,

Washington, June 1, 1874.

WITH reference to my despatch No. 212 of the 27th ultimo, I have the honour to inform your Lordship that my colleague, Mr Brown, having consulted with Mr. Boutwell, and with other Members of Congress as to those articles of manufacture, the reciprocal free entry of which would be advantageous to both Canada and the United States, agreed to the insertion in the free list of a number of Articles which are mentioned in an amended draft Treaty, copy of which I have the honour to inclose. This draft has likewise been altered in some other points from that which was transmitted in my despatch above mentioned, the changes having been made in consequence of Mr. Fish's observations.

In the inclosed draft I have numbered the Articles for greater convenience of reference.

The first four Articles are still Articles XVIII, XIX, XX and XXI of the Treaty of Washington; but it is obvious that the last of these will finally have to be omitted; for it contains a limitation to the import of fish which is taken off in Article V; the two Articles being therefore contradictory.

Article V now contains, besides the natural products previously forming the free list, a list of agricultural implements and another of various manufactures, which Mr. Brown believed that the Canadian Government would be prepared to relieve from duties.

Article VII has been amended from the previous draft in order to make it more clear that in case the Canadian Government should construct the Caughnawaga Canal, the construction of the canal from Whitehall to Troy, between Lake Champlain and the Hudson River, should be ensured, as well as the free navigation of the whole water passage by Canadians as well as Americans.

Article VIII has, as your Lordship will perceive, been completely remodelled. In the present Article American vessels are to enjoy a somewhat more extensive coasting trade in Canada than Canadian vessels in the United States, inasmuch as the coasting trade of all the ports of the Dominion east of the Rocky Mountains would be open to

American vessels, whilst that of the United States' ports, on the Great Lakes, the River St. Lawrence, and the Red River only would be open to Canadian vessels to the exclusion of vessels built in the United Kingdom. I have told Mr. Brown and Mr. Fish that I cannot say that Her Majesty's Government will acquiesce in this exclusion of vessels built in the United Kingdom.

In Article IX a sentence has been added relative to the influence to be used by the United States Government with regard to those canals which belong to the different States.

In Article XI it was thought advisable to omit the condition relative to restrictions upon the free navigation of Lake Michigan. This condition referred to a Custom-house regulation ordering every vessel which enters that lake, to touch and report at Mackinaw; but as this is a regulation which is obligatory upon American as well as Canadian vessels, it was thought better not to insist upon its being annulled.

The Article in the former draft for carrying the Treaty into operation and cancelling Articles XXII, XXIII, XXIV and XXV of the Treaty of Washington, has been divided into two Articles, which are now numbered XVI and XVII.

Mr. Brown and I called upon Mr. Fish at the State Department on the 28th instant, and I read to him the inclosed Draft. Mr. Fish did not make many remarks, but seemed generally to be much more disposed to view the proposals in a favourable light than had previously been the case.

With regard to Article VII, he said that if we would consent to the simple condition that the Canadian Government should construct the Caughnawaga Canal without insisting upon a guarantee that a canal of an equal depth should be constructed from Whitehall to Troy, the whole of the Senators from New England would probably be in favour of the Treaty, because this would facilitate the transport of produce to the ports of the New England States. There would also be little doubt that as soon as the Caughnawaga Canal was built, the State of New York would find it necessary to make of its own accord one from Whitehall to Troy, in order to facilitate the transport of produce from St. Lawrence to the port of New York.

He also stated, with regard to the last Article of the Draft, which proposes that the ratification should be exchanged within three months of the date of the Treaty, that, although it might be possible to sign a Treaty and to send it to the Senate for its sanction during the present Session, the pressure of business which always existed at the end of the Session might prevent that body from giving its sanction during the present Session, and that it would therefore be advisable to extend the term for the exchange of the ratifications so as to include the next Session.

This, however, must be a matter for the serious consideration of the Canadian Government, though, if I may judge from what Mr. Brown says, it would not object to the fulfilment of the stipulations contained in Articles XXII, XXIII, XXIV, and XXV being left in abeyance for that term.

But Mr. Fish agreed to take the inclosed Draft for consideration, to submit it to the President and Cabinet, and subsequently, with their approval, to the Senate for its opinion.

Mr. Brown on the same day transmitted by telegraph to the Canadian Government the substance of the inclosed Draft Treaty and a list of the additional articles inserted in the free list.

From the answer which he received, also by telegraph, it would seem that the Canadian Government was somewhat alarmed at the extent of these articles, and at the probable cost of the Caughnawaga Canal. It thought that the additional articles inserted in the free list would involve a loss to the Canadian revenue of about 3,000,000 dollars, nearly 2,000,000 of which would be upon goods named in the list imported from the United Kingdom. It was also supposed that the construction of the Caughnawaga Canal would cost at least 5,000,000 dollars.

Mr. Brown was of opinion that his Government was mistaken as to the extent of loss which the new free list would involve, but, as communication by telegraph was very unsatisfactory, we agreed upon reflection that it was advisable that he should proceed at once to Ottawa in order that he might come to a more complete understanding with his Government upon the questions about which there might be a difficulty; and he accordingly left Washington for Ottawa at night of the 30th ultimo. He hopes to be here again on the evening of the 4th instant.

Before leaving, Mr. Brown called upon Mr. Fish, explained to him the difficulties which had occurred to the Canadian Government, and informed him of his intention to go to Ottawa, adding that it might become necessary to eliminate some of the articles now contained in the free list.

I yesterday saw Mr. Fish at his house, when he expressed a little disappointment at the prospect of a change in the free list, and added that, although he had obtained the consent of the President and the Cabinet to submit the Draft to the Senate for its opinion, he should not do so until we could tell him that we should ask for no material alterations.

The information which I have received with regard to the feelings of Senators upon the subject is satisfactory, and if Mr. Fish could be induced to sign a Treaty, I believe that it would find in the Senate the necessary two-thirds in favour of it.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 367.

Amended Draft of proposed Reciprocity Treaty.

HER Majesty the Queen of Great Britain and the United States of America being desirous of improving the commerce and navigation between their respective territories and people, and more especially between Her Majesty's Possessions in North America and the United States in such manner as to render the same reciprocally beneficial, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say :—

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

ARTICLE I.

[Same as Article XVIII of the Treaty of May 8, 1871, substituting XVI for XXXIII.]

ARTICLE II.

[Same as Article XIX of the Treaty of May 8, 1871, substituting XVI for XXXIII.]

ARTICLE III.

[Same as Article XX of Treaty of May 8, 1871.]

ARTICLE IV.

[Same as Article XXI of the Treaty of May 8, 1871, substituting XVI for XXXIII.]

ARTICLE V.

It is agreed that, for the term of years mentioned in Article XVI, the articles enumerated in the Schedules A, B and C, hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada or of the United States, shall be admitted into each country respectively free of duty :—

SCHEDULE (A).—Natural Products.

Animals of all kinds.	Dye stuffs.
Ashes, pot, pearl and soda.	Earths, clays, ochres, sand, ground or un-
Bark.	ground.
Bark, extract, for tanning purposes.	Eggs.
Bath bricks.	Fish of all kinds, and products thereof, and
Breadstuffs of all kinds	of all other creatures living in the water.
Bricks for building, and fire bricks.	Firewood.
Broom, corn.	Flax, unmanufactured.
Burr or grindstones, hewn or wrought.	Flour of all kinds.
Butter.	Fruits, green or dried.
Cheese.	Furs, undressed.
Coal and coke.	Grain of all kinds.
Cotton, wool.	Gypsum, ground or unground.
Cotton, waste.	Hay.

Hemp, unmanufactured.	Salt.
Hides, dressed.	Seeds.
Horns.	Shrubs.
Lard.	Skins, undressed.
Lime.	Stone, granite, and slate, wrought or unwrought.
Lumber of all kinds.	Straw.
Malt.	Tails, undressed.
Manures.	Tallow.
Marble, unmanufactured.	Tar.
Meats, fresh, smoked, or salted.	Timber of all kinds.
Minerals and other oils.	Tobacco, unmanufactured.
Ores of all kinds of metals.	Tow, unmanufactured.
Pelts.	Trees.
Pitch.	Turpentine.
Plants.	Vegetables.
Plaster, raw or calcined.	Wood of all kinds.
Poultry, and birds of all kinds.	Wool.
Rags of all kinds.	
Rice.	

SCHEDULE (B).—Agricultural Implements, or parts thereof.

Axes.	Harrows.
Bag holders.	Hoes, hand or horse.
Beehives.	Horse rakes.
Bone crushers.	Horse-power machines.
Cultivators.	Hay tedders.
Chaff cutters.	Liquid manure carts.
Corn huskers.	Manure sowers.
Cheese vats.	Mowers.
Cheese factory heaters.	Oil and oil-cake crushers.
Cheese presses.	Ploughs.
Churns.	Root and seed planters.
Cattle feed boilers and steamers.	Root cutters, pulpers, and washers.
Ditchers.	Rakes.
Field rollers.	Reapers.
Fanning mills.	Reaper and mower combined.
Feed choppers.	Spades.
Forks for hay and manure, hand or horse.	Shovels.
Grain drills.	Scythes.
Grain broad-cast sowers.	Snails.
Grain crushers.	Threshing machines.

SCHEDULE (C).—Manufactures, and parts thereof.

Axles, all kinds.	Locomotives for railways.
Blacksmith's bellows, anvils, and hammers.	Lead, sheet or pig.
Boot and shoe making machines.	Leather, sole or upper.
Blankets.	Leather, harness and saddlery.
Buffalo robes, dressed and trimmed.	Leather boots and shoes.
Cotton grain bags and sacks.	Mill, factory and steamboat, fixed engines, machines and machinery.
Cotton cloth, unbleached.	Manufactures of marble, stone, slate, or granite.
Cotton denims.	Manufactures of wood solely, or of wood nailed, bound, hinged, or locked with metal materials.
Cotton jeans.	Mangles, washing machines, wringing machines, and drying machines.
Cotton tickings.	Printing paper for newspapers.
Cotton ginghams.	Paper making machines.
Cotton plaids.	Printing type, presses, and folders, paper cutters, ruling machines, page numbering machines, and stereotyping and electrotyping apparatus.
Cottonades.	Refrigerators.
Cabinet ware and furniture.	Railroad cars, carriages, and trucks.
Carriages, carts, waggons, and other wheeled vehicles and sleighs.	Satinets.
Fire engines.	Steam engines.
Flannels.	Steel, wrought or cast, and steel plates and rails.
Gutta-percha belting and tubing.	Tin tubes and piping.
Iron, bar, boiler, plate, galvanized, hoop, pig, puddled, rod, sheet, scrap, or wire.	Tweeds.
Iron nails, spikes, bolts, tacks, brads, or sprigs.	Water-wheel machinery and apparatus.
Iron, articles for ship building and ship navigating.	
Iron, railroad bars, frogs, chairs, and fish plates.	
Iron castings.	
India-rubber belting and tubing.	

ARTICLE VI.

The Canadian canals, from Lake Erie to Montreal, shall be enlarged forthwith, at the expense of the Dominion, so as to admit of the passage of vessels 260 feet in length, with

45 feet beam, with a depth equal to the capacity of the lake harbours; and this work shall be completed by the 1st of January, 1880.

ARTICLE VII.

It is agreed that the Government of Canada shall construct, on or before the 1st of January, 1880, a canal to connect the St. Lawrence river at Caughnawaga with Lake Champlain. The dimensions of the said canal shall be such as to admit (if it be found practicable) of the passage of vessels feet in length, with feet beam, and depth of feet. Provided always that the Government of Canada shall not be bound to proceed with the construction of the said canal until it has received satisfactory proof that a canal of similar dimensions shall be constructed, on or before the 1st of January, 1880, from Whitehall to Troy, and that a channel through Lake Champlain shall be maintained, at a regular depth equal to that of the said canals, by the United States' Government, or the Government of the State of New York, or by a sufficient Company incorporated for that purpose and having funds provided for the work to be done.

And it is further agreed that, on the completion of the said canals, the free and open navigation of the said canals and of the waters of Lake Champlain, and access to all ports thereon, shall be enjoyed by the citizens of both countries on terms of equality.

ARTICLE VIII.

Vessels carrying the United States' flag shall, during the term of years mentioned in Article XVI of this Treaty, be allowed to carry cargo and passengers from one Canadian port to another, both east of the Rocky Mountains. Vessels built in Canada or the United States, and carrying the British flag, shall be allowed to carry cargo and passengers from one port of the United States on the Great Lakes or River St. Lawrence to another port on the said lakes or river, and from any port of the United States on the Red River or waters connecting therewith to any other such port on the said river or waters.

ARTICLE IX.

For the term of years mentioned in Article XVI of this Treaty, all the Canadian canals, and the Erie, Whitehall, Saulte Ste. Marie, and Lake St. Clair Canals, in the United States, and also the communication by the proposed Caughnawaga Canal, Lake Champlain and the Whitehall Canal, to be established in accordance with the provisions of Article VII, shall be thrown open to the vessels, boats, and barges of both countries, on the same terms and conditions, to the subjects and citizens of both countries; and full power shall be given to transship cargo from ships or steamers into canal boats at any canal entrance, and also to transship cargo from boats into ships or steamers at any canal outlet; and as to such of said canals as are under the control of one or other of the State Governments of the United States, the Government of the United States agrees to use its utmost influence to obtain the sanction of the said State Government or Governments to the provisions of this Article and the necessary legislation (if any) to give it force.

ARTICLE X.

For the term of years mentioned in Article XVI of this Treaty, vessels of all kinds built in the United States may be purchased by Canadian subjects of Great Britain and registered in Canada as Canadian vessels; and vessels of all kinds built in Canada may be purchased by citizens of the United States and registered in the United States as United States' vessels.

ARTICLE XI.

The navigation of Lake Michigan shall for ever remain free and open for the purposes of commerce to the subjects of Great Britain.

ARTICLE XII.

As soon as possible after the exchange of the ratifications of this Treaty, a Joint Commission shall be created and continued during the operation of the Treaty, for deepening and maintaining in thoroughly efficient condition the navigation of the Rivers St. Clair and Detroit, and Lake St. Clair, on which ever side of those rivers or lake the best channel shall be found; the expense to be defrayed jointly by the Contracting Parties, by contributions in proportion to the commerce carried on in these waters by them respectively.

ARTICLE XIII.

A Joint Commission shall also be established and maintained at joint expense, during the operation of this Treaty for securing the erection and proper regulation of all light-houses on the great lakes common to both countries, necessary to the security of the shipping thereon.

ARTICLE XIV.

A Joint Commission shall also be established at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing grounds.

ARTICLE XV.

It is further agreed that the provisions and stipulations of this Treaty shall extend to the Colony of Newfoundland so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect, by either of the Legislative Bodies aforesaid, shall not in any way impair any other Articles of this Treaty.

ARTICLE XVI.

This Treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other. If such legislative assent shall not have been given within months from the date hereof, then this Treaty shall be null and void. But such legislative assent having been given, this Treaty shall remain in force for the period of twenty-one years from the date at which it shall come into operation, and further, until the expiration of three years after either of the High Contracting Parties shall have given 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 period of twenty-one years or at any time afterward.

ARTICLE XVII.

When the Treaty shall have gone into operation as mentioned in the preceding Article, Articles XXII, XXIII, XXIV, and XXV of the Treaty of May 8, 1871, between Great Britain and the United States shall become null and void.

ARTICLE XVIII.

This Treaty shall be duly ratified by Her Britannic Majesty and by the President of the United States, and the ratifications shall be exchanged either at Washington or at London, within three months from the date thereof, or earlier if possible.

No. 368.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 15, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a telegraphic instruction which his Lordship addressed to Her Majesty's Minister at Washington on the 13th instant, in regard to the negotiations for the renewal of the Reciprocity Treaty, together with a copy of Sir E. Thornton's reply.*

I am, &c.

(Signed) TENTERDEN.

Sir E. Thornton to the Earl of Derby.—(Received June 18.)

(Telegraphic.)

Washington, June 17, 1874.

MR. FISH, Mr. Brown, and I have finally agreed on a Draft Treaty which the President will send to the Senate to-morrow, and ask its opinion whether such a Treaty may be signed.

Articles I, II, and III are the same as in my telegram of the 8th instant.

The beginning of Article IV has slight verbal alterations, but the sense is the same.

In Schedule (A) add, "except fish preserved in oil," after "creatures living in the water," and insert in list "Pease, whole or split."

In Schedule (C) omit "cotton cloth unbleached," and insert "felt covering for boilers."

ARTICLE V.

It is agreed that the canals on the main route from Lake Erie to Montreal shall be enlarged forthwith at the expense of the Dominion of Canada, so as to admit passage of vessels drawing 12 feet of water, and the locks on the said canal shall be made of not less than 270 feet in length, 45 feet wide, and not less than 12 feet in depth on the Mitre Silts, and that the channel of the St. Lawrence River shall be deepened in the several reaches between the canals, wherever the same may be necessary, so as to allow free passage of vessels drawing 12 feet of water. And the work engaged to be done in this Article shall be completed by the 1st day of January, 1880.

ARTICLE VI.

It is agreed that the Government of Canada shall construct, on or before the 1st day of January, 1880, a canal to connect the St. Lawrence River at some convenient point, at or near Caughnawaga with Lake Champlain. The dimensions of said canal shall be such as to admit of the passage of vessels drawing 12 feet of water, and the locks shall be of not less dimensions than those named in the preceding Article. And the United States engage to urge upon the Government of the State of New York to cause existing canal from Whitehall, on Lake Champlain, to Albany to be enlarged, and, if necessary, extended, or another canal, or canals to be constructed of equal capacity with the proposed canal as hereinbefore specified, and the navigation of the Hudson River to be improved so as to admit passage from Lake Champlain to the lower waters of the Hudson River of vessels drawing 12 feet of water.

ARTICLE VII.

Citizens of the United States may, during the term of years mentioned in Article XIII of this Treaty, carry in their vessels cargo and passengers from one Canadian port to another on the great lakes or River St. Lawrence. Reciprocally, inhabitants of Canada, subjects of Her Britannic Majesty, may, during like period, carry in their vessels cargo and passengers from one port of the United States on the great lakes or River St. Lawrence, to another on the said lakes or river. Citizens of the United States in their vessels, and inhabitants of Canada, subjects of Her Britannic Majesty, in their vessels may, during like term, carry cargo and passengers from any port of the United States or of Canada on the Red River, or the waters connecting therewith, to any other port on the said river or waters connecting therewith.

ARTICLE VIII.

It is agreed that, for the term of years mentioned in Article XIII of this Treaty, the citizens of the United States shall enjoy the use of the Welland Canal, the St. Lawrence, and other canals in the Dominion of Canada (including the proposed Caughnawaga Canal) on terms of equality with the inhabitants of Dominion of Canada; and that, without interfering with the rights of Government of Canada, to impose such tolls on said Canadian canals respectively as it may think fit; the tolls shall be levied in relation to number of locks in each canal, without any drawback or discrimination, whatever the destination of the vessels, or whether one or more of the canal or canals or part of a canal be passed. And it is also agreed that, for a like term of years, the inhabitants of Canada shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United States; and that the navigation of Lake Champlain and of Lake Michigan shall be free and open for the purposes of commerce to the inhabitants of Canada, subject to any laws

and regulations of the United States, or of the States bordering thereupon respectively, not inconsistent with such privilege of free navigation.

And the United States further engage to urge upon the Governments of the States of New York and of Michigan to secure to the inhabitants of Canada the use of the Erie, Whitehall, Sault Ste. Marie Canals, and of any large or extended or new canal or other improvement of the canal connecting Lake Champlain or lower waters of the Hudson River, which may be made, as contemplated in Article VI, on terms of equality with the inhabitants of the United States.

And it is mutually agreed that full power shall be given and allowed to tranship cargo from vessels into canal boats and from canal boats into vessels at either terminus of every canal.

And further, that if the use of the Erie and Whitehall, or other canal connecting Lake Champlain with the lower waters of the Hudson River and of the Sault Ste. Marie Canal, be not granted to the inhabitants of Canada on terms of equality with the citizens of the United States as contemplated in this Article, then the use of the proposed Caughnawaga Canal by citizens of the United States, as above contemplated, shall be suspended, and cease until the use of the said canals shall be secured to the inhabitants of Canada as above contemplated.

Article IX is the same as Article IX in my telegram above-mentioned.

Article X of that telegram is merged, and Article XI is omitted.

Articles X and XI of present draft are Articles XII and XIII of my telegram.

Articles XII and XIII of the present draft are Articles XIV and XV of my telegram.

Article XIV is almost the same as Article XVI, and Article XV the same as Article XVII of my telegram above-mentioned.

No. 370.

*Lord Tenterden to Sir H. Holland.**

(Immediate and Confidential.)

Sir,

Foreign Office, June 18, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, two copies of a telegram which has been received from Sir E. Thornton, † stating the form in which Mr. Fish has agreed to submit the Draft Treaty of Reciprocity to the Senate of the United States for their opinion as to its signature, and I am to request you to move his Lordship to inform Lord Derby whether he approves the alterations which have been made in the draft, as telegraphed by Sir E. Thornton on the 7th instant.

I am, &c.

(Signed) TENTERDEN.

No. 371.

Lord Tenterden to the Law Officers of the Crown and Dr. Deane.

(Immediate.)

Gentlemen,

Foreign Office, June 18, 1874.

WITH reference to my letter of the 12th instant, I am directed by the Earl of Derby to transmit to you the accompanying copies of a further telegram which has been received from Sir E. Thornton, † stating the form in which Mr. Fish has agreed to submit the Draft Treaty of Reciprocity to the Senate of the United States for their opinion as to its signature, and I am to request that you will take the same into your consideration, and favour Lord Derby with your opinion whether there are any objections to the draft being approved.

I am, &c.

(Signed) TENTERDEN.

* A similar letter was addressed to the Board of Trade.
[150]

† No. 369.

No. 372.

Sir H. Holland to Lord Tenterden.—(Received June 19.)

My Lord,

Downing Street, June 18, 1874.

WITH reference to my letter of the 21st May, I am directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, a copy of a despatch from the Governor-General of Canada, respecting those parts of the proposal for a Reciprocity Treaty between Canada and the United States which relate to navigation.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 372.

The Earl of Dufferin to the Earl of Carnarvon.

(Secret.)

My Lord,

Government House, Ottawa, May 30, 1874.

I HAVE caused to be laid before the Privy Council of the Dominion your Lordship's despatch of the 14th instant, marked secret, transmitting copies of letters from Her Majesty's Minister at Washington, and from the Board of Trade, having reference to the negotiations for the renewal of a Reciprocity Treaty with the United States, and I have now the honour to state that I have received from Mr. Mackenzie the most positive assurances that he fully recognizes the soundness of the principles therein set forth, and that the policy of his Government will be guided accordingly.

I have, &c.

(Signed) DUFFERIN.

No. 373.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, June 19, 1874.

WITH reference to your letter of the 14th ultimo, I am directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Minister at Washington, forwarding a copy of the President's Proclamation for carrying into effect the provisions of the Treaty of Washington, so far as they are applicable to Newfoundland.*

I am, &c.

(Signed) TENTERDEN.

No. 374.

Mr. Valpy to Lord Tenterden.—(Received June 20.)

My Lord,

*Office of Committee of Privy Council for Trade,
June 20, 1874.*

I AM directed by the Board of Trade to acknowledge the receipt of your Lordship's letter of the 18th instant, forwarding copies of a telegram received from Sir E. Thornton, stating the form in which Mr. Fish has agreed to submit the Draft Treaty of Reciprocity to the Senate of the United States.

In reply to your Lordship's request for this Board's opinion as to the alterations which have been made as previously telegraphed by Sir E. Thornton, I am to request that your Lordship will inform the Earl of Derby that the Board of Trade have no observations or objections to offer other than those which they have already made.

It may be desirable to state that the Board of Trade have not overlooked the provisions in Article VII, which admit British ships belonging to inhabitants of Canada to the trade of United States' ports on inland waters, and which admit United States' ships to similar trade at Canadian ports. The first of these provisions, by not including owners of British ships resident elsewhere than in Canada, places them at an apparent disadvantage as

compared with Canadian shipowners, and the latter provision might possibly give rise to a claim on the part of foreign nations which have most-favoured-nation clauses; but in the former case, this arrangement being confined to inland waters, is probably of little, if any, practical value to any British shipowners not being Canadians, and in the case of foreign countries it may fairly be contended that the concession made to the United States is made in return for a reciprocal concession which no other foreign nation could give.

Under these circumstances the Board of Trade scarcely think it necessary to object to this Article.

I have, &c.
(Signed) R. VALPY.

No. 375.

Sir E. Thornton to the Earl of Derby.—(Received June 21.)

(No. 239.)

My Lord,

Washington, June 8, 1874.

YOUR Lordship is no doubt aware that, owing to local circumstances and interests, the State of Pennsylvania is more opposed to anything like free trade, and more determined in its support of the principle of protection, than almost any other State of the Union. Its members of Congress have therefore become somewhat alarmed at the rumours now in circulation, that an attempt is being made to conclude a Treaty for reciprocal commercial freedom with Canada.

Endeavours are being made to counteract this project, and one of them was the submission to the House of Representatives on the 3rd instant by Mr. Kelley, an influential Member from Pennsylvania, of a resolution, of which I have the honour to inclose three printed copies. It alludes to the precept of the constitution that all bills for raising revenue should originate in the House of Representatives and that Congress should have power to lay and collect taxes &c., and it proposes that the President should be requested to inform the House whether the Executive was engaged in negotiating a Treaty to regulate commerce with Canada, by which Congress would be deprived of its constitutional rights.

The consideration of the Resolution was, however, objected to, and I understand from a person who was in the House at the time that it elicited from a number of Members observations very strongly favouring a renewal of Commercial Reciprocity with Canada.

Whether it has been due to this expression of feeling, or to the fact that the proposed Treaty has nothing to do with raising revenue or laying on duties, but stipulates for reducing and remitting them, Mr. Kelley has not yet brought forward the resolution again.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 375.

Extract from the "Congressional Record" of June 4, 1874.

RECIPROCITY WITH THE BRITISH PROVINCES.—*Mr. Kelley.*—I ask unanimous consent to submit for present consideration the following preamble and resolution:

"Whereas by section 7 of Article I of the Constitution of the United States it is provided that 'all bills for raising revenue shall originate in the House of Representatives;' and by section 8 of said Article it is further provided that 'Congress shall have power to lay and collect taxes, duties, imposts, and excises,' and 'to regulate commerce with foreign nations:' therefore,—

"Be it resolved,—That the President of the United States be, and is hereby, requested to inform this House whether the Executive Department of the Government is at this time engaged in considering the terms of a Treaty by which commerce between the United States and the British Provinces of North America is to be regulated, and by which Congress will be deprived of its constitutional right to control these important subjects thus specifically confided to it by the express terms of the Constitution."

M. Kasson.—Does this Resolution come from the Committee on Ways and Means?

Mr. Wood.—It has never been before that Committee.

Mr. Kelley.—I made no suggestion of that kind.

Mr. Cox.—It is a reflection on the Administration. I would like to amend the Resolution so as to encourage the Administration in the matter of reciprocity with Canada.

The Speaker.—The Resolution requires unanimous consent. Does the gentleman from New York object?

Mr. Cox.—I do.

No. 376.

Sir E. Thornton to the Earl of Derby.—(Received June 21.)

(No. 248.)

My Lord,

Washington, June 8, 1874.

WITH reference to my despatch No. 228 of the 1st instant, I have the honour to inform your Lordship that Mr. Brown returned here from Ottawa on the 5th instant. It appears that the principal points of the draft Reciprocity Treaty to which the Canadian Government objected were certain articles in the proposed free list, and the cession to the United States of the coasting trade on the Atlantic coast of the Dominion. The objection to the first point was on account of the great loss of revenue which it would involve to the Dominion, and which could with difficulty be supplied, especially if the duties were to be taken off at once and entirely.

The greatest opposition was also made by the people of the Provinces on the Atlantic coast of the Dominion to the cession of the coasting trade on that coast to the United States.

Mr. Brown and I, therefore, agreed that we would point out these difficulties to Mr. Fish, and we called upon him for that purpose at the State Department on the 6th instant.

Mr. Fish made no great objection to the elimination of some articles of manufacture, but recommended us to speak to some Senators or Representatives who understood such matters better than he did.

He, however, insisted that there should be a stipulation that no higher duties should be imposed upon goods imported into Canada from the United States than when imported from any other country. He further assented to a proposal made by Mr. Brown that the duties should be gradually taken off the articles named in the Schedules, beginning on the 1st of July, 1875.

With regard to the coasting trade, Mr. Fish did not make any serious objection to its being confined to the great lakes, the River St. Lawrence, and the Red River.

After consulting with some members of Congress, Mr. Brown and I agreed that the following articles should be struck out from Schedule C:—

Blacksmiths' bellows, anvils, and hammers.
Blankets.
Flannels.
Iron, boiler-plate, galvanized, and wire.

Iron articles for ship-building, and ship navigating.
Iron, railroad bars, frogs, chairs, and fish-plates.

I have now the honour to inclose copy of the Draft Treaty which we finally submitted to Mr. Fish on the afternoon of the 6th instant, and which he stated that he should submit to the Senate with a view to obtaining its opinion as to whether the negotiation should be proceeded with, I having previously stated that I did not pledge Her Majesty's Government to consent to the terms of the Draft, but only to consider them as subjects for discussion.

The first three Articles of the Draft are Articles XVIII, XIX, and XX of the Treaty of Washington, with the necessary verbal alterations. Article XXI of that Treaty is not inserted, because its stipulations are contained on a more liberal scale in what is now Article IV of the Draft.

This Article has been amended as I have indicated above.

Article V remains as it was for the present, although Mr. Fish thought it would be necessary to place the depth of the canals at 14 feet. Mr. Brown has consulted his Government upon this matter, and it seems that the expense would be so great that it will be difficult to obtain a depth of over 12 feet.

Article VI, which was Article VII in the Draft inclosed in my despatch No. 228 of the 1st instant, remains for the present as it was, though Mr. Fish insisted that the condition as to the construction of the canal from Whitehall to Troy should be omitted. Mr. Brown has authority to agree to this omission, should it be indispensable.

Article VII is altered so as to meet the views of the Canadian Government, with regard to the coasting trade.

Article VIII is nearly the same as it was, the phrase "all the Canadian canals," which appeared too large, being replaced by the names of certain specified canals.

Article IX remains as it was.

To Article X has been added the usual condition relative to laws and regulations.

Articles XI to XVI inclusive remain as they were; and in Article XVII the number of months for the exchange of the ratifications is left in blank for the present, for it will be impossible to decide upon it until the Treaty is about to be signed.

During the Conference which we had with Mr. Fish, on the 6th instant, he expressed the desire of his Government that the navigation of the Gut of Canso should remain free and open to American citizens for ever. He said that it was a question which had already caused, and would again cause, much irritation between the two countries; that it seemed very hard that American vessels should not be allowed to pass through that strait which, in some cases, would very considerably shorten their voyages; and that he hoped very sincerely that we would agree to insert an Article to the same effect as that with regard to Lake Michigan. We both replied that we must consult our Government upon this subject.

Mr. Brown telegraphed to Ottawa, and received a reply this morning, that the Canadian Government would acquiesce in such a condition, though still with some reluctance, if Her Majesty's Government would also consent to it, and if it should be necessary. But Mr. Brown suggested to me this morning that if the navigation of the Gut of Canso were insisted upon, we might ask for the same condition with regard to the Douglas Channel and the Rosario Strait, leading from the Strait of Juan de Fuca to the Gulf of Georgia. As it does not appear to me that the Treaty of 1846 distinctly gives us a right to the navigation of those two channels, and, as in that case the request would be a most reasonable one, I took the liberty of telegraphing upon the subject to your Lordship this morning.

Mr. Fish had also mentioned that representations had been made to him about the tolls on the Welland and St. Lawrence Canals. It appeared that a vessel going through the Welland Canal was obliged to pay very high tolls, but if she continued her voyage down the St. Lawrence she received a drawback, as passing through the canals on that river, upon the toll which she had paid to the Welland Canal. This system, he said, acted as a discriminating duty against American vessels, which passed almost entirely through the Welland Canals, and very rarely made use of those on the St. Lawrence. Mr. Fish therefore suggested that a stipulation should be inserted in the Treaty that the tolls should be uniform on both the Welland and St. Lawrence Canals. Mr. Brown has telegraphed to his Government upon the matter, and has, in reply, been authorized to agree to such a stipulation.

I venture to hope that your Lordship will excuse my having asked in that telegram for a reply as soon as possible. If the Treaty is to be made at all, it would be well that it should be concluded at once, in order that it may be transmitted immediately to the Senate; for both Mr. Brown and I are of opinion that it would now be sanctioned by the necessary majority.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 376.

Re-amended Draft of Treaty submitted to Mr. Fish.

HER Majesty the Queen of Great Britain and the United States of America, being desirous of improving the commerce and navigation between their respective territories and people, and more especially between Her Majesty's Possessions in North America and the United States, in such manner as to render the same reciprocally beneficial, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say:—

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

ARTICLE I.

(The same as Article XVIII of the Treaty of Washington, substituting Article XV for Article XXXIII, and omitting the words "the Colony of" before Prince Edward Island.)

ARTICLE II.

(The same as Article XIX of the Treaty of Washington, substituting XV for XXXIII.)

ARTICLE III.

(The same as Article XX of the Treaty of Washington.)

ARTICLE IV.

It is agreed that the articles enumerated in Schedules A, B, and C, hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada or of the United States, shall, from the 1st of July, 1875, to the 1st of July, 1876, pay only two-thirds of the duties payable previously to the former date on their importation into each country, one-third of those duties from the 1st of July, 1876, to the 1st of July, 1877, and shall be admitted duty free into each country respectively after the latter date until the end of the term of years mentioned in Article XV of this Treaty.

For the term mentioned in Article XV no other or higher duty shall be imposed in the United States upon other articles not enumerated in said Schedules the growth, produce, or manufacture of Canada, or in Canada upon such other articles the growth, produce, or manufacture of the United States, than are respectively imposed upon like articles the growth, produce, or manufacture of Great Britain, or of any other foreign country.

SCHEDULE (A), consisting of the following natural products:—

Animals of all kinds.	Lard.
Ashes, pot, pearl and soda.	Lime.
Bark	Lumber of all kinds.
Bark, extract, for tanning purposes.	Malt.
Bath bricks.	Manures.
Breadstuffs of all kinds.	Marble, stone, slate, or granite, wrought or unwrought.
Bricks for building, and fire bricks.	Meats, fresh, smoked, or salted.
Broom, corn.	Ores of all kinds of metals.
Burr or grindstones, hewn, wrought or unwrought.	Pelts.
Butter.	Petroleum oil, crude, refined, or benzole.
Cheese.	Pitch.
Coal and coke.	Plants.
Cotton, wool.	Poultry, and birds of all kinds.
Cotton, waste.	Rags of all kinds.
Dye stuffs.	Rice.
Earths, clays, ochres, sand, ground or unground.	Salt.
Eggs.	Seeds.
Fish of all kinds.	Shrubs.
Fish, products of, and of all other creatures living in the water.	Skins.
Firewood.	Straw.
Flax, unmanufactured.	Tails.
Flour and meals of all kinds.	Tallow.
Fruits, green or dried.	Tar.
Furs, undressed.	Timber of all kinds.
Grain of all kinds.	Tobacco, unmanufactured.
Gypsum, ground, unground, or calcined.	Tow, unmanufactured.
Hay.	Trees.
Hemp, unmanufactured.	Turpentine.
Hides.	Vegetables.
Horns.	Wood of all kinds.
	Wool.

SCHEDULE (B), consisting of the following agricultural implements:—

Axes.	Corn huskers, or parts thereof.
Bag holders.	Cheese vats.
Beehives.	Cheese factory heaters.
Bone crushers, or parts thereof.	Cheese presses, or parts thereof.
Cultivators, ditto.	Churns, ditto.
Chaff cutters, ditto.	Cattle feed boilers and steamers, ditto.

Ditchers, or parts thereof.
 Field rollers, ditto.
 Fanning mills, ditto.
 Feed choppers, ditto.
 Forks for hay and manure, hand or horse.
 Grain drills, or parts thereof.
 Grain broad-cast sowers, ditto.
 Grain crushers, ditto.
 Harrows.
 Hoes, hand or horse.
 Horse rakes.
 Horse-power machines, or parts thereof.
 Hay tedders, ditto.
 Liquid manure carts, ditto.

Manure sowers, or parts thereof.
 Mowers, ditto.
 Oil and oil-cake crushers, ditto.
 Ploughs, ditto.
 Root and seed planters, ditto.
 Root cutters, pulpers, and washers, ditto.
 Rakes.
 Reapers, or parts thereof.
 Reaper and mower combined, ditto.
 Spades.
 Shovels.
 Seythes.
 Snaths.
 Threshing machines, or parts thereof.

SCHEDULE (C), consisting of the following manufactures :—

Axles, all kinds.
 Boots and shoes of leather.
 Boot and shoe making machines.
 Buffalo robes, dressed and trimmed.
 Cotton grain bags.
 Cotton cloth, unbleached.
 Cotton denims.
 Cotton jeans, unbleached.
 Cotton drillings, unbleached.
 Cotton tickings.
 Cotton plaids.
 Cottonades, unbleached.
 Cabinet ware and furniture, or parts thereof.
 Carriages, carts, waggons, and other wheeled vehicles and sleighs, or parts thereof.
 Fire engines, ditto.
 Gutta-percha belting and tubing.
 Iron, bar, hoop, pig, puddled, rod, sheet, or scrap.
 Iron nails, spikes, bolts, tacks, brads, or sprigs.
 Iron castings.
 India-rubber belting and tubing.
 Locomotives for railways, or parts thereof.
 Lead, sheet or pig.
 Leather, sole or upper.

Leather, harness and saddlery of.
 Mill, or factory, or steamboat, fixed engines and machines, or parts thereof.
 Manufactures of marble, stone, slate, or granite.
 Manufactures of wood solely, or of wood nailed, bound, hinged, or locked with metal materials.
 Mangles, washing machines, wringing machines, and drying machines, or parts thereof.
 Printing papers for newspapers.
 Paper making machines, or parts thereof.
 Printing type, presses, and folders, paper cutters, ruling machines, page numbering machines, and stereotyping and electrotyping apparatus, or parts thereof.
 Refrigerators, ditto.
 Railroad cars, carriages, and trucks, ditto.
 Sattinets of wool or cotton.
 Steam engines, or parts thereof.
 Steel, wrought or cast, and steel plates and rails.
 Tin tubes and piping.
 Tweeds, of wool solely.
 Water-wheel machines and apparatus, or parts thereof.

ARTICLE V.

The Canadian canals, from Lake Erie to Montreal, shall be enlarged forthwith at the expense of the Dominion, so as to admit of the passage of vessels 260 feet in length with 45 feet beam, with a depth equal to the capacity of the great lake harbours, and this work shall be completed by the 1st of January, 1880.

ARTICLE VI.

It is agreed that the Government of Canada shall construct on or before the 1st of January, 1880, a canal to connect the St. Lawrence River at Caughnawaga with Lake Champlain. The dimensions of the said canal shall be such as to admit, if it be found practicable, of the passage of vessels feet in length, with feet beam, and depth of feet, provided always that the Government of Canada shall not be bound to proceed with the construction of the said canal until it has received satisfactory proof that a canal of similar dimensions shall be constructed on or before the 1st of January, 1880, from Whitehall to Troy, and that a channel through Lake Champlain shall be maintained at a regular depth equal to that of the said canals, by the United States' Government or the Government of the State of New York, or by a sufficient company incorporated for that purpose, and having funds provided for the work to be done; and it is further agreed that, on the completion of the said canals, the free and open navigation of the said canals and of the waters of Lake Champlain, and access to all ports thereon, shall be enjoyed by the citizens of both countries on terms of equality.

ARTICLE VII.

Vessels carrying the United States' flag shall, during the term of years mentioned in Article XV of this Treaty, be allowed to carry cargo and passengers from one Canadian port to another, on the great lakes or River St. Lawrence. Vessels built in Canada or the

United States, and carrying the British flag, shall be allowed to carry cargo and passengers from one port of the United States on the Great Lakes or River St. Lawrence to another such port on the said lakes or river. Vessels carrying the United States' flag, and vessels built in Canada or the United States, and carrying the British flag, shall, during the said term, be allowed to carry cargo and passengers from any port of the United States or Canada on the Red River, or waters connecting therewith to any other such port on the said river or waters connecting therewith.

ARTICLE VIII.

For the term of years mentioned in Article XV of this Treaty, the Welland, St. Lawrence, Chambly and Burlington Bay Canals, in the Dominion of Canada, and the Erie, Whitehall, Sault Ste. Marie, and Lake St. Clair Canals, in the United States, and also the communication by the proposed Caughnawaga Canal, Lake Champlain and the Whitehall Canal to be constructed in accordance with the provisions of Article VI of this Treaty, shall be thrown open to the vessels, boats, and barges of both countries on the same terms and conditions to the subjects and citizens of both countries; and full power shall be given to trans-ship cargo from ships or steamers into canal boats at any canal entrance, and also to trans-ship cargo from boats into ships or steamers at any canal outlet, and as to such of said canals as are under the control of one or other of the State Governments of the United States, the Government of the United States agrees to use its utmost influence to obtain the sanction of the said State Government or Governments to the provisions of this Article, and the necessary legislation, if any, to give it force.

ARTICLE IX.

For the term of years mentioned in Article XV of this Treaty, vessels of all kinds built in the United States may be purchased by Canadian subjects of Great Britain and registered in Canada as Canadian vessels; and vessels of all kinds built in Canada may be purchased by citizens of the United States and registered in the United States as United States' vessels.

ARTICLE X.

The navigation of Lake Michigan shall for ever remain free and open for the purposes of commerce to the subjects of Great Britain, subject to any laws and regulations of the United States or of the States bordering thereon, not inconsistent with such privileges of free navigation.

ARTICLE XI.

As soon as possible after the exchange of the ratifications of this Treaty, a Joint Commission shall be created and continued during the operation of the Treaty, for deepening and maintaining in thoroughly efficient condition the navigation of the Rivers St. Clair and Detroit, and Lake St. Clair, on whichever side of those rivers or lake the best channel shall be found; the expense to be defrayed jointly by the contracting parties, by contributions in proportion to the commerce carried on in these waters by them respectively.

ARTICLE XII.

A Joint Commission shall also be established and maintained at joint expense during the operation of this Treaty for securing the erection and proper regulation of all light-houses on the great lakes common to both countries, necessary for the security of the shipping thereon.

ARTICLE XIII.

A Joint Commission shall also be established at joint expense and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing-grounds.

ARTICLE XIV.

It is further agreed that the provisions and stipulations of this Treaty shall extend to the Colony of Newfoundland so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into

effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect, by either of the legislative bodies aforesaid, shall not in any way impair any other Articles of this Treaty.

ARTICLE XV.

This Treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other. If such legislative assent shall not have been given within _____ months from the date hereof, then this Treaty shall be null and void. But such legislative assent having been given, this Treaty shall remain in force for the period of twenty-one years from the date at which it shall come into operation, and further, until the expiration of three years after either of the High Contracting Parties shall have given 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 period of twenty-one years or at any time afterwards.

ARTICLE XVI.

When the Treaty shall have gone into operation as mentioned in the preceding Article, Articles, XXII, XXIII, XXIV, and XXV of the Treaty of May 8, 1871, between Great Britain and the United States, shall become null and void.

ARTICLE XVII.

This Treaty shall be duly ratified by Her Britannic Majesty and by the President of the United States, and the ratifications shall be exchanged either at Washington or at London within _____ months from the date thereof, or earlier if possible.

No. 377.

Sir H. Holland to Lord Tenterden.—(Received June 22.)

My Lord,

Downing Street, June 19, 1874.

WITH reference to your letter of the 9th instant, forwarding a despatch from Sir E. Thornton, respecting the issue of the Proclamation by the President of the United States for carrying into effect, with regard to Newfoundland, the provisions of the Treaty of Washington, I am directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, a copy of a despatch from the Governor of Newfoundland, inclosing the Proclamation issued by him on the same subject, dated the 30th May.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure 1 in No. 377.

Governor Hill to the Earl of Carnarvon.

My Lord,

Government House, Newfoundland, June 1, 1874.

I HAVE the honour to transmit to your Lordship herewith six printed copies of the Proclamation which, in accordance with your Lordship's instructions conveyed to me by telegram on the 20th ultimo, I issued on the 30th ultimo, respecting the extension of certain provisions of the Treaty of Washington to this Colony.

I have, &c.

(Signed) STEPHEN J. HILL.

Inclosure 2 in No. 377.

Proclamation.

(L.S.) STEPHEN J. HILL.

By his Excellency Stephen J. Hill, Esquire, Companion of the Most Honourable Order of the Bath, Governor and Commander-in-chief in and over the Island of Newfoundland and its Dependencies.

WHEREAS a Treaty between Her Majesty and the United States of America was signed at Washington, on the 8th day of May, 1871, and was duly ratified on the 17th day of June in that year, which, amongst other things, contained the following Article:—

“It is further agreed that the provisions and stipulations of Articles XVIII to XXV of this Treaty, inclusive, shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States, shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect, but the omission to make provision by law to give it effect by either of the Legislative Bodies aforesaid shall not in any way impair any other Articles of this Treaty.”

And whereas by an Act of the Legislature of this Colony, passed on the 28th day of March last past, entitled “An Act to carry into effect the provisions of the Treaty of Washington, as far as they relate to this Colony,” I, the Governor aforesaid, am authorized, by my Proclamation, to be published in the “Royal Gazette” of this Colony, to declare that, after a time to be therein named, the provisions and stipulations of the said Articles XVIII to XXV of the said Treaty, inclusive, as set forth in the Schedule to the said Act, shall extend to this Colony of Newfoundland, so far as they are applicable; and that after the time so named in such Proclamation the provisions and stipulations of the said Articles should come into full force, operation, and effect in this Colony, so far as the same are applicable; and should thenceforth so continue in full force, operation, and effect during the period in Article XXXIII of the said Treaty, recited in the Schedule to the said Act, any law of this Colony to the contrary notwithstanding; to which Act Her Majesty has been pleased to give her assent.

And whereas by an Act of the Congress of the United States of America, entitled “An Act to carry into effect the Provisions of the Treaty between the United States and Great Britain, signed in the City of Washington, the 8th day of May, 1871, relating to Fisheries,” it is, amongst other things, provided:

Section 2. “That whenever the Colony of Newfoundland shall give its consent to the application of the stipulations and provisions of the said Articles XVIII to XXV of said Treaty, inclusive, to that Colony, and the Legislature thereof and the Imperial Parliament shall pass the necessary laws for that purpose, the above enumerated Articles, being the produce of the fisheries of the Colony of Newfoundland, shall be admitted into the United States free of duty from and after the date of a Proclamation by the President of the United States, declaring that he has satisfactory evidence that the said Colony of Newfoundland has consented, in a due and proper manner, to have the provisions of the said Articles XVIII to XXV, inclusive, of the said Treaty extended to it, and to allow the United States the full benefits of all the stipulations therein contained, and shall be so admitted free of duty so long as the said Articles XVIII to XXV, inclusive, and Article XXX of said Treaty shall remain in force, according to the terms and conditions of Article XXXIII of said Treaty.”

And whereas by an Act of the Imperial Parliament, entitled “An Act to carry into effect a Treaty between Her Majesty and the United States of America,” which it is therein declared may be cited as “The Treaty of Washington Act, 1872,” it is provided:

2. “Whenever the necessary laws have been passed by the Legislature of Newfoundland, and approved by Her Majesty, for carrying into operation the Articles in the Schedule to this Act, so far as they relate to Newfoundland, it shall be lawful for the Officer administering the Government of Newfoundland, at any time during the suspension, in pursuance of this Act, of the above-mentioned Acts of Parliament and laws, by his Proclamation, to declare that, after a time fixed in such Proclamation for that purpose, this Act and the Articles in the Schedule to this Act shall extend, and the same accordingly shall extend, to Newfoundland, so far as they are applicable thereto.”

I do, by this my Proclamation, and by virtue of the authority in me vested by the said Act of the Imperial Parliament, and by the Act of the Legislature of Newfoundland aforesaid, declare to all Her Majesty's subjects, and to the citizens of the United States

of America, and all persons whomsoever, that on and after the 1st day of June next ensuing, the provisions and stipulations of the said Articles XVIII to XXV of the said Treaty shall extend to and come into full force and effect in this Colony, so far as the same are applicable, and shall thenceforth so continue in full force, operation, and effect during the period mentioned in Article XXXIII of the said Treaty, any law of this Colony to the contrary notwithstanding; and all laws of this Colony, so far as they may operate to prevent the said Articles from having full force and effect, shall be suspended and have no effect during the period mentioned in the said Article XXXIII of the said Treaty; and I declare that the citizens of the United States shall be allowed the full benefit of the provisions and stipulations contained in the Articles aforesaid.

Given under my hand and the great seal of this island, at Government House, at St. John's, in the Colony of Newfoundland, this 30th day of May, A.D. 1874.

By his Excellency's command,
(Signed) E. D. SHEA, *Acting Colonial Secretary.*

No. 378.

Mr. Herbert to Lord Tenterden.—(Received June 22.)

My Lord,

Downing Street, June 23, 1874.

IN reply to your letter of the 18th instant, I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, a copy of a letter from the Board of Trade, to whom Lord Carnarvon referred the telegram from the British Minister at Washington, stating the form in which the Secretary of State of the United States had agreed to submit the draft Treaty of Reciprocity to the United States' Senate.

Lord Carnarvon does not perceive that any objection need be offered to the alterations made in the draft.

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

Inclosure in No. 378.

Mr. Valpy to Mr. Herbert.

*Office of Committee of Privy Council for Trade,
June 20, 1874.*

My Lord,

I AM directed by the Board of Trade to acknowledge the receipt of your Lordship's letter of the 19th instant, forwarding copies of a telegram received from Sir E. Thornton, stating the form in which Mr. Fish has agreed to submit the draft Treaty of Reciprocity to the Senate of the United States.

In reply to your Lordship's request for this Board's opinion as to the alterations which have been made as previously telegraphed by Sir E. Thornton, I am to request that your Lordship will inform the Earl of Carnarvon that the Board of Trade have no observations or objections to offer, other than those which they have already made.

It may be desirable to state that the Board of Trade have not overlooked the provisions in Article VII, which admit British ships belonging to inhabitants of Canada to the trade of United States' Ports or Inland waters, and which admit United States' ships to similar trade at Canadian Ports. The first of these provisions, by not including owners of British ships resident elsewhere than in Canada, places them at an apparent disadvantage as compared with Canadian shipowners, and the latter provision might possibly give rise to a claim on the part of foreign nations which have most-favoured-nation clauses. But in the former case, this arrangement being confined to inland waters, is probably of little, if any, practical value to any British shipowners not being Canadians, and in the case of foreign countries it may fairly be contended that the concession made to the United States is made in return for a reciprocal concession which no other foreign nation could give.

Under these circumstances, the Board of Trade scarcely think it necessary to object to this Article.

I have, &c.
(Signed) R. VALPY.

No. 379.

Sir E. Thornton to the Earl of Derby.—(Received June 23.)

(Telegraphic.)

Washington, June 23, 1874.

THE Senate yesterday decided, in secret session, to postpone the consideration of the Draft Reciprocity Treaty till December Session. Mr. Brown and I have not yet seen Mr. Fish since that decision.

Under these circumstances may I leave New York for England on Saturday next, if it be possible?

No. 380.

Mr. Rothery to the Earl of Derby.—(Received June 24.)

No. 38.)

My Lord,

San Francisco, June 2, 1874.

I HAVE the honour to inform your Lordship that in accordance with the permission so kindly conveyed to me in your Lordship's telegraphic despatch of the 1st May last, I left Washington for San Francisco on the evening of Friday, the 8th ultimo, and after stopping on the way at Chicago, Omaha, Salt Lake City, and Virginia City, I arrived here on Thursday, the 21st of the same month.

I have not heard since I left Washington what prospect there is of the Reciprocity Treaty being signed, and as I contemplate an expedition to the Yosemite Valley, I thought it better before leaving to telegraph to Sir Edward Thornton to ask whether it was probable that my presence would be required at Washington for another fortnight or so. In reply, I have received from Sir Edward the following telegram:—"I think there is no danger of your presence being required in Washington for the next fortnight or more."

I propose, therefore, unless I shall in the meantime receive other advices, to leave very shortly for the Yosemite; but I shall take care to keep Mr. Booker, the British Consul, informed of my movements, so that he may be able to communicate with me at once, in case my return to Washington is deemed advisable.

I have, &c.

(Signed) H. C. ROTHERY.

No. 381.

Sir E. Thornton to the Earl of Derby.—(Received June 24.)

(Telegraphic.)

Washington, June 24, 1874.

MR. BROWN and I have to-day seen Mr. Fish, who expresses his opinion that the chances of concluding a Reciprocity Treaty next winter are not injured by recent action of the Senate. We told him that Her Majesty's Government might have to call upon him to carry out the stipulations for Halifax Commission, to which he replied that he would be ready to do so.

Mr. Brown has consulted his Government, which leaves the matter to his judgment. He thinks, and I concur, that it would be better to see first how the Draft Treaty, which has been published, is received by the public. If public feeling should be at once very hostile, then it might be well to request that measures be taken for the installation of the Halifax Commission.

No. 382.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, June 24, 1874.

I AM directed by the Earl of Derby to request that you will state to the Earl of Carnarvon that a telegram has been received from Sir E. Thornton, reporting that the Senate decided in secret Session on the 22nd instant to postpone the consideration of the draft Reciprocity Treaty until the December Session. Mr. Brown and he had not seen Mr. Fish since that decision.

Sir E. Thornton requests that, under these circumstances, he may leave New York for England on Saturday next, if it be possible.

Lord Derby proposes to grant Sir E. Thornton permission to come on leave of absence at once, as he desires, unless Lord Carnarvon sees any objection.

As it is, no doubt, of importance to Sir E. Thornton to receive an immediate reply, Lord Derby would be glad to be favoured with Lord Carnarvon's opinion at his early convenience.

I am, &c.
(Signed) TENTERDEN.

No. 383.

Mr. Herbert to Lord Tenterden.—(Received June 24.)

(Pressing and Confidential.)

My Lord,

Downing Street, June 24, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of this day, stating that, in consequence of the decision of the United States' Senate to postpone until the December Session the consideration of the proposed Reciprocity Treaty with Canada, Sir E. Thornton has requested by telegraph to be permitted to come to England at once.

Lord Carnarvon is disposed to think that, looking to all the circumstances of the case, Sir E. Thornton's request may properly be acceded to, if, as his Lordship understands, the Earl of Derby is of the same opinion.

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

No. 384.

The Earl of Derby to Sir E. Thornton.

(Telegraphic.)

Foreign Office, June 24, 1874, 2.30 P.M.

WITH reference to your telegram of yesterday, I approve of your starting for England on the 27th instant, as you propose.

No. 385.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, June 24, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Minister at Washington, upon the subject of the opposition in the United States to the proposed Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 386.

The Law Officers of the Crown and Dr. Deane to the Earl of Derby.—(Received June 25.)

My Lord,

Lincoln's Inn, June 23, 1874.

WE were honoured with your Lordship's commands, signified in Lord Tenterden's letter of the 12th instant, stating that he was directed by your Lordship to transmit to us the accompanying draft of a Reciprocity Treaty, which had been submitted to the United States' Government by Sir E. Thornton and Mr. Brown of Canada, who had been authorized to negotiate on the subject; and that he, Lord Tenterden, was to request that we would take the same into our consideration, and favour your Lordship with our opinion

* No. 375.

whether the wording of the Article is right and proper, and whether there are any objections in English law to the draft being approved.

Copies of the Treaty of Washington and of the Reciprocity Treaty of 1854* were inclosed for reference, if required.

In obedience to your Lordship's commands we have the honour to report—

That we see no objections in English law to the draft being approved.

Your Lordship is aware of the difference between Her Majesty's Government and the French Government with reference to the rights claimed by French subjects in the so-called French shores of Newfoundland. Should Newfoundland, therefore, be hereafter included in the Treaty under Article XIV, some provision with respect to these rights will be necessary.

We have, &c.
(Signed) RICHARD BAGGALLAY.
JOHN HOLKER.
J. PARKER DEANE.

No. 387.

The Law Officers of the Crown and Dr. Deane to the Earl of Derby.—(Received June 25.)

My Lord,

Lincoln's Inn, June 24, 1874.

WE are honoured with your Lordship's commands signified in Lord Tenterden's letter of the 18th June instant, stating, that with reference to his letter of the 12th instant, he was directed by your Lordship to transmit to us the accompanying copies of a further telegram, which has been received from Sir E. Thornton, stating the form in which Mr. Fish has agreed to submit the Draft Treaty of Reciprocity to the Senate of the United States, for their opinion as to its signature; and Lord Tenterden was to request that we would take the same into our consideration, and favour your Lordship with our opinion, whether there are any objections to the Draft being approved.

In obedience to your Lordship's commands we have taken these papers into consideration, and have the honour to report—

That we are aware the objections to the Treaty which we submit to your Lordship's consideration may be caused by the constitution of the United States, and the Government of each independent State, and therefore insuperable.

But we desire to point out to your Lordship, that the Government of Canada is under the obligation to enlarge certain canals (Article V), and to construct (Article VI) certain other canals, and to deepen (Article V) certain parts of the channel of St. Lawrence. The time for the completion of such works is specified.

The United States, however, only engages (Article VI) to urge upon the Government of the State of New York to cause existing canal from Whitehall on Lake Champlain to Albany, to be enlarged, and other works, if necessary, carried out.

The difference is obvious. The Treaty on the part of the United States will be satisfied by a mere request made by that Government upon that of New York, to do the works named, and no date is mentioned. On the other side, the Dominion is absolutely bound to complete the works by a given time. The works need not even be commenced, much less completed by the United States.

It seems to us, that reciprocity is entirely absent from such an agreement as this; and we cannot find that paragraphs two and four of Article VIII constitute a reciprocity either as to the construction, time of construction, or use of the canals named in those paragraphs.

We submit that the Dominion should not be put under the positive obligation to the United States to construct certain works, unless the United States are put under a corresponding obligation to construct the works required of the United States, and that a time should be named for the completion of the works to be done by the United States.

The last sentence of paragraph one of Article VIII is, in our opinion, extremely ambiguous. The words "Free navigation" have no definite meaning, and the laws and regulations of the United States, or of the States bordering on the Lakes Champlain and Michigan, may impose upon the subjects of the Dominion navigating these waters, tolls and duties, not imposed upon subjects of the United States; and yet these tolls and duties may not be inconsistent with some sense or interpretation of the words "Free navigation."

We think that it would be most advisable to avoid this ambiguity which may lead to future complications and impair the reciprocity, which is a leading object of the Treaty.

* See Hertslet's Treaties, vol. ix, p. 998.

We respectfully submit to your Lordship with this view, that the United States and Government of New York should be put under explicit obligation to make and complete the works assigned to them, *pari passu* with the works undertaken by the Dominion.

And that as to the navigation of Lakes Champlain and Michigan, that navigation should be enjoyed by subjects of the Dominion on terms of equality with inhabitants or citizens of the United States.

The use of the canal or canals in connection with Lake Champlain and the navigation of the Hudson should, as it seems to us, be open to subjects of the Dominion in the same way and on the same terms as the use of the waters within the Dominion is open to citizens of the United States.

We have, &c.
(Signed) RICHARD BAGGALLAY.
JOHN HOLKER.
J. PARKER DEANE.

No. 388.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, June 25, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a letter from Mr. Rothery reporting his movements since he left Washington,* and I am to request you to inform his Lordship that Lord Derby proposes, with his concurrence, to instruct Mr. Rothery to return to England.

I am at the same time to point out that it will be necessary, now that the consideration of the Reciprocity Treaty has been postponed by the United States' Senate, to decide what course should be pursued respecting the Fisheries Commission, and I am to request you to move Lord Carnarvon to ascertain the wishes of the Canadian Government on the subject.

It would, perhaps, be desirable to do this before Mr. Rothery is instructed to leave the United States.

I am further to inclose a copy of a telegram which has just been received from Sir E. Thornton.†

I am, &c.
(Signed) TENTERDEN.

No. 389.

Lord Tenterden to Mr. Herbert.

Sir,

Foreign Office, June 25, 1874.

I AM directed by the Earl of Derby to transmit to you a despatch from Sir E. Thornton,‡ for the perusal of the Earl of Carnarvon, forwarding a draft of the Reciprocity Treaty, submitted to Mr. Fish on the 6th instant, with observations thereon, and which was transmitted by Sir E. Thornton by telegraph on the 7th instant, and formed the inclosure to my letter of the 9th instant, and to state to you that his Lordship proposes, if Lord Carnarvon concurs, to approve Sir E. Thornton's proceedings in the matter.

I am to request that this despatch, when done with, may be returned, with a view to printing it with the rest of the papers on the same subject.

I am, &c.
(Signed) TENTERDEN.

No. 390.

Lord Tenterden to Mr. Herbert.

(Confidential.)

Sir,

Foreign Office, June 26, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, copies of two Reports furnished by the Law Officers on the draft Reciprocity

* No. 380.

† No. 381.

‡ No. 376.

Treaty as proposed by Sir E. Thornton and Mr. Brown to Mr. Fish, and as agreed to by Mr. Fish and submitted by him to the Senate;* and I am to state, for his Lordship's information, that these Reports will be referred to Sir E. Thornton on his arrival in London.

I am, &c.
(Signed) TENTERDEN.

No. 391.

The Earl of Derby to Sir E. Thornton.

(No. 212.)

Sir,

Foreign Office, June 26, 1874.

I INCLOSE, for your information, copy of a despatch, as marked in the margin, on the subject of the Newfoundland Fisheries question.†

I am, &c.
(Signed) DERBY.

No. 392.

Mr. Herbert to Lord Tenterden.—(Received June 27.)

My Lord,

Downing Street, June 27, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 25th instant, inclosing a copy of a letter from Mr. Rothery, and a telegram from Sir E. Thornton as to the prospect of concluding a Reciprocity Treaty next winter.

Lord Carnarvon is inclined to think that it will be desirable to await the result of the consideration which it is promised that the draft Treaty shall receive in the Senate in December next before taking any fresh steps with regard to the Fisheries Commission, and that Mr. Rothery should accordingly return to this country; but before expressing any definite opinion on these points, his Lordship has thought it desirable to ascertain the views of the Dominion Government; and I am to inclose, for the Earl of Derby's information, a copy of a telegram which he has addressed to the Governor-General of Canada on these subjects.

Lord Carnarvon is inclined to think that it may be prudent to take an early opportunity of intimating to the United States' Government that Her Majesty's Government clearly understand that their right to resume the negotiations in connection with the Fisheries' Commission is in no way prejudiced by the delay that has occurred or may occur in consequence of the proceedings with reference to the Reciprocity Treaty.

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

Inclosure in No. 392.

The Earl of Carnarvon to the Earl of Dufferin.

(Telegraphic.)

Downing Street, June 25, 1874.

AS your Ministers wish for Reciprocity Treaty it is presumed they do not desire that proceedings should be taken before December for Fishery Commission under Washington Treaty. If this be their view Her Majesty's Government would confine themselves to telling the United States' Government that we reserve rights under Treaty, and Rothery would return to England.

Telegraph whether your Ministers agree.

* Nos. 386 and 387.

† Inclosure in No. 377.

No. 393.

Sir H. Holland to Lord Tenterden.—(Received June 27.)

My Lord,

Downing Street, June 27, 1874.

WITH reference to my letter of this day's date I am directed by the Earl of Carnarvon to transmit to you, to be laid before the Earl of Derby, the decypher of a telegram from the Governor-General of Canada expressing the views of his Government with regard to the postponement of the fisheries arbitration with the United States.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 393.

The Earl of Dufferin to the Earl of Carnarvon.

(Telegraphic.)

Ottawa, June 27, 1874.

DOMINION Government agree to postpone fisheries arbitration, reserving all right until December, assuming the United States' Government are acting in good faith in presenting Treaty to Senate.

No. 394.

The Earl of Derby to Sir E. Thornton.

(No. 213.)

Sir,

Foreign Office, June 27, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence, as marked in the margin, upon the subject of the proposed renewal of the Reciprocity Treaty.*

I am, &c.

(Signed) DERBY.

No. 395.

Sir E. Thornton to the Earl of Derby.—(Received June 28.)

(No. 260.)

My Lord,

Washington, June 15, 1874.

SINCE I had the honour of addressing to your Lordship my despatch No. 248 of the 8th instant, Mr. Brown and I have had several interviews with Mr. Fish upon the subject of a Reciprocity Treaty with regard to Canada; we have made, however, very little progress, and we are at a loss to decide whether Mr. Fish really wishes to conclude a Treaty, or whether he is endeavouring to gain time, so that at least no Treaty may be submitted to the Senate during the present session. Mr. Fish expresses his opinion that it will be extremely difficult to obtain the necessary majority of two-thirds in the Senate; whilst Mr. Brown and I think the contrary, and believe that there is a general wish that a Treaty such as we are negotiating should be concluded.

When we were with Mr. Fish at the State Department on the 6th instant, he certainly intimated to us that he would send the draft Treaty to the Senate, in order to obtain an expression of opinion from that body as to the propriety of proceeding with the negotiation. We heard, however, that no such step had been taken, and Mr. Brown and I called at the State Department on the 11th instant, when Mr. Fish expressed surprise that we should have supposed that he intended to send the draft to the Senate, whereas, he stated, that he had never intended to do more than submit to the Treasury Department the schedule of articles proposed to be reciprocally admitted free of duty, which he had done, though he had as yet received no answer from that office.

On that occasion Mr. Fish excused himself on account of pressure of business, and gave us but little time.

* Nos. 370 and 378.

In the first Article, which is a transcript of Article XVIII of the Treaty of Washington, except that I had omitted the words "the Colony of" before "Prince Edward's Island," because that Island is now a Province of the Dominion. Mr. Fish asked why we did not put at once the "Dominion of Canada," instead of the different Provinces mentioned in the Article. I replied that, with such a change, the United States might perhaps claim the fisheries on the Canadian shores of the great lakes, and certainly those of the coast of British Columbia, which I supposed he did not intend to ask without giving Canada some compensation. Mr. Fish said that this view of the matter had not occurred to him.

In Article IV, Mr. Fish suggested that instead of the words "payable previously to the former date," contained in the draft transmitted in my despatch No. 248 of the 8th instant, the words payable "previously to the date of this Treaty" should be inserted. To this there seems to be no objection. In Schedule A, Mr. Fish raised a difficulty about the item "earth, clays, &c.," but finally consented to its remaining. He also objected to the free admission of "seal-oil," as one of the "products of creatures living in the water;" but, for the sake of Newfoundland, I protested against its omission, and Mr. Fish yielded. At a subsequent interview, he asked that after the item "fish of all kinds" should be added the words "except fish preserved in oil," which were in the Treaty of Washington, and to which we did not object. After the item "flour" it was agreed to insert "and meals," which is to the advantage of the United States, as meals of various kinds are exported hence into Canada. Mr. Brown expressed a wish that the item "pease, whole and split," should be added, which was agreed to.

At this interview Mr. Fish said that he had been urged by interested persons not to agree to the early remission of import duty upon timber. They had stated that in the North Western States entire forests had been blown down by hurricanes, and as the timber was already on the ground, it would be absolutely necessary that it should be used, and the owners would be ruined if the duty were taken off at once. Mr. Fish therefore proposed, that the duty on timber should remain as it is till July, 1 1877, that one half the duty should be remitted during the year following, and the remaining half in the year 1878-79. But we resisted this proposal, and at a subsequent interview Mr. Fish consented to withdraw it, and that lumber should be subject to the same rule of dates as other items. It was however agreed that the three items, "lumber of all kinds," "timber of all kinds" and "wood of all kinds," should be comprised in the one phrase; timber and lumber of all kinds, round, hewed and sawed unmanufactured in whole or in part."

Mr. Fish proposed the omission of the item "salt," but as this is an industry of the greatest importance to Canada, we made a vigorous resistance to the proposal, and Mr. Fish subsequently agreed not to insist upon it.

In Schedule C Mr. Fish proposed that the item "felt covering for boilers" should be added, to which no objection was made.

Mr. Fish has constantly urged that the Canadian Canals should be deepened to 14 feet, but Mr. Brown, in accordance with instructions from his Government, has resisted this requirement, and has said that a depth of 12 feet is the utmost that can be obtained, and he put the dimensions of the locks at 270 feet long, 45 feet wide, with not less than 12 feet on the sills. Mr. Brown also said, in reply to Mr. Fish's inquiry, that the Canadian Government would be willing to engage that the Channel of the River St. Lawrence from Lake Ontario to Montreal should be maintained at a depth of not less than 12 feet.

Mr. Brown likewise stated that his Government was prepared to agree that no discrimination with regard to canal-dues should be made against American vessels by allowing a drawback to vessels going through the whole of the canals which was not allowed to those going through only a part of them. The wording of this stipulation, as of many others, is difficult to draw up, and has not yet been agreed upon.

Mr. Fish suggested a change in the phraseology of Article VII, with regard to the coasting trade, so as to make it something like the inclosed draft; but the wording has not yet been finally agreed upon.

Mr. Fish also proposes that, after the names of the Canadian canals mentioned in Article VIII, the words "and other canals" should be inserted; and, as these words are also found in Article XXVII of the Treaty of Washington, it is probable that we shall have to agree to their insertion.

With regard to Article X, Mr. Fish surprised us by saying that the free navigation of Lake Michigan could only be conceded for the term of the Treaty, and that he had never intended that we should understand it otherwise. Upon this he insisted, and, under these circumstances, Mr. Brown and I doubt whether we shall agree to any stipulation with regard to the navigation of the Gut of Canso.

Mr. Fish thought that the stipulation for a Joint Commission for deepening the channels of rivers and lakes, as expressed in Article XI, would give rise to difficulties, and it was, therefore, agreed that the Article should be omitted.

He also proposed that the wording of Article XII should be altered, so as to make it like the inclosed draft, the wording of which, however, has not been finally agreed upon.

We are now waiting for the wording of some of the Articles mentioned above, which Mr. Fish has promised to draw up and to send to us as soon as possible.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure 1 in No. 395.

Draft of Article VII.

CITIZENS of the United States shall, during the term of years mentioned in Article XV of this Treaty, be allowed to carry cargo and passengers in their vessels from one Canadian port to another on the Great Lakes or River St. Lawrence. Subjects of Her Britannic Majesty residing in Canada shall, during the said term, be allowed to carry cargo and passengers in their vessels from one port of the United States on the Great Lakes or River St. Lawrence to another such port on the said lakes or river. Citizens of the United States and subjects of Her Britannic Majesty residing in Canada shall, during the said term, be allowed to carry in their vessels, respectively, cargo and passengers from any port of the United States or Canada, on the Red River or waters connecting therewith, to any other such port on the said river or waters connecting therewith.

Inclosure 2 in No. 395.

Draft of Article XII.

A JOINT Commission shall be established and maintained at the joint expense of the High Contracting Parties during the operation of this Treaty for reporting upon and superintending the erection and proper regulation of all lighthouses on the great lakes common to both countries, necessary to the security of the shipping thereon.

No. 396.

Sir E. Thornton to the Earl of Derby.—(Received June 30.)

(No. 266.)

My Lord,

Washington, June 17, 1874.

I HAVE the honour to inform your Lordship that, after a great many conferences which Mr. Brown and I have had during the last few days with Mr. Fish, we have at length agreed upon a draft Treaty for the regulation of the commercial relations between the United States and Canada, which Mr. Fish has promised to send to the Senate to-morrow with a view to eliciting an opinion from that body whether it will be expedient to sign a Treaty on the basis of the stipulations proposed in the draft.

I have the honour to inclose a copy of this draft, in which there are several alterations from that of which I transmitted a copy in my despatch No. 248 of the 8th instant, but they are not of very serious importance.

In Schedule (C) of Article IV the item "cotton cloth unbleached" had been inadvertently left, although Mr. Brown had announced on his return from Canada that it must be omitted. It has now been struck out.

The principal difficulty has been to decide upon the wording of the different Articles with regard to the enlargement and construction of the canals, the conditions with regard to the payment of the tolls, and the navigation of the canals; Mr. Brown and I, however, believe that the phraseology will now be satisfactory to Canada.

As Mr. Fish objected to a stipulation for opening the navigation of Lake Michigan for a longer term than the duration of the Treaty, we also declined to entertain any proposal for throwing open the navigation of the Gut of Canso.

In our conference to-day Mr. Brown and I expressed some doubt whether at this late date of the session of Congress it would be expedient to send the draft to the Senate for its opinion; and we urged Mr. Fish very strongly to sign it at once. This, however, he positively refused to do unless it were first submitted to the Senate or to the Cabinet. The former course seemed to us preferable, and Mr. Fish promised that it should be sent to the Senate to-morrow, and that it should be accompanied by a message from the President recommending its immediate and favourable consideration. Mr. Fish further engaged to go to the Senate himself and urge upon the Senators to express their opinion at once upon the contents of the draft, and he added that if the answer were favourable, he would not hesitate to sign a Treaty with us without delay upon the basis of this draft, which I have had the honour to transmit to your Lordship to-day by telegraph.

It may be that the Senate will not comply with the wish expressed by the President and Mr. Fish. In that case Mr. Brown and I will have to consider what course we ought to take, and to ask of our respective Governments whether we should consent to let the question lie over till the next Session of Congress, or whether it would be expedient that the Fisheries' Commission to meet at Halifax should at once proceed with its work of arbitration.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 396.

Draft of Reciprocity Treaty to be submitted to the Senate.

HER Majesty the Queen of Great Britain, and the United States of America, being desirous of improving the commerce and navigation between their respective territories and people, and more especially between Her Majesty's possessions in North America and the United States, in such manner as to render the same reciprocally beneficial, have respectively named Plenipotentiaries to confer and agree thereon; that is to say—

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

ARTICLE I.

(The same as Article XVIII of the Treaty of Washington, substituting XIII for XXXIII and omitting the words "the Colony of" before Prince Edward's Island.)

ARTICLE II.

(The same as Article XIX of the Treaty of Washington, substituting XIII for XXXIII.)

ARTICLE III.

(The same as Article XX of the Treaty of Washington.)

ARTICLE IV.

It is agreed that the articles enumerated in Schedules A, B, and C, hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada or of the United States, shall, on their importation from the one country into the other, from the 1st day of July, 1875, to the 30th day of June, 1876 (both included), pay only two-thirds of the duties payable at the date of this Treaty on the importation into such country of such articles respectively; and from the 1st day of July, 1876, to the 30th day of June, 1877 (both included), shall pay only one-third of such duties; and on and after the 1st day of July, 1877, for the period of years mentioned in Article XIII of this Treaty, shall be admitted free of duty into each country respectively.

For the term mentioned in Article XIII no other or higher duty shall be imposed in the United States upon other articles, not enumerated in said Schedules, the growth,

produce, or manufacture of Canada, or in Canada upon such other articles the growth, produce, or manufacture of the United States, than are respectively imposed upon like articles the growth, produce, or manufacture of Great Britain, or of any other country.

SCHEDULE (A), consisting of the following Natural Products :—

Animals of all kinds.	Lard.
Ashes, pot, pearl and soda.	Lime.
Bark.	Malt.
Bark, extract, for tanning purposes.	Manures.
Bath bricks.	Marble, stone, slate, or granite, wrought or unwrought.
Breadstuffs of all kinds.	Meats, fresh, smoked, or salted.
Bricks for building, and fire bricks.	Ores of all kinds of metals.
Broom, corn.	Pelts.
Burr or grindstones, hewn, wrought or unwrought.	Pease, whole or split.
Butter.	Petroleum oil, crude, refined, or benzole.
Cheese.	Pitch.
Coal and coke.	Plants.
Cotton, wool.	Poultry, and birds of all kinds.
Cotton, waste.	Rags of all kinds.
Dye stuffs.	Rice.
Earths, clays, ochres, and sand, ground or unground.	Salt.
Eggs.	Seeds.
Fish of all kinds.	Shrubs.
Fish, products of, and of all other creatures living in the waters, except fish preserved in oil.	Skins.
Firewood.	Straw.
Flax, unmanufactured.	Tails.
Flour and meals of all kinds.	Tallow.
Fruits, green or dried.	Tar.
Furs, undressed.	Timber and lumber of all kinds, round, hewed, and sawed, unmanufactured in whole or in part.
Grain of all kinds.	Tobacco, unmanufactured.
Gypsum, ground, unground, or calcined.	Tow, unmanufactured.
Hay.	Trees.
Hemp, unmanufactured.	Turpentine.
Hides.	Vegetables.
Horns.	Wool.

SCHEDULE (B), consisting of the following Agricultural Implements :—

Axes.	Harrows.
Bag-holders.	Hoes, hand or horse.
Beehives.	Horse rakes.
Bone crushers, or parts thereof.	Horse-power machines, or parts thereof.
Cultivators, ditto.	Hay tedders, ditto.
Chaff cutters, ditto.	Liquid manure carts, ditto.
Corn huskers, ditto.	Manure sowers, ditto.
Cheese vats.	Mowers, ditto.
Cheese factory heaters.	Oil and oil-cake crushers, ditto.
Cheese presses, or parts thereof.	Ploughs, ditto.
Churns, ditto.	Root and seed planters, ditto.
Cattle feed boilers and steamers, ditto.	Root cutters, pulpers, and washers, ditto.
Ditchers, ditto.	Rakes.
Field rollers, ditto.	Reapers, or parts thereof.
Fanning mills, ditto.	Reaper and mower combined, ditto.
Feed choppers, ditto.	Spades.
Forks for hay and manure, hand or horse.	Shovels.
Grain drills, or parts thereof.	Scythes.
Grain broad-cast sowers, ditto.	Snaiths.
Grain crushers, ditto.	Threshing machines, or parts thereof.

SCHEDULE (C), consisting of the following Manufactures :—

Axles, all kinds.	Carriages, carts, waggons, and other wheeled vehicles and sleighs, or parts thereof.
Boots and shoes of leather.	Fire engines, ditto.
Boot and shoe making machines.	Felt covering for boilers.
Buffalo robes, dressed and trimmed.	Gutta percha belting and tubing.
Cotton grain bags.	Iron, bar, hoop, pig, puddled, rod, sheet, or scrap.
Cotton denims.	Iron nails, spikes, bolts, tacks, brads, or sprigs.
Cotton jeans, unbleached.	Iron castings.
Cotton drillings, unbleached.	India-rubber belting and tubing.
Cotton tickings.	
Cotton plaids.	
Cottonades, unbleached.	
Cabinet ware and furniture, or parts thereof.	

Locomotives for railways, or parts thereof.
 Lead, sheet or pig.
 Leather, sole or upper.
 Leather, harness and saddlery of.
 Mill, or factory, or steamboat, fixed engines
 and machines, or parts thereof.
 Manufactures of marble, stone, slate, or
 granite.
 Manufactures of wood solely, or of wood
 nailed, bound, hinged, or locked with
 metal materials.
 Mangles, washing machines, wringing
 machines, and drying machines, or parts
 thereof.
 Printing paper for newspapers.

Paper-making machines, or parts thereof.
 Printing type, presses, and folders, paper
 cutters, ruling machines, page numbering
 machines, and stereotyping and electro-
 typing apparatus, or parts thereof.
 Refrigerators, ditto.
 Railroad cars, carriages, and trucks, ditto.
 Sattinets of wool and cotton.
 Steam engines, or parts thereof.
 Steel, wrought or cast, and steel plates and
 rails.
 Tin tubes and piping.
 Tweeds of wool solely.
 Water-wheel machines and apparatus, or
 parts thereof.

ARTICLE V.

It is agreed that the Canadian canals on the main route from Lake Erie to Montreal shall be enlarged forthwith at the expense of the Dominion of Canada, so as to admit the passage of vessels drawing 12 feet of water, and the locks on the said canals shall be made of not less than 270 feet in length, 45 feet width, and not less than 12 feet depth, on the mitre sill, and that the channel of the St. Lawrence River shall be deepened in the several reaches between the canals wherever the same may be necessary, so as to allow the free passage of vessels drawing 12 feet of water. And the work engaged to be done in this Article shall be completed by the 1st day of January, 1880.

ARTICLE VI.

It is agreed that the Government of Canada shall construct, on or before the 1st day of January, 1880, a canal to connect the St. Lawrence River, at some convenient point at or near Caughnawaga, with Lake Champlain. The dimensions of said canal shall be such as to admit the passage of vessels drawing 12 feet of water, and the locks shall be of not less dimensions than those named in the preceding Article.

And the United States engage to urge upon the Government of the State of New York to cause the existing canal from Whitehall on Lake Champlain to Albany to be enlarged, and, if necessary, extended, or another canal, or canals, to be constructed of equal capacity with the proposed Caughnawaga Canal, as hereinbefore specified, and the navigation of the Hudson River to be improved so as to admit the passage from Lake Champlain to the lower waters of the Hudson River of vessels drawing 12 feet of water.

ARTICLE VII.

Citizens of the United States may, during the term of years mentioned in Article XIII of this Treaty, carry in their vessels cargo and passengers from one Canadian port to another on the great lakes or River St. Lawrence. Reciprocally, inhabitants of Canada, subjects of Her Britannic Majesty, may, during the like period, carry in their vessels cargo and passengers from one port of the United States on the great lakes or River St. Lawrence to another on the said lakes or river. Citizens of the United States in their vessels, and inhabitants of Canada, subjects of Her Britannic Majesty, in their vessels, may, during the like term, carry cargo and passengers from any port of the United States, or of Canada, on the Red River, or the waters connecting therewith, to any other port on the said river or waters connecting therewith.

ARTICLE VIII.

It is agreed that for the term of years mentioned in Article XIII of this Treaty, the citizens of the United States shall enjoy the use of the Welland, the St. Lawrence, and other canals in the Dominion of Canada (including the proposed Caughnawaga Canal) on terms of equality with the inhabitants of the Dominion of Canada.

And that, without interfering with the right of the Government of Canada to impose such tolls on the aforesaid Canadian canals respectively as it may think fit, the tolls shall be levied in relation to the number of locks on each canal without any drawback or discrimination, whatever the destination of the vessels, or whether one or more canal or canals, or part of a canal, be passed.

And it is also agreed that, for the like term of years, the inhabitants of Canada shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United States, and that the navigation of Lake Champlain, and of Lake Michigan, shall be free and open for the purposes of commerce to the inhabitants of Canada, subject to any

laws and regulations of the United States, or of the States bordering thereon respectively, not inconsistent with such privilege of free navigation.

And the United States further engage to urge upon the Governments of the States of New York and of Michigan to secure to the inhabitants of Canada the use of the Erie, the Whitehall, the Sault St. Marie Canals, and of any enlarged or extended, or new canal, or other improvement connecting Lake Champlain with the lower waters of the Hudson River, which may be made, as contemplated in Article VI, on terms of equality with the inhabitants of the United States.

And it is mutually agreed that full power shall be given and allowed to tranship cargo from vessels into canal boats, and from canal boats into vessels at either terminus of every canal.

And further, that if the use of the Erie and Whitehall, or other canal connecting Lake Champlain with the lower waters of the Hudson River, and of the Sault St. Marie Canal, be not granted to the inhabitants of Canada, on terms of equality with the citizens of the United States, as contemplated in this Article, then the use of the proposed Caughnawaga Canal by citizens of the United States, as above contemplated, shall be suspended and cease until the use of the said canals in the United States shall be secured to the inhabitants of Canada as above contemplated.

ARTICLE IX.

For the term of years mentioned in Article XIII of this Treaty, vessels of all kinds built in the United States may be purchased by inhabitants of Canada, subjects of Great Britain, and registered in Canada as Canadian ships, and reciprocally vessels of all kinds built in Canada may be purchased by citizens of the United States, and registered in the United States as United States' vessels.

ARTICLE X.

A joint Commission shall be established and maintained at joint expense during the operation of this Treaty for advising the erection and proper regulation of all lighthouses on the great lakes common to both countries necessary to the security of the shipping thereon.

ARTICLE XI.

A joint Commission shall also be established at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the laws enacted for the protection of the fish and fishing-grounds.

ARTICLE XII.

It is further agreed that the provisions and stipulations of this Treaty shall extend to the Colony of Newfoundland, so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Articles into effect, then this Article shall be of no effect; but the omission to make provision by law to give it effect by either of the Legislative bodies aforesaid shall not in any way impair the other Articles of this Treaty.

ARTICLE XIII.

This Treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other. If such legislative assent shall not have been given within months from the date hereof, then this Treaty shall be null and void. But such legislative assent, having been given, this Treaty shall remain in force for a period of twenty-one years from the date at which it shall come into operation, and further until the expiration of three years after either of the High Contracting Parties shall have given 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 period of twenty-one years, or at any time afterwards.

ARTICLE XIV.

When the ratifications of this Treaty shall have been exchanged and the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain, by the Parliament of the Dominion of Canada, on the one hand, and by the Congress of the United States, on the other hand, then Articles XXII, XXIII, XXIV, and XXV of the Treaty of May 8, 1871, between Great Britain and the United States shall become null and void.

ARTICLE XV.

This Treaty shall be duly ratified by Her Britannic Majesty and by the President of the United States, and the ratifications shall be exchanged either at Washington or at London within _____ months from the date hereof, or earlier, if possible.

No. 397.

Sir H. Holland to Lord Tenterden.—(Received July 1.)

My Lord,

Downing Street, June 30, 1874.

WITH reference to my letter of the 27th instant I am directed by the Earl of Carnarvon to transmit to you the draft of a telegram which he proposes, with the concurrence of the Earl of Derby, to send, in cypher, to the Governor-General of Canada, in answer to his telegram respecting the postponement of the fisheries arbitration with the United States.

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

Inclosure in No. 397.

Draft Telegram to Lord Dufferin.

HER Majesty's Minister will be instructed to postpone arbitration till December, reserving all rights.

Her Majesty's Government, in answer to your question, are not at liberty to entertain doubts as to good faith of distinct assurances of United States' Government.

No. 398.

Lord Tenterden to Sir H. Holland.

(Immediate.)

Sir,

Foreign Office, July 2, 1874.

WITH reference to your letter of the 27th ultimo, I am directed by the Earl of Derby to transmit to you, for the Earl of Carnarvon's concurrence, drafts of despatches which his Lordship proposes to address to Sir E. Thornton and Mr. Rothery, respecting the postponement of the Fisheries Commission.

I am, &c.
(Signed) TENTERDEN.

No. 399.

Mr. Herbert to Lord Tenterden.—(Received July 3.)

My Lord,

Downing Street, June 30, 1874.

I AM directed by the Earl of Carnarvon to return to you the despatch from the British Minister at Washington, together with the draft of the proposed Reciprocity Treaty between Canada and the United States, inclosed in your letter of the 25th instant, and I am to state that Lord Carnarvon concurs in the approval which the Earl of Derby proposes to convey to Sir E. Thornton of his proceedings in this matter.

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

No. 400.

Sir H. Holland to Lord Tenterden.—(Received July 3.)

(Immediate.)

My Lord,

Downing Street, July 3, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 2nd instant, inclosing drafts of despatches which the Earl of Derby proposes to address to Sir E. Thornton and Mr. Rothery, respecting the postponement of the Fisheries Commission under the Treaty of Washington.

Lord Carnarvon desires me to request that you will inform Lord Derby that his Lordship concurs in these drafts.

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

No. 401.

Sir H. Holland to Lord Tenterden.—(Received July 3.)

(Confidential.)

My Lord,

Downing Street, July 3, 1874.

I AM directed by the Earl of Carnarvon to acknowledge the receipt of your letter marked Confidential, of the 26th of June, inclosing two Reports by the Law Officers of the Crown in reference to the draft of the proposed Reciprocity Treaty with the Government of the United States.

Lord Carnarvon desires me to request that you will state to the Earl of Derby that his Lordship does not propose to communicate the substance of these Reports to the Governor-General of Canada until he is made aware of the result of the proposed reference to Sir E. Thornton.

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

No. 402.

The Earl of Derby to Sir E. Thornton.

(No. 217.)

Sir,

Foreign Office, July 3, 1874.

I RECEIVED on the 24th ultimo your telegram of the same date, relative to the prospect of concluding a Reciprocity Treaty next winter, and I have considered the question of the revival of the Fisheries Commission in communication with Her Majesty's Secretary of State for the Colonies, who has also ascertained the views of the Canadian Government on the subject.

I inclose, for your information, copies of two letters* from the Colonial Office, inclosing telegrams to and from Lord Dufferin; and I have to instruct you to address a note to Mr. Fish stating that, on the understanding that the Draft Reciprocity Treaty, as agreed to by him, will be considered by the Senate in December next, Her Majesty's Government will await the final result of the consideration which the Treaty may then receive in the Senate, before taking any fresh steps with regard to the Fisheries Commission. You will add that Her Majesty's Government wish it to be clearly understood that their right to revert to the provisions of the Treaty of Washington for the appointment of the Fisheries Commission is in no way prejudiced by the delay that has occurred or may occur in consequence of the proceedings with reference to the Reciprocity Treaty.

I am, &c.
(Signed) DERBY.

No. 403.

The Earl of Derby to Sir E. Thornton.

(No. 220.)

Sir,

Foreign Office, July 3, 1874.

I TRANSMIT to you herewith, for your information, a copy of a letter* from the Colonial Office, upon the subject of the proposal for a renewal of the Reciprocity Treaty.

I am, &c.

(Signed) DERBY.

No. 404.

The Earl of Derby to Mr. Rothery.

(No. 13.)

Sir,

Foreign Office, July 3, 1874.

I HAVE received your despatch, No. 38, of the 2nd of June, containing a report of your movements since you left Washington, and I have to state to you that, as there is no prospect of the Fisheries Commission meeting at present, you are at liberty to return to England.

I take this opportunity of expressing to you the high sense of your zeal and ability which is entertained by Her Majesty's Government, and I trust that you will not have suffered any inconvenience from your detention in America during the progress of the negotiations for a Reciprocity Treaty.

I am, &c.

(Signed) DERBY.

No. 405.

The Earl of Derby to Sir E. Thornton.

(No. 221.)

Sir,

Foreign Office, July 3, 1874.

I TRANSMIT to you herewith, for your information, a copy of a despatch† I have addressed to Mr. Rothery, informing him that he is at liberty to return to this country, and expressing the high sense entertained of his services in connection with the Fisheries Question.

I am, &c.

(Signed) DERBY.

No. 406.

Lord^s Tenterden to Sir H. Holland.

(Immediate and Confidential.)

Sir,

Foreign Office, July 3, 1874.

I HAVE laid before the Earl of Derby your letter of the 30th ultimo, forwarding for his Lordship's concurrence a draft of a proposed telegram to Lord Dufferin on the subject of the postponement of the Fisheries arbitration, and I am directed by Lord Derby to state to you in reply that he would suggest, for Lord Carnarvon's consideration, that the telegram to be sent to Lord Dufferin should contain the words of the instruction to Sir E. Thornton, which was sent to you in my letter of yesterday for Lord Carnarvon's concurrence.

I am, &c.

(Signed) TENTERDEN.

Sir E. Thornton to the Earl of Derby.—(Received July 5.)

(No. 274. Confidential.)

My Lord,

Washington, June 22, 1874.

I HAVE the honour to inclose a copy of the Message of the President which accompanied the Draft Reciprocity Treaty on its being transmitted to the Senate by him. Annexed to it is Mr. Fish's letter to the President forwarding the Draft.

Your Lordship will perceive that both Mr. Fish and the President speak of the Draft as proposed by the British Representatives. I need hardly point out that such a statement is a complete misrepresentation of the real state of the case. It is true that Mr. Brown and I originally made a proposal, but even then only after Mr. Fish had declared that it was not worth while to take into consideration the proposal which I had previously made for the renewal of Article III of the Treaty of 1854, and had insinuated the addition of the enlargement of the Canadian canals, and the admission into Canada, free of duty, of certain manufactures.

But the terms submitted by Mr. Brown and myself have since been changed in a variety of ways, after long and frequent discussions with Mr. Fish, and in consequence of his suggestions; indeed, the wording of several of the Articles of the present Draft is entirely his own.

It is, therefore, a misnomer to call it our proposal, and I can only attribute so unfair a misrepresentation to the habitual fear of responsibility which distinguishes American statesmen. Were it not, however, that there is hardly a Senator who does not know that every point of the Draft has been discussed and warmly contested between Mr. Fish and ourselves, the transmission of the document as our proposal might invite the Senate to insist upon such changes as it would be impossible for us to admit; whilst, at the same time, Mr. Brown and I may justly claim that we have succeeded in agreeing with Mr. Fish upon a Draft Treaty, in the terms of which the Executive Government at least has acquiesced.

As, however, the inclosed document is considered to be secret, and was obtained in a strictly confidential manner, Mr. Brown and I are precluded from remonstrating officially against its contents.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 407.

President's Message.

To the Senate of the United States.

THE Plenipotentiaries of Her Britannic Majesty at Washington have submitted to the Secretary of State, for my consideration, a draft of a Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals, and for their use by United States' vessels on terms of equality with British vessels.

I transmit herewith a report from the Secretary of State, with a copy of the draft thus proposed.

I am of opinion that a proper Treaty for such purposes would result beneficially for the United States. It would not only open or enlarge markets for our productions, but it would increase the facilities of transportation from the grain-growing States of the west to the seaboard.

The proposed draft has many features to commend it to our favourable consideration; but whether it makes all the concessions which could justly be required of Great Britain, or whether it calls for more concessions from the United States than we should yield, I am not prepared to say.

Among its provisions are Articles proposing to dispense with the arbitration respecting the fisheries, which was provided for by the Treaty of Washington, in the event of the conclusion and ratification of a Treaty, and the passage of all subsequent legislation to enforce it.

These provisions, as well as other considerations, make it desirable that this subject should receive attention before the close of the present Session. I therefore express an earnest wish that the Senate may be able to consider and determine before the adjourn-

ment of Congress whether it will give its constitutional concurrence to the conclusion of a Treaty with Great Britain for the purposes already named, either in such a form as is proposed by the British Plenipotentiaries, or in such other more acceptable form as the Senate may prefer.

To the President,

I have the honour to inclose a copy of the draft of a Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals and for their use by United States' vessels on terms of equality with British vessels, which the British Plenipotentiaries have proposed to this Government.

(Signed)

HAMILTON FISH.

Department of State, Washington, July 17, 1874.

No. 408.

Sir E. Thornton to the Earl of Derby.—(Received July 5.)

(No. 275.)

My Lord,

Washington, June 22, 1874.

WITH reference to my despatch No. 266 of the 17th instant, I have the honour to inform your Lordship that the President on the 18th instant transmitted to the Senate the draft Reciprocity Treaty, a copy of which was inclosed in that despatch. Mr. Fish informed me on the next day that it had been accompanied by a message from the President, in which he had urged upon the Senate to take the subject into consideration at once and determine upon it before the adjournment of Congress.

In consequence of the near approach of the close of the Session, the pressure of business has probably prevented the Senate as yet from attending to this matter; and, as far as I can learn, there has been no serious consideration of the contents of the draft, but I understand that, amongst themselves and in conversation, Senators have suggested four different modes of disposing of the question: first, by authorizing the signature of a Treaty on the basis of the draft; second, by rejecting it altogether; third, by suggesting amendments to it; and, fourth, by letting the draft lie over till the next Session of Congress, and taking off the seal of secrecy, so that the public might have an opportunity of judging of the merits of the document. There is a rumour that an extra Session of the Senate may be ordered.

In case the draft should be entirely disapproved by the Senate, I presume that it would be proper to call upon the United States' Government to request the Austrian Government to authorize its Ambassador in London to name a third Commissioner for the Halifax Commission. The proposal of amendments would involve further discussion.

If it were decided to defer the consideration till next Session and publish the draft, we should, in my opinion, be justified in protesting at least against the publication of the document as our proposal, and in stating to Mr. Fish that the installation of the Commission at Halifax must be proceeded with at once.

I hope, however, to be able to telegraph shortly to your Lordship the result of the President's message to the Senate.

In speaking to Mr. Fish upon the subject at his own house, on the evening of the 18th instant, he said that, if the Senate should authorize the signature of such a Treaty, he thought that it would be expedient to insert a clause that the commercial and other concessions made by the United States to Canada by the Treaty were intended as a consideration for the amount of compensation which might have been awarded by the Commission at Halifax with reference to the fisheries. He thought that such a declaration would be necessary, lest nations which had a "favoured nation" clause in their Treaties with the United States should demand the same concessions as had been granted to Canada. I do not at present see any objection to such a clause; but, in the event of our reaching that point, I should obtain from Mr. Fish the wording which he would wish to insert and transmit it by telegraph to your Lordship.

I have, &c.

(Signed)

EDWD. THORNTON.

No. 409.

Sir E. Thornton to the Earl of Derby.—(Received July 5.)

(No. 277.)

My Lord,

Washington, June 23, 1874.

WITH reference to my Confidential despatch No. 274 of yesterday's date, I find that the President's message transmitting the draft Reciprocity Treaty to the Senate, together with the draft itself, was published *in extenso* in the "New York Tribune" of yesterday. I have the honour to inclose three copies of these documents as they appeared in that newspaper. I presume that they were obtained by an energetic reporter in the usual surreptitious manner.

I have, &c.
(Signed) EDWD. THORNTON.

Inclosure in No. 409.

Extract from the New York "Daily Tribune" of June 22, 1874.

CANADIAN RECIPROCITY.—Full and official Text of the Treaty. Probable postponement of its consideration. A Report that the President will call the Senate together ten days before the December Session. The President's Message accompanying the Treaty. Text of the proposed Convention as submitted to the Senate.

(From the regular correspondent of the "Tribune.")

Washington, June 20.—It is now hardly probable that the new Reciprocity Treaty will be formally considered by the Senate during the present Session, although it is expected that some informal talk in regard to it may take place in Executive Session before Congress adjourns. It is also reported that the President has concluded to call no extra Session for the consideration of this Treaty at present, but that he will, by Proclamation, convene the Senate for that purpose about ten days before the meeting of Congress next December.

The official title of the Treaty is as follows:—

A Treaty for the reciprocal regulations of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals, and for their use by the United States vessels on terms of equality with British vessels.

The President, in transmitting the draft of the Treaty to the Senate, sent the following message:—

"To the Senate of the United States,

"The Plenipotentiaries of Her Britannic Majesty at Washington have submitted to the Secretary of State, for my consideration, a draft of a Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals, and for their use by the United States vessels on terms of equality with British vessels. I transmit herewith a report from the Secretary of State, with a copy of the draft thus proposed.

"I am of opinion that a proper Treaty for such purposes would result beneficially for the United States. It would not only open or enlarge markets for our productions, but it would increase the facilities of transportation from the grain-growing States of the west to the seaboard.

"The proposed Draft has many features to commend it to our favourable consideration; but whether it makes all the concessions which could justly be required of Great Britain, or whether it calls for more concessions from the United States than we should yield, I am not prepared to say.

"Among its provisions are Articles proposing to dispense with the arbitration respecting the fisheries, which was provided for by the Treaty of Washington in the event of the conclusion and ratification of a Treaty, and the passage of all the necessary legislation to enforce it.

"These provisions, as well as other considerations, make it desirable that this subject should receive attention before the close of the present Session. I therefore express an earnest wish that the Senate may be able to consider and determine, before the adjournment of Congress, whether it will give its constitutional concurrence to the conclusion of a

Treaty with Great Britain for the purposes already named, either in such form as is proposed by the British Plenipotentiaries, or in such other more acceptable form as the Senate may prefer.

“Washington June 18, 1874.”

(Signed) “U. S. GRANT.

The following is a report of the Secretary of State :—

“Department of State, Washington, June 17, 1874.

“I have the honour to inclose a copy of the draft of a Treaty for the reciprocal regulations of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals, and for their use by the United States vessels on terms of equality with British vessels, which the British Plenipotentiaries have proposed to this Government.

(Signed) “HAMILTON FISH.

“The President.”

The following is a complete copy of the Treaty :—

“Her Majesty the Queen of Great Britain, and the United States of America, being desirous of improving the commerce and navigation between their respective territories and people, and more especially between Her Majesty’s possessions in North America and the United States, in such manner as to render the same reciprocally beneficial, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say :—

* * * * *

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

“ARTICLE I.

“It is agreed by the High Contracting Parties that, in addition to the liberty secured to the United States’ fishermen by the Convention between the United States and Great Britain, signed at London on the 20th day of October, 1818, of taking, curing, and drying fish on certain coasts of the British North American Colonies therein defined, the inhabitants of the United States shall have, in common with the subjects of Her Britannic Majesty, the liberty, for the term of years mentioned in Article XIII of this Treaty, to take fish of every kind, except shellfish, on the sea-coasts and shores, and in the bays, harbours, and creeks of the Provinces of Quebec, Nova Scotia, New Brunswick, and Prince Edward Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to land upon the said coasts and shores and islands, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish, provided that in so doing they do not interfere with the rights of private property or with British fishermen in the peaceable use of any part of said coasts in their occupancy for the same purpose.

“It is understood that the above-mentioned liberty applies solely to the sea fishery, and that the salmon and shad fisheries and all other fisheries in rivers and mouths of rivers, are hereby reserved exclusively for British fishermen.

“ARTICLE II.

“It is agreed by the High Contracting Parties that British subjects shall have, in common with the citizens of the United States, the liberty, for the term of years mentioned in Article XIII of this Treaty, to take fish of every kind, except shellfish, on the eastern seacoasts and shores of the United States north of the 39th parallel of north latitude, and on the shores of the several islands thereunto adjacent, and in the bays, harbours, and creeks of the said seacoasts and shores of the United States and of the said islands, without being restricted to any distance from the shore, with permission to land upon the said coasts of the United States and of the islands aforesaid, for the purpose of drying their nets and curing their fish; provided that in so doing they do not interfere with the rights of private property or with the fishermen of the United States in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

“It is understood that the above-mentioned liberty applies solely to the sea fishery, and that salmon and shad fisheries, and all other fisheries in rivers and mouths of rivers, are hereby reserved exclusively for fishermen of the United States.

“ARTICLE III.

“It is agreed that the places designated by the Commissioners appointed under the 1st Article of the Treaty between the United States and Great Britain concluded at Washington on the 5th day of June, 1854, upon the coasts of Her Britannic Majesty’s dominions and the United States, as places reserved from the common right of fishing under that Treaty, shall be regarded as in like manner reserved from the common right of fishing under the preceding Articles. In case any question should arise between the Governments of the United States and of Her Britannic Majesty as to the common right of fishing in places not thus designated as reserved, it is agreed that a Commission shall be appointed to designate such places, and shall be constituted in the same manner, and have the same powers, duties, and authority as the Commission appointed under the said 1st Article of the Treaty of the 5th of June, 1854.

“ARTICLE IV.

“It is agreed that the articles enumerated in the Schedules A, B, and C, hereunto annexed, being the growth, produce, or manufacture of the Dominion of Canada or of the United States, shall, on their importation from the one country into the other, from the 1st day of June, 1875, to the 30th day of June, 1876 (both included), pay only two-thirds of the duties payable at the date of this Treaty on the importations into such country of such articles respectively; and from the 1st day of July, 1876, to the 30th day of June, 1877 (both included), shall pay only one-third of such duties; and on and after the 1st day of July, 1877, for the period of years mentioned in Article XIII of this Treaty, shall be admitted free of duty into each country respectively.

“For the term mentioned in Article XIII no other or higher duty shall be imposed in the United States upon articles not enumerated in said Schedules the growth, produce, or manufacture of Canada, or in Canada upon such other articles the growth, produce, or manufacture of the United States, than are, respectively, imposed upon like articles the growth, produce, or manufacture of Great Britain, or of any other country.

“SCHEDULE (A), consisting of the following Natural Products :—

“Animals of all kinds, ashes, pot, pearl, and soda, bark, bark extract for tanning purposes, bath bricks, breadstuffs of all kinds, bricks for building and fire-bricks, broom corn, burr or grind-stones, hewed, wrought, or unwrought; butter, cheese, coal and coke, cotton wool, cotton waste, dyestuffs, earths, clays, ochres, sand, ground or unground, eggs, fish of all kinds, fish, products of, and of all other creatures living in the water, except fish preserved in oil, firewood, flax unmanufactured, flours and meals of all kinds, fruits, green or dried, furs, undressed, grain of all kinds, gypsum, ground, unground, or calcined, hay, hemp unmanufactured, hides, horns, lard, lime, malt, manures, marble, stone, slate, or granite, wrought or unwrought, meats, fresh, smoked, or salted, ores of all kinds of metals, pelts, pease, whole or split, petroleum oil, crude or refined, or benzole, pitch, plants, poultry of all kinds, rags of all kinds, rice, salt, seeds, shrubs, skins, straw, tails, tallow, tar, timber and lumber of all kinds, round, hewed, and sawed, manufactured in whole or in part; tobacco unmanufactured, tow unmanufactured, trees, turpentine, vegetables, wool.

“SCHEDULE (B), consisting of the following Agricultural Implements :—

“Axes, bag-holders, bee-hives, bone-crushers or parts thereof, cultivators or parts thereof, chaff-cutters or parts thereof, corn-huskers or parts thereof, cheese-vats, cheese factory heaters, cheese-presses or parts thereof, churns or parts thereof, cattle-feed boilers and steamers or parts thereof, ditchers or parts thereof, field-rollers or parts thereof, fanning-mills or parts thereof, feed-choppers or parts thereof, forks for hay and manure (hand or horse), grain-drills or parts thereof, grain broad-cast sowers or parts thereof, grain-crushers or parts thereof, harrows, hoes (hand or horse), horse-rakes, horse-power machines or parts thereof, hay-tedders or parts thereof, liquid manure-carts or parts thereof, manure-sowers or parts thereof, mowers or parts thereof, oil and oil-cake crushers or parts thereof, ploughs or parts thereof, root and seed-planters or parts thereof, root-cutters, pulpers, and washers, or parts thereof; rakes, reapers or parts thereof, reaper and mower combined or parts thereof, spades, shovels, scythes, snaiths, thrashing-machines or parts thereof.

“SCHEDULE (C), consisting of the following Manufactures :—

“Axes, all kinds, boots and shoes of leather, boot and shoe making machines, buffalo robes, dressed and trimmed, cotton grain bags, cotton denims, cotton jeans, unbleached,

cotton drillings, unbleached, cotton ticklings, cotton plaids, cottonades, unbleached, cabinet ware and furniture or parts thereof, carriages, carts, waggons, and other wheeled vehicles and sleighs or parts thereof, fire-engines or parts thereof, felt covering for boilers, gutta-percha belting and tubing, iron, bar, hoop, pig, puddled, rod, sheet, or scrap, iron nails, spikes, bolts, tacks, brads, or springs, iron castings, india-rubber belting and tubing, locomotives for railways or parts thereof, lead, sheet or pig, leather, sole or upper, leather, harness, and saddlery of, mill, or factory, or steamboat fixed engines and machines or parts thereof, manufactures of marble, stone, slate, or granite, manufactures of wood solely or wood nailed, bound, hinged, or locked with metal materials, mangles, washing-machines, wringing-machines, and drying-machines or parts thereof, printing paper for newspapers, paper-making machines or parts thereof, printing-type, presses, and folders, paper-cutters, ruling machines, page-numbering machines, and stereotyping and electrotyping apparatus or parts thereof, refrigerators or parts thereof, railroad cars, carriages, and trucks, or parts thereof, satinets of wood and cotton, steam-engines or parts thereof, steel, wrought or cast, and steel plates and rails, tin tubes and piping, tweeds of wool solely, water-wheel machines and apparatus or parts thereof.

“ARTICLE V.

“It is agreed that the Canadian canals on the main route from Lake Erie to Montreal shall be enlarged forthwith at the expense of the Dominion of Canada, so as to admit the passage of vessels drawing 12 feet of water, and the locks on the said canals shall be made of not less than 270 feet in length, 45 feet width, and not less than 12 feet depth on the miter-sill; and that the channel of the St. Lawrence River shall be deepened in the several reaches between the canals, whenever the same may be necessary, so as to allow the free passage of the vessels drawing 12 feet of water. And the work engaged to be done in this Article shall be completed by the 1st of January, 1880.

“ARTICLE VI.

“It is agreed that the Government of Canada shall construct, on or before the 1st day of January, 1880, a canal to connect the St. Lawrence River at some convenient point, at or near Caughnawaga, with Lake Champlain. The dimensions of said canal shall be such as to admit the passage of vessels drawing 12 feet of water, and the lock shall be of not less dimensions than those named in the preceding Article. And the United States engage to urge upon the Government of the States of New York to cause the existing canal from Whitehall, or Lake Champlain, to Albany to be enlarged, and, if necessary, extended, or another canal or canals to be constructed of equal capacity with the proposed Caughnawaga Canal, as hereinbefore specified, and the navigation of the Hudson River to be improved, so as to admit the passage from Lake Champlain to the lower waters of the Hudson River of vessels drawing 12 feet of water.

“ARTICLE VII.

“Citizens of the United States may, during the term of years mentioned in Article XIII of this Treaty, carry in their vessels cargo and passengers from one Canadian port to another on the great lakes or River St. Lawrence. Reciprocally, inhabitants of Canada, subjects of Her Britannic Majesty, may, during the like period, carry in their vessels cargo and passengers from any port of the United States on the great lakes or River St. Lawrence to another on the said lakes or river. Citizens of the United States in their vessels, and inhabitants of Canada, subjects of Her Britannic Majesty in their vessels, may, during the like term, carry cargo and passengers from any port of the United States or of Canada on the Red River, or the waters connecting therewith, to any other port on the said river, or waters connecting therewith.

“ARTICLE VIII.

“It is agreed, that for the term of years mentioned in Article XIII of this Treaty, the citizens of the United States shall enjoy the use of the Welland, the St. Lawrence, and other canals in the Dominion of Canada (including the proposed Caughnawaga Canal), on terms of equality with the inhabitants of the Dominion of Canada; and that, without interfering with the right of the Government of Canada to impose such tolls on the aforesaid Canadian canals respectively as it may think fit, the tolls shall be levied in relation to the number of the locks in each canal, without any drawback or discrimination, whatever the destination of the vessel, of whatever one or more canal or canals, or part of a canal, be passed.

“ And it is also agreed that for the like term of years, the inhabitants of Canada shall enjoy the use of the St. Claire Flats Canal on terms of equality with the inhabitants of the United States ; and that the navigation of Lake Champlain and of Lake Michigan shall be free and open for the purposes of commerce to the inhabitants of Canada, subject to any laws or regulations of the United States, or of the States bordering thereon respectively, not inconsistent with such privileges of free navigation.

“ And the United States further engage to urge upon the Governments of the States of New York and of Michigan to secure to the inhabitants of Canada the use of the Erie, the Whitehall, the Sault Ste. Marie Canals, and of any enlarged or extended or new canal or other improvement connecting Lake Champlain with the lower waters of the Hudson River which may be made, as contemplated in Article VI, on terms of equality with the inhabitants of the United States.

“ And it is mutually agreed that full power shall be given and allowed to tranship cargo from vessels into canal-boats, and from canal-boats into vessels, at either terminus of every canal.

“ And further, that if the use of the Erie and Whitehall or other canal connecting Lake Champlain with the lower waters of the Hudson River, and of the Sault Ste. Marie Canal, be not granted to the inhabitants of Canada on terms of equality with the citizens of the United States, as contemplated in this Article, then the use of the proposed Caughnawaga Canal by the citizens of the United States, as above contemplated, shall be suspended and cease until the use of the said canals in the United States shall be secured to the inhabitants of Canada, as above contemplated.

“ ARTICLE IX.

“ For the term of years mentioned in Article XIII of this Treaty, vessels of all kinds built in the United States may be purchased by inhabitants of Canada subjects of Great Britain, and registered in Canada as Canadian vessels ; and, reciprocally, vessels of all kinds built in Canada may be purchased by citizens of the United States, and registered in the United States as United States vessels.

“ ARTICLE X.

“ A Joint Commission shall be established and maintained at joint expense during the operation of this Treaty for advising the erection and proper regulation of all lighthouses on the great lakes, common to both countries, necessary to the security of the shipping thereon.

“ ARTICLE XI.

“ A Joint Commission shall also be established at joint expense, and maintained during the continuance of the Treaty, to promote the propagation of fish in the inland waters common to both countries, and to enforce the law enacted for the protection of the fish and fishing-grounds.

“ ARTICLE XII.

“ It is further agreed that the provisions and stipulations of this Treaty shall extend to the Colony of Newfoundland so far as they are applicable. But if the Imperial Parliament, the Legislature of Newfoundland, or the Congress of the United States shall not embrace the Colony of Newfoundland in their laws enacted for carrying the foregoing Article into effect, then this Article shall be of no effect ; but the omission to make provision by law to give effect by either of the legislative bodies as aforesaid shall not in any way impair any other Articles of this Treaty.

“ ARTICLE XIII.

“ This Treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other. If such legislative assent shall not have been given within months from the date hereof, then this Treaty shall be null and void. But such legislative assent having been given, this Treaty shall remain in force for the period of twenty-one years from the date at which it shall come into operation, and, further, until the expiration of three years after either of the High Contracting Parties shall have given 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 said period of twenty-one years, or at any time afterward.

“ARTICLE XIV.

“When the ratifications of this Treaty shall have been exchanged, and the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Parliament of the Dominion of Canada on the one hand, and by the Congress of the United States on the other, then Articles XXII, XXIII, XXIV, XXV of the Treaty of May 8, 1871, between Great Britain and the United States shall become null and void.

“ARTICLE XV.

“This Treaty shall be duly ratified by Her Britannic Majesty and by the President of the United States, and the ratifications shall be exchanged either at Washington or at London within months from the date hereof, or earlier, if possible.”

No. 410.

Sir E. Thornton to the Earl of Derby.—(Received July 5.)

(No. 278.)

My Lord,

Washington, June 23, 1874.

WITH reference to my despatch No. 275 of yesterday's date, I have the honour to inform your Lordship that the draft Treaty for regulating reciprocal commercial relations between the United States and Canada was taken into consideration by the Senate yesterday afternoon in secret Session. Mr. Brown and I have not yet been able to learn the precise decision which has been come to upon the subject, nor have we yet had an opportunity of seeing Mr. Fish for the purpose of making enquiries; but we understand that the Senate, being of opinion that the time was too short to go into a thorough examination of so important a question, decided that its consideration should be postponed till the Session of Congress to be held in December next.

I learn from good authority that, in general, Senators seemed to be well disposed towards the terms of the draft, although some opposition was apparent on the part of the Senators from Pennsylvania and from Vermont. But there seems to have been some irritation arising from the impression that the President had endeavoured to throw upon the Senate the responsibility of advising whether a Treaty should be signed on the basis of the terms contained in the draft; and I am convinced that, if Mr. Fish had had the courage to yield to our urgent representations and had signed a Treaty on those terms, it would have been confirmed by the Senate.

As it is, the draft has become public, and, though its publication be not official, no one will doubt that it is the text of what we had agreed upon with Mr. Fish. During the recess of Congress it will doubtless be thoroughly discussed throughout the United States, and members of Congress will probably return with a very good idea of how they are expected by their constituents to vote with regard to the measure in question. I have no doubt that it will meet with many supporters, particularly in the West, but there will also be an opportunity for its enemies, who, though few, are virulent and powerful, to organize opposition.

In the meantime, it will be necessary to consider whether it will be prudent to delay calling upon the United States' Government to carry out the stipulations of the Treaty of 1871 with regard to the appointment of a third Commissioner for the Halifax Commission. I presume that, upon this point, Her Majesty's Government will be disposed to meet the views of the Canadian Government. Mr. Brown has telegraphed to Ottawa upon the subject, and I shall have the honour of telegraphing to your Lordship the substance of the answer which he may receive.

We shall not, however, be able to see Mr. Fish till to-morrow at the earliest, for, as the Session of Congress will finally close this afternoon, he will be throughout to-day at the Capitol in attendance upon the President, who is obliged to remain there till the last moment of the Session for the purpose of signing the Bills which may be presented to him.

I have, &c.
(Signed) EDWD. THORNTON.

No. 411.

Mr. Rothery to the Earl of Derby.—(Received July 6.)

(Telegraphic.)

Washington, July 6, 1874.

IS there any necessity for my remaining here any longer?

No. 412.

The Earl of Derby to Sir E. Thornton.

(No. 222.)

Sir,

Foreign Office, July 6, 1874.

I HAVE received your despatch No. 248 of the 8th ultimo, forwarding the amended draft Reciprocity Treaty as submitted by Mr. Brown and yourself to Mr. Fish on the 6th of June, and I have to state to you that Her Majesty's Government approve your proceedings in the matter.

I am, &c.
(Signed) DERBY.

No. 413.

Sir E. Thornton to the Earl of Derby.—(Received July 8.)

(No. 285.)

My Lord,

Washington, June 25, 1874.

MR. BROWN and I called yesterday morning upon Mr. Fish at the State Department, and inquired what action had been taken by the Senate in secret session with regard to the Draft Treaty for the regulation of trade with Canada, which the President had transmitted to the Senate for its opinion as to whether a Treaty should be signed on the basis of the Draft.

Mr. Fish replied, that he had not yet received any official information, but he understood that the Senate had decided to postpone the consideration of the Draft till the next session, which will meet in December, and in the meantime to take off the seal of secrecy and to allow the documents to be published.

We replied, that we thought we might have been consulted on the subject of the publication of the documents; but as they had already been obtained surreptitiously and published in one of the leading papers of New York, the decision of the Senate taking off the seal of secrecy was not of so much moment as it otherwise might have been.

We also pointed out to Mr. Fish, that although the President's message had previously been a confidential document, upon which we could not make observations, it had now become public, and we must therefore observe that it was not a correct representation of facts to say that the contents of the Draft Treaty were our proposals; on the contrary, although we admitted that we had made the first proposal, he well knew that our first proposals had been seriously modified by his suggestions, and in fact, many new conditions submitted by him had been discussed and admitted or rejected, and several of the Articles were drawn up by himself.

Mr. Fish replied, that he had told us from the beginning that he could only receive such a Draft as our proposal, and send it to the Senate in that character; but that all the Senators, many of whom had been previously consulted by both sides, were perfectly aware that there had been a long discussion upon the several points between him and ourselves.

He went on to say that he did not consider that the Treaty was killed or even damaged by the decision of the Senate, and it was perhaps better that the Draft Treaty should be known to the public, and that time should be allowed for eliciting the general feeling of the United States with regard to it.

We replied, that although we believed that if Mr. Fish had signed the Treaty it would have been confirmed by the Senate, we were still of opinion that the contents of the Draft would meet with the general approval of the United States. We inquired, however, what Mr. Fish's position now was with regard to the Draft; whether it was under his control or under that of the Senate? He replied, that he could do nothing with it until the Senate should take action upon it, and give some answer to the

President's message. If, however, any representations should be made to him during the recess upon the subject, he should feel it his duty to forward them to the Senate for its consideration.

We expressed our regret at the delay which was thus caused, and I said that I had as yet received no instructions from your Lordship upon the subject, but I thought it not unlikely that Her Majesty's Government would deem it necessary to call upon the United States' Government to join it in taking the steps pointed out by the Treaty of Washington for the installation of the Halifax Commission. Mr. Fish answered, that in that case he would be prepared to do so.

Upon this point Mr. Brown has telegraphed to his Government, which has rather left it to his judgment what would be the best course to adopt. He is of opinion that it would be well to observe for a while the tone taken by the press upon the subject, and that if this should appear to be decidedly hostile to the Treaty, it could then be considered whether it would be expedient to call upon the United States' Government to instruct its Minister at Vienna to address a note to the Austrian Government, requesting that the Austrian Ambassador in London might be authorized to appoint the Third Commissioner for the Halifax Commission. I concur with Mr. Brown in thinking that this would for the present be the best policy which could be followed.

I have, &c.
(Signed) EDWD. THORNTON.

No. 414.

Mr. Rothery to the Earl of Derby.—(Received July 10.)

(Telegraphic.) *Washington, July 10, 1874.*
PASSAGES engaged per "Scotia," which leaves on Wednesday next.

No. 415.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, July 11, 1874.

WITH reference to your letter of the 3rd instant, I am directed by the Earl of Derby to state to you, for the information of the Earl of Carnarvon, that a telegram has been received from Mr. Rothery, stating that he intends leaving the United States for this country in a vessel which will sail on the 15th instant.

I am, &c.
(Signed) TENTERDEN.

No. 416.

Mr. Watson to the Earl of Derby.—(Received July 12.)

(No. 8.)

My Lord,

Washington, June 30, 1874.

WITH reference to Sir E. Thornton's despatch to your Lordship, No. 285, of the 25th instant, in which he stated his opinion, and that of Mr. Brown, that it would be desirable to watch the tone of public opinion as to the Draft Reciprocity Treaty between Her Majesty's Government and the United States in regard to Canada, before deciding with respect to the Halifax Commission, I have the honour to report that I have requested Her Majesty's Consuls in this country to furnish me with extracts showing the tone of the press in their several places of residence in regard to the proposed Treaty in question; but sufficient time has not yet elapsed to admit of their doing so in general.

I have learnt from Her Majesty's Consul at Philadelphia that, as was to be anticipated, the tone of the press in Pennsylvania is entirely hostile to the Treaty, which is there regarded as being favourable to free trade principles.

I have, &c.
(Signed) R. G. WATSON.

No. 417.

Mr. Herbert to Lord Tenterden.—(Received July 13.)

My Lord,

Downing Street, July 8, 1874.

IN reply to your letter of the 3rd instant, I am directed by the Secretary of State for the Colonies to transmit to you, for the information of the Earl of Derby, a copy of the telegram which has been sent to the Governor-General of Canada, in regard to the postponement of the Fisheries arbitration with the United States.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

Inclosure in No. 417.

The Earl of Carnarvon to the Earl of Dufferin.

(Telegraphic.)

Downing Street, July 4, 1874.

HER Majesty's Government, in answer to your question, are not at liberty to entertain doubts as to good faith of distinct assurances of United States' Government.

Sir E. Thornton has been instructed to inform Mr. Fish that, on the understanding that the Draft Treaty will be considered by the Senate in December, Her Majesty's Government will await result of consideration before taking fresh steps with regard to Fisheries Commission, and clearly understand that right to revert to Fisheries Commission is not in any manner prejudiced by delay.

No. 418.

Sir H. Holland to Lord Tenterden.—(Received July 13.)

Sir,

Downing Street, July 8, 1874.

I AM directed by the Earl of Carnarvon to transmit to you the draft of a despatch which he proposes, with the concurrence of the Earl of Derby, to address to the Governor-General of Canada, by to-morrow's mail, in regard to the postponement by the United States Senate of the consideration of the proposed Reciprocity Treaty until the December session.

I am, &c.

(Signed) H. T. HOLLAND.

Inclosure in No. 418.

The Earl of Carnarvon to the Earl of Dufferin.

(Secret.)

My Lord,

Downing Street, July 1874.

IN consequence of the postponement, by the Senate of the United States, of the consideration of the proposed Reciprocity Treaty until the December session, I telegraphed to you, on the 25th ultimo, to the effect that Her Majesty's Government presumed that as the Canadian Government were desirous of securing a Reciprocity Treaty, they would not wish that proceedings should be taken before December for the Fisheries Commission under the Treaty of Washington.

2. I stated that, if this should be their opinion, Mr. Rothery would return to this country, and that Her Majesty's Government would inform the Government of the United States that they reserved all rights under the Treaty of Washington.

3. I received in reply your telegram of the 27th of June, from which it appears that the Canadian Government agree to this course, on the understanding that the consideration of the Draft Reciprocity Treaty will be undertaken by the Senate in December next.

4. I inclose, for your information, a copy of a despatch, of the substance of which you have been already informed by telegram, which has been addressed to Sir E. Thornton in accordance with the above views.

5. I also inclose copy of one addressed to Mr. Rothery, informing him that, as there is no prospect of the Fisheries Commission meeting at present, he is at liberty to return to this country.

6. I take this opportunity of informing you that Sir E. Thornton has recently applied for leave of absence to visit this country ; which application, in the present position of this question, has been granted to him by the Secretary of State for Foreign Affairs.

I have, &c.
(Signed) CARNARVON.

No. 419.

Sir H. Holland to Lord Tenterden.—(Received July 14.)

Sir, *Downing Street, July 11, 1874.*
I AM directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, copies of two despatches which Lord Carnarvon has recently addressed to the Governor-General of Canada, in regard to the negotiations for a Reciprocity Treaty between Canada and the United States.

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

Inclosure 1 in No. 419.

The Earl of Carnarvon to the Earl of Dufferin.

(Secret.)

My Lord, *Downing Street, July 2, 1874.*
ON the 4th of June I received a telegram from your Lordship in which, at the instance of your Ministers, you pointed out that, in the event of the Reciprocity Treaty being approved, the beneficial effect, not only on the prosperity of Canada, but on the commerce of Great Britain, would be considerable. You alluded, however, to the serious obstacle presented in the immediate loss to the revenue of Canada of three and a half million dollars, three-quarters of which would be caused by concurrently freeing English goods with those of the United States, and pointed out that, although your Government were unwilling even temporarily to discriminate against English goods, they were unable to see their way to raise sufficient revenue without continuing for three or four years the present duties on such goods.

2. In reply, I informed you by telegram on the 12th of June, of the regret felt by Her Majesty's Government that they were unable to entertain the proposal to postpone temporarily the removal of duties on British goods. I explained that this country would be placed at a great disadvantage by the retention of duties against her alone, whilst foreign countries having the most-favoured-nation clauses would be on an equal footing in Canada with the United States. I adverted to the fact that the original proposal was for the renewal of the third Article of the Treaty of 1854, whilst Schedules B and C of the present draft included articles largely exported from Europe and manufactured there.

I informed you, however, that Her Majesty's Government would not object to allow on British goods the same gradual reduction as might be agreed upon for goods of the United States.

3. To these necessarily brief explanations by telegraph I may, however, now add the following observations :—

Under the proposed Treaty the question to be considered is, in fact, very different to what it was when it originally came before Her Majesty's Government.

4. The first suggestion conveyed in a telegram from Sir E. Thornton in February last was, that the third Article of the Reciprocity Treaty of 1854 should be renewed. This Article dealt with a number of unmanufactured articles, hardly any of which were, or were likely to be, imports into Canada either from this country or from European States. But the Schedules B and C to the draft Treaty now received comprise many articles largely manufactured in England and exported thence, as well as from the continent.

5. In the opinion of Her Majesty's Government it would not be possible to relieve the Dominion from the necessity of admitting, on precisely the same terms as are secured to the United States by the new Treaty, if it comes into effect, not only articles of British origin or manufacture comprised in the Schedules to the Treaty, but also similar articles the produce or manufacture of countries having commercial Treaties with this country in which the treatment accorded to the most-favoured nation is secured to those countries in the British Colonies.

6. Your Lordship is, no doubt, aware that there are most-favoured-nation provisions

in the Commercial Treaties between this country and Austria, Germany, France, Russia, Italy, Belgium, and other Powers, which either specifically or generally extend to the Colonies, and the effect of which is to give to those countries all the advantages of trade and navigation which are given to any other country. The consequences would be that, if this proposal were adopted, Canadian ports would be thrown open to the goods, produce, and manufacture of those countries and the United States on a gradually diminishing scale until they were ultimately admitted free, while British manufactures would be subjected to a differential, and it might easily be a prohibitive tariff.

7. Independently of the general principle thus involved, the practical effect upon the trade and manufactures of Great Britain could hardly fail, in the present instance, to be injurious, for the effect of admitting American manufactures in such articles as cotton goods and woollen tweeds (to mention only some of the articles enumerated) would be to check the trade in those goods, which the returns show to be annually increasing, and possibly to extinguish it, as it could not be expected that when once American manufactures had commanded the market for three or four years under the discriminating duties in their favour, British manufactures would be able to regain their original position or even one of equality.

8. It appears from despatches from Sir E. Thornton that both he and Mr. Brown pointed out to Mr. Fish, who had mooted this subject, that such discriminating duties on textile fabrics would be most unfair, and Mr. Fish seems to have acquiesced in this view.

9. It will not, of course, escape attention that if, as a result of this policy, British manufactures were driven from the Canadian market, Canada would at once lose the benefit of those duties on British goods, and the object with which the proposal has been made would, to a great extent, be defeated. Nor would English exporters be without good ground of immediate complaint, as well as their correspondents in Canada, who have contracts with them for delivery on speculative sale, or who hold bills secured on the value of goods of British manufacture exported to Canada, as that value would fall as soon as American manufactures were placed in a position to undersell them.

10. In these circumstances it will be clear that there was but one conclusion to which Her Majesty's Government could come, but I have thought it right to explain more fully than was possible by telegraph the position in which they found themselves placed in dealing with this question, and I have no doubt that your Ministers will fully appreciate the considerations which I have referred to.

I have, &c.
(Signed) CARNARVON.

Inclosure 2 in No. 419.

The Earl of Carnarvon to the Earl of Dufferin.

(Secret.)

My Lord,

Downing Street, July 2, 1874.

HER Majesty's Government have from time to time been informed by Sir E. Thornton of the progress of the negotiations which have taken place with the United States' Government for the renewal of a Reciprocity Treaty. They have lately received from him the Draft of the Treaty submitted to Mr. Fish, a copy of which you have no doubt already received direct from the Canadian Commissioner at Washington.

Assuming that it has the concurrence of the Canadian Government, Her Majesty's Government have approved generally of the Draft Treaty. But you are aware that before proceeding further in the matter it has become necessary that the United States' Government should submit the Draft to the Senate, and Congress having recently adjourned, the matter is necessarily postponed until they meet again in December next.

I have, &c.
(Signed) CARNARVON.

No. 420.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, July 15, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Chargé d'Affaires at Washington,* in

* No. 416.

regard to the tone of public opinion in the United States as to the Draft Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 421.

Sir E. Thornton to the Earl of Derby.—(Received July 16.)

My Lord,

9, *Half-Moon Street*, July 15, 1874.

I HAVE had the honour to peruse the reports addressed to your Lordship on the 23rd and 24th ultimo by the Law Officers of the Crown relative to the recent endeavours to negotiate a Treaty with the United States for the reciprocal regulation of commercial relations between that Republic and Canada.

With reference to that of the 23rd, I may observe that Articles I, II, and III of the Draft Treaty relative to the reciprocal rights of fishing on certain portions of the coasts of Canada and the United States, were copied almost verbatim from similar Articles in the Treaty of Washington, which last were taken from the Treaty of June 5, 1854. The rights of fishing stipulated for by those Treaties were in both cases extended to Newfoundland, and citizens of the United States enjoyed the right of fishing on the coast of that Colony during the existence of the Treaty of 1854, and are now enjoying it under that of 1871. But I am not aware that the French Government has protested against the participation in those fisheries by American citizens, and I do not, therefore, think that it would be necessary to raise the question now, or to make any provision with regard to the rights of French citizens.

With reference to the report of the 24th ultimo, the objection made by the Law Officers that reciprocity is absent from the agreement with regard to the construction and deepening of certain canals, has some foundation. But the Government of the United States is unable by the Constitution to impose upon the several States the obligation to execute these works; it can do no more than engage to urge the State Governments to comply, and if the Government of the Dominion be satisfied with this engagement, I presume that Her Majesty's Government would not think it expedient to prevent the conclusion of a Treaty by insisting upon a stipulation to which the United States' Government has not the power to agree.

In extenuation, however, of this want of reciprocity, it may be observed confidentially that whether there be a Treaty or not, the Canadian Government intends for its own sake to enlarge the Welland and St. Lawrence Canals, and is endeavouring, by means of a Treaty, to gain some advantage from the United States, even if it be no more than a promise.

But there is little doubt, that if the Caughnawaga Canal be constructed, the State of New York will almost be compelled to cause the canal from Whitehall to Albany to be enlarged. The Caughnawaga Canal once made will help the transport of American Western and Canadian produce to Lake Champlain, whence it will proceed direct to Boston and other New England ports. The rivalry between New York and those ports is well known, and New York will be compelled, in its own interest, to make the Whitehall Canal available for the transport of that produce to the Hudson, and thence by that river to the port of New York.

With regard to Article VIII, the certainty of the use of the St. Clair Flats Canal, which belongs to the United States' Government, and not to a State, and of the navigation of Lakes Champlain and Michigan, is a positive advantage to Canada.

Your Lordship is aware from my despatch No. of the of last, that the Government of the State of New York asserts that the navigation of the canals of that State is already open to British subjects. But whether this be so or not, the condition contained at the end of Article VIII of the Draft, would be a great inducement to allow to British subjects the use of the Erie, Whitehall, Sault St. Marie Canals; for when the Caughnawaga Canal is completed, American citizens could not afford to allow themselves to be deprived of its use.

The wording of the conditions with regard to free navigation was borrowed from the Treaty of May 8, 1871, where, if I remember right, it was derived from the Treaty of 1854, though I have not the latter at hand at this moment. It may, however, be desirable to insert in the second part of the second paragraph of Article VIII, the phrase "on terms of equality with the inhabitants of the United States," which is already found in the first part of that paragraph.

I have the honour to return the above-mentioned Reports of the Law Officers of the Crown.

I have, &c.
(Signed) EDWD. THORNTON.

No. 422.

Lord Tenterden to Sir H. Holland.

Sir, *Foreign Office, July 16, 1874.*
I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, for his perusal, two despatches* from Her Majesty's Minister at Washington, upon the subject of the proposed Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 423.

Mr. Meade to Lord Tenterden.—(Received July 18.)

Sir, *Downing Street, July 16, 1874.*
I AM directed by the Earl of Carnarvon to transmit to you, for the information of the Earl of Derby, a copy of a despatch which has been recently addressed to the Governor-General of Canada, with regard to the heavy obligations undertaken by Canada in Articles V and VI of the proposed Reciprocity Treaty with the United States.

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

Inclosure in No. 423.

The Earl of Carnarvon to the Earl of Dufferin.

(Secret.)
My Lord,

Downing Street, July 10, 1874.

IN considering the terms of the proposed Reciprocity Treaty with the Government of the United States, it is right that I should add to what I have already said on this subject, that Her Majesty's Government have not failed to notice the heavy obligations which, in the event of Articles V and VI of the proposed draft being ratified in their present shape, would be imposed upon Canada in respect to the construction and enlargement of canals within a given period; together with the fact that such obligations are positive in their character, whilst the similar undertakings on the part of the United States' Government are contingent upon the compliance of the States' Government with the recommendation of the Central Executive. These are questions which are in their nature of a Canadian rather than an Imperial bearing, and Her Majesty's Government have every confidence that the Dominion Government have given them that close and careful consideration which they deserve.

I have, &c.
(Signed) CARNARVON.

No. 424.

The Earl of Derby to Mr. Watson.

(No. 239.)
Sir,

Foreign Office, July 18, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence, as marked in the margin,† upon the subject of the proposed Reciprocity Treaty.

I am, &c.
(Signed) DERBY.

No. 425.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, July 18, 1874.

IN reply to your letter of the 8th instant, I am directed by the Earl of Derby to request that you will inform the Earl of Carnarvon that he concurs in the despatch which his Lordship proposes to address to the Governor-General of Canada, in regard to the postponement by the United States Senate of the consideration of the proposed Reciprocity Treaty until the December Session.

I am, &c.
(Signed) TENTERDEN.

No. 426.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, July 18, 1874.

WITH reference to your letter of the 16th instant, and to previous correspondence on the subject of the proposed Reciprocity Treaty between Canada and the United States, I am directed by the Earl of Derby to transmit to you, for the information of the Earl of Carnarvon, the accompanying copy of a letter from Her Majesty's Minister at Washington,* who is now on leave in this country, commenting upon the Law Officers' Reports of the 23rd and 24th, which were communicated to you in my letter of the 26th ultimo.

I am, &c.
(Signed) TENTERDEN.

No. 427.

Mr. Watson to the Earl of Derby.—(Received July 19.)

(No. 15.)

My Lord,

Washington, July 7, 1874.

IN so far as I am enabled to judge from the extracts of the United States' press in general which have reached me, and from my conversations with persons who may be supposed to form a correct opinion on the subject, the general feeling in this country is decidedly in favour of the conclusion of the proposed Reciprocity Treaty relative to Canada.

Some persons seem to think that even a more liberal Treaty might have been concluded, and I have not heard any doubt expressed as to the correctness of the conviction that, had Mr. Fish signed the Treaty, it would have been ratified by the Senate.

I have, &c.
(Signed) R. G. WATSON.

No. 428.

Mr. Watson to the Earl of Derby.—(Received July 19.)

(No. 16.)

My Lord,

Washington, July 7, 1874.

I HAVE the honour to report that Mr. Rothery returned to Washington yesterday. He will await the arrival of your Lordship's instructions as to his departure from the United States.

I have, &c.
(Signed) R. G. WATSON.

No. 429.

Mr. Rothery to the Earl of Derby.—(Received July 19.)

(No. 40.)

My Lord,

Washington, July 7, 1874.

I HAVE the honour to inform your Lordship of my return to Washington early yesterday morning. I had, on the 3rd instant, on arriving at St. Louis, received from Sir Edward Thornton a letter, dated the 25th ultimo, in which he informed me that a Draft Treaty had been sent to the Senate for its opinion as to whether it should be signed, but that that body had decided that it should not be taken into consideration at present. I accordingly determined to proceed at once to Washington, and having, upon my arrival, found that the Treaty had been sent to the Senate with a recommendation from the President that it should be accepted with such modifications as the Senate might think proper to make therein, I at once telegraphed to your Lordship, in cypher, to know whether there was any necessity for my remaining at Washington. On the same day I received a reply from your Lordship that I might return at once, and that instructions to that effect had been sent to me on Saturday last.

I accordingly wrote to Her Majesty's Consul at New York, requesting him to secure for me an early passage in one of the Cunard steamers, and as soon as I receive his reply I shall inform your Lordship of the probable day of my departure.

I have, &c.
(Signed) H. C. ROTHERY.

No. 430.

Mr. Rothery to the Earl of Derby.—(Received July 22.)

(No. 41.)

My Lord,

Washington, July 8, 1874.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 12, of the 22nd of May last. It had been sent after me into the Yosemite Valley, but was delayed in the post-office, and only reached my hands this day.

I have, &c.
(Signed) H. C. ROTHERY.

No. 431.

Mr. Rothery to the Earl of Derby.—(Received July 22.)

(No. 42.)

My Lord,

Washington, July 9, 1874.

I HAVE the honour to inform you that I have received a telegram from Mr. Archibald, informing me that he has engaged for me a passage in the "Scotia," which leaves New York on Wednesday, the 15th instant.

I have, &c.
(Signed) H. C. ROTHERY.

No. 432.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, July 23, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Chargé d'Affaires at Washington, upon the subject of the proposed Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 433.

The Earl of Derby to Mr. Watson.

(No. 246.)

Sir,

Foreign Office, July 25, 1874.

I TRANSMIT to you herewith, for your information, copies of correspondence, as marked in the margin,* upon the subject of the proposed Reciprocity Treaty.

I am, &c.

(Signed) DERBY.

No. 434.

Mr. Watson to the Earl of Derby.—(Received July 26.)

(No. 26.)

My Lord,

Washington, July 11, 1874.

I HAVE the honour to report to your Lordship that Mr. Rothery left Washington last night for New York, whence he will proceed to England by the Cunard Steamer "Scotia" on Wednesday next.

I have, &c.

(Signed) R. G. WATSON.

No. 435.

Mr. Watson to the Earl of Derby.—(Received July 26.)

(No. 28.)

My Lord,

Washington July 13, 1874.

I HAVE the honour to transmit to your Lordship herewith, three copies of an extract from the "New York Tribune," showing Resolutions which were adopted at the meeting of the representatives of the wool interest against the proposed Canadian Reciprocity Treaty. I likewise inclose an extract from another journal (the only one I have been able to obtain) showing a Resolution which has been adopted against the same Treaty by the National Convention of Lumbermen.

The two interests above-specified are, I believe, the only interests in the United States which are opposed to the projected Treaty, and the Lumber interest is, I am informed, by no means unanimously so.

In so far as I have been able to form a judgment on the subject, and in this opinion Mr. Cadwalader seems to concur, the general feeling towards the Treaty throughout the Union is either a favourable one or at least one of indifference.

In the South people would be glad to see a Treaty become Law, which should break up the manufacturing monopolies of some of the Northern States, and in New York, Mr. Archibald informs me, the general feeling is in favour of the Treaty. In Pennsylvania all are against it.

I am happy to be able to point out to your Lordship that everywhere the Treaty appears to be discussed purely on its own merits, and that in the comments of the United States' press on the subject, even when these are adverse, there is a marked absence of any indication that they are dictated by international ill-will.

I have, &c.

(Signed) R. G. WATSON.

Inclosure 1 in No. 435.

Extract from the New York "Tribune" of July 4, 1874.

THE RECIPROCITY TREATY OPPOSED.—The National Association of Woollen Manufacturers Denounce the Proposed Treaty—The Prosperity of the Wool Growers and Manufacturers Declared to be Endangered—Annexation Suggested.

THE Government of the National Association of Wool Manufacturers, a body representing the entire woollen industry of the United States, passed unanimously the following Resolutions at a meeting held on the 25th ultimo, in this city:—

* Nos. 386, 387, 421, and 423.

1. *Resolved*,—That the Government of the National Association of Wool Manufacturers feel themselves called upon to express their views of the consequences to be apprehended from the proposed Reciprocity Treaty with the Dominion of Canada to the manufacturing and industrial interests of the United States.

2. *Resolved*,—That we are warned by the examples which history furnished of the advantages which Great Britain has invariably secured by her favourite method of acquiring commercial supremacy, to distrust any Treaty with that Power surrendering commercial privileges.

3. *Resolved*,—That the promise of reciprocal advantages from the free exchange of certain manufactures is a delusion, since the circumstances of the Dominion and of the United States are so different that production cannot be made on the terms of equality; that the high rate of internal taxation in the United States required by our more complicated organization, and the higher revenue duties demanded by the expenses of the General Government and the debts of the war, make the cost of production in the United States so much greater than in Canada, with lower taxes and duties, and cheapness of labour attested by constant emigration to this country, that the free exchange of manufactured products would end in the suppression of our own production. This, we believe, would be specifically true of three articles enumerated, which are within the special cognizance of the Association, viz., “tweeds of wool solely,” “satinets of wool and cotton,” and “felt covering for boilers.”

4. *Resolved*,—That the apprehended consequences of the proposed Treaty, serious as they are to ourselves directly as manufacturers, are not less so to the agricultural interests with which we are so closely allied, and upon whose prosperity our own indirectly depends; that in illustration of the ruinous consequences of a Treaty which admits all the products of the field and forest free of duty, and practically excludes the farmers of the United States, with barely one or two exceptions, from all direct advantage from a protective tariff; we refer to the bearing of the Treaty on the raw material of our manufacture—wool.

5. *Resolved*,—That, as for reasons above enumerated, the American farmer cannot compete with the Canadian in the production of that kind of wool which forms the specialty of Canada; the admission of Canada wools free of duty would arrest the now rapidly-increasing development of the most promising branch of American sheep husbandry, that producing at the same time mutton and combing or worsted wool; that this branch of sheep husbandry, which had hardly an existence here at the time of the repeal of the former Reciprocity Treaty, received an impulse from the protective duties of the Tariff of 1867, which gives promise of an abundant domestic production; that it is, in a national point of view, one of the most important branches of agriculture; it can be pursued advantageously in the oldest settlements, it diminishes the cost of animal food, it enriches the land, and it supplies the worsted manufacture, a branch in which there is room for the greatest development, and which has so enriched England; therefore,

6. *Resolved*,—That the offered boon of free Canadian wools would be dearly gained at the certain cost of the loss of our production of combing wools, and the danger of a revision of a Tariff satisfactory to both branches of the woollen industry.

7. *Resolved*,—That, disclaiming any authority for our opinions than belongs to us as citizens, we protest against the encroachment upon our civil rights involved in the assumption of the proposed Treaty, viz., that questions affecting the revenue may be decided by the Treaty-making Power without consultation with the House of Representatives, to whose determination such questions are committed by the Constitution.

8. *Resolved*,—That we will welcome the Canadians to a free participation in the advantages of our markets, when they are prepared to be partakers of our burdens and defenders of a common nationality, as thereby we may extend the line of our protective defences, and close the postern through which British goods now surreptitiously enter our Territory.

9. *Resolved*,—That those who desire true free trade with Canada, such as is enjoyed by the different States of a common country, will find their hopes frustrated by a Treaty which shall permit the Canadians to sell their natural products in the dearest market in the world, while buying their chief manufactures in the cheapest.

10. *Voted*,—That copies of the above Resolutions, signed by the President and Secretary, relating as they do to a question of great public interest, be sent to the kindred Associations, and each of the leading newspapers in the country, with a request for their publication.

(Signed)

“J. WILEY EDMANDS, *President*.
“JOHN L. HAYES, *Secretary*.”

Inclosure 2 in No. 435.

Extract from the "Miner's Journal," Pottsville, Pa.

THE DOMINION TREATY.—A National Convention of Lumbermen was held at Williamsport, when the recent Treaty made by the Executive Board of the Government, of which Secretary Fish was the principal actor, was denounced on Wednesday at Williamsport. The lumbermen from all parts of the United States were represented, and agents from Canada were there to discuss the question. The feeling was very strong against the Treaty, and, after all the efforts made by the representatives of Canadian interests, and a few others in the United States who favoured it, they passed the following resolution unanimously, as the sense of the lumber interests of this country:—

“Resolved,—That, in the judgment of this Convention, the proposed Treaty of Reciprocity with Canada would be injurious to the industrial interests of the whole country, and should not be ratified. That its effect upon the business which we especially represent would be most disastrous, and would compel a large reduction of wages to compete with the cheaper labour of Canada, or the suspension of business in many sections of the country where it is now extensively carried on.”

Such will be the sentiments of the whole producing interests in the United States. General Grant, in recommending this Treaty, for we speak positively that he favoured it, seems to have surrendered all his professions in favour of protection to home industry by his acts, which speak louder than mere words. It appears that he has not only surrendered himself to the money-changers, but to the free-traders and large traffickers in the cities, the three interests in the country, of all others, which are hostile to home labour and home industry. We are glad that he has shown his true colours so soon after his re-election, as the people will have time to remedy the evil to some extent at least.

No. 436.

Mr. Watson to the Earl of Derby.—(Received August 2.)

(No. 30.)

My Lord,

Washington, July 17, 1874.

IN continuation of my despatch No. 28 of the 13th instant, I have the honour to transmit to your Lordship two further extracts from the press, showing objections from other quarters to the ratification of the draft Reciprocity Treaty.

I have, &c.

(Signed) R. G. WATSON.

Inclosure in No. 436.

Extracts from the "Daily Globe," Toronto, July 10, 1874.

THE STATE OF MAINE ON RECIPROCITY.—SPEAKER BLAINE DENOUNCES IT.—Mr. Blaine, Speaker of the United States' House of Representatives, is now a candidate for re-election in Maine, and, the Democratic party in his State having declared for reciprocity, Mr. Blaine has come out in opposition. He says:—

“To the people of Maine, at this very moment, these extravagant declarations of the Democratic party have a painful significance, for it is well known that the authorities of Canada are trying to negotiate with our Government a Reciprocity Treaty, which, like its illustrious predecessor and namesake, maintains the reciprocity all on one side. The Treaty of that name which was terminated in 1866 was cruelly oppressive to the people of Maine, and inflicted upon the people of our State, during the eleven years of its existence, a loss of 50,000,000 dollars. It presented the very singular anomaly of giving to the Canadians the control of our own markets of certain leading articles on terms far more favourable than our own people had ever enjoyed. The utmost stretch of the Divine command is to love our neighbour as ourselves, and I can certainly see nothing in personal duty or public policy which should lead us to prefer our Canadian neighbours to our own people.

“The Treaty of Reciprocity now proposed is understood to embrace the admission of Canadian vessels to free American registry, and the full enjoyment of our coasting and lake trade. Thus the shipbuilding and commercial interests of the United States, reviving so prosperously of late, and just recovering from the terrible blows dealt by British-built

cruizers during the war, are again to be struck down by giving advantages hitherto undreamed of to the ships of the very Power that inflicted the previous injury. And the Democratic party of Maine have pledged themselves in their State Convention to the policy that includes this disastrous attack upon the interests of our State, and their candidate for Governor has fully committed himself to the extreme doctrine announced by the Convention.

“The form of reciprocity proposed by the Government of the Dominion of Canada lacks every element of the seductive title by which it is sought to commend it to our people. What is it? Why, simply this! That if the United States will agree to admit certain Canadian products free of duty, Canada in turn will agree to admit certain American fabrics free of duty. But the class of men to be benefited and the class to be injured in the United States are entirely distinct and separate, having nothing in common, either in locality, industry, or investment. To compensate the surrender of one interest in this way by the advancement of another, has no more element of reciprocal justice in it than for A. to take a pair of horses from B., because C. took possession of a yoke of oxen belonging to D. To illustrate: if the United States will agree to admit Canadian vessels to American registry and the coasting trade, Canada will admit straw hats, mule harness, and rat-traps free of duty. In this you will observe that Canada gets the full advantage both ways, while the United States, for a possible enlargement of a petty trade, consents to subordinate and sacrifice an interest that represents our distinctive nationality in all climes and upon all seas; an interest that has given more and asked less of the Government than any other of similar magnitude; an interest more essentially American, and in the highest and best sense, than any other which falls under the legislative power of the Government, and which asks only to-day to be left where the founders of the Republic placed it nearly a century ago.

“Against the whole policy of adjusting revenue questions by the Treaty-making power, I desire to enter, on behalf of my constituents, an emphatic protest. The Constitution gives to the House of Representatives the sole and exclusive right to originate bills of revenue, and this great power should be kept where it can be controlled by the direct vote of the people every two years. It may very well be that sundry articles of Canadian product should be admitted free, or with diminished duty; it may well be also that Canada would find it advantageous to admit certain articles from us free of duty. Let each country decide the question for itself independently, and avoid the ‘log-rolling’ feature of a Treaty, in which it will inevitably happen that certain interests will be sacrificed in order that others may be promoted. Let us simply place Canada on the same basis with other foreign countries—taxing her products or admitting them free, according to our own judgment of the interest of our revenue and the pursuits and needs of our people—always bearing in mind that in governmental as in family matters, ‘charity begins at home,’ and that ‘he who provideth not for those of his own house is worse than an infidel.’”

AMERICAN STOVE MANUFACTURERS ON RECIPROCITY.—(From the “Buffalo Courier.”—A meeting of the Stove Manufacturers’ Association at Long Branch is reported at length in the “Stove and Tin Trade Journal and Hardware and Metal Reporter” of the 2nd instant. Mr. John S. Perry, of Albany, was the President, and Mr. Josiah Jewett, of this city, was appointed Secretary. Mr. Perry, in his opening address, complained that the business of making stoves had during the past year been unsatisfactory—so much so that several manufacturers have withdrawn from the trade within a few months; and, if the system of unremunerative prices and long credits continues, more will follow, either voluntarily or involuntarily. This depression is no doubt mainly temporary. “Following depression in due time,” he said, “comes improvement, and then great prosperity, inducing expansion on every side. Such inflation invites collapse, and it comes speedily enough, with its long train of disasters, and so depression returns, and the cycle is complete.” Mr. Perry regarded the proposal to resume specie payment on a fixed day, and to withdraw from circulation all paper under the denomination of 10 dollars, as one calculated, in view of the existing circumstances, to fill every business man with alarm.

One of the chief events of the occasion was a discussion elicited by a letter from Mr. S. S. Jewett, of Buffalo, in opposition to the proposed Reciprocity Treaty with Canada. Mr. Josiah Jewett, in a brief address, pointed out the dangers which would arise if Canadian castings of iron were admitted free of duty into this country as provided in the Treaty. The strong point in the debate, on this side of the question, is that Canadians can import all their iron duty free from any country in the world, and now levies a low duty, while we have to pay a high one.

Many entirely opposite views as to trade with Canada in iron castings were brought forward: one gentleman, Mr. Nott, insisting that nearly half the iron tools now used in Canada are manufactured in the United States, and another, Mr. Henderson, saying he had sold Canadian stoves in the United States. No definite opinion on the subject was expressed by the meeting at large, but, in consequence of a resolution offered by Mr. Root, it was finally resolved that, as the proposed Reciprocity Treaty contemplates the ultimate removal of duties on stove castings, a committee of five be appointed by the President to represent the Association, and take such measures as will protect their common interests.

No. 437.

Mr. Watson to the Earl of Derby.—(Received August 2.)

(No. 31.)

My Lord,

Washington, July 17, 1874.

I HAVE the honour to transmit to your Lordship herewith copy of a note which I have this day addressed to Mr. Fish relative to the draft Reciprocity Treaty, in accordance with the instruction which is contained in your Lordship's despatch to Sir Edward Thornton, No. 217 of the 3rd instant.

I have, &c.
(Signed) R. G. WATSON.

Inclosure in No. 437.

Mr. Watson to Mr. Fish.

Sir,

Washington, July 17, 1874.

IN obedience to an instruction which has been conveyed to me by Her Majesty's Principal Secretary of State for Foreign Affairs, I have the honour to state to you that, on the understanding that the draft Reciprocity Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, as agreed to by you, will be considered by the Senate in December next, Her Majesty's Government will await the final result of the consideration which the Treaty may then receive in the Senate before taking any fresh steps with regard to the Fisheries Commission.

I am further directed by the Earl of Derby to add that Her Majesty's Government wish it to be clearly understood that their right to revert to the provisions of the Treaty of Washington for the appointment of the Fisheries Commission is in no way prejudiced by the delay that has occurred, or that may occur, in consequence of the proceedings with reference to the Reciprocity Treaty.

I have, &c.
(Signed) R. G. WATSON.

No. 438.

Mr. Watson to the Earl of Derby.—(Received August 2.)

(No. 35.)

My Lord,

Washington, July 20, 1874.

I HAVE the honour to inclose to your Lordship certain articles from the press of Boston with reference to the proposed Reciprocity Treaty with Canada.

Mr. Henderson, Her Majesty's Consul at Boston, informs me that the general feeling at that place is unmistakably in favour of the Treaty. Mr. Henderson gathers from his conversation with Boston merchants that they consider the terms of the Treaty to be much more favourable to American interests than they were expected to be found.

I have, &c.
(Signed) R. G. WATSON.

Inclosure in No. 438.

*Newspapers Extracts.**From the Boston "Journal" of May 20, 1874.*

OUR TRADE WITH CANADA.—The negotiation of a new Reciprocity Treaty with Canada has brought out many statistics respecting the present condition and the growth of our trade with these northern brethren of ours, who have never left the Imperial home-stead. The accurate figures run back fifty-three years to 1821. The facts of these two extremes of the period are given as follows:—

							Dollars.
Imports from Canada, of 1821	..	..	..	..	..	..	490,917
Exports to Canada, of 1821	..	..	..	..	..	..	2,014,929
Imports from Canada, of 1873	..	..	..	..	..	..	43,809,070
Exports to Canada, of 1873	..	..	..	..	..	..	38,572,556

The total movement of the fifty-three years has been:—

							Dollars.
Imports from Canada	..	..	..	..	..	..	652,861,813
Exports to Canada	..	..	..	..	..	..	720,863,332

It should be observed, however, that of these exports of the United States to Canada 117,365,130 dollars have been of foreign articles. With some exceptional years, our exports to Canada have exceeded our imports. This was reversed during the war of the rebellion, when we made a desperate call for supplies from every quarter. Still, the excess was not agreeable to many of our people, and, together with the odium of some Canadian expressions of opinion respecting the war, it contributed to the abrogation of the first Reciprocity Treaty, which continued in operation from 1854 to 1866. The course of trade during the seven years since the Treaty was annulled has been the same.

All that we can ask is, that the new Treaty shall be mutually beneficial. We have no ground of envy against our Canadian neighbours, and no wish to profit to their disadvantage. They have nothing of what is called the "pauper labour" of many European countries, but a population of intelligent, self-sustaining householders, like our own, so that we have no reason to lay heavy tariffs upon their products in order to protect ours. Their raw materials and chief productions are just different enough from those raised on this side of the line, or are in such variation of abundance as to make a true reciprocity the best rule for both sides; while the thousands of miles of boundary, consisting for the most part of a mere imaginary line, makes it impossible to prevent the smuggling which inevitably follows in the wake of high duties. Whether the proposed Treaty fulfils all the requirements of the case we do not know, but it is manifestly in the right direction, and the leading statesmen on both sides of the line should not rest till its provisions are brought up to the standard of common interests. Politically, our people have no designs on Canada; they are completely content that she should work out her destiny in her own way. They only desire to live and let live with her in neighbourly good feeling and intercourse, letting bygones be bygones, if there is anything in the past to interfere with the prospects of complete amity in the future.

From the Boston "Daily Globe" of May 26, 1874.

RECIPROCITY WITH CANADA.—The full account of the proceedings of the Board of Trade which we print this morning illustrates very clearly the need of a Reciprocity Treaty with the Dominion for the furtherance of our local and national interests. As the original Reciprocity Treaty proved, in the main, of signal advantage to this country, it seems eminently desirable that a similar one should be negotiated, especially as the settlement of our relations with Canada under the Treaty of Washington has proved to be fraught with difficulties. Mr. Atkinson points out in his excellent speech the essential dependence of the two countries upon each other, and the advantages to New England of those products of the Dominion which are not to be found here. In truth, the two countries may be said to be the complement of each other—one has what the other wants. To keep up the barrier of prejudice, which revenue restrictions have raised, would be unwise and impolitic to the last degree. There were peculiar reasons growing out of the disasters occasioned by our civil war for the alteration of the old Treaty, which had been in operation for ten years, but there is now no cause for persisting in the policy which has proved detrimental to our interests.

For Boston, as Mr. Atkinson well shows, the continuance of restrictions which benefit Pennsylvania at our expense would be extremely unwise, and the agricultural and mineral products of Canada are desirable for other States as well as those of New England. The harbours of Boston, Portland, and New York are the only practicable outlet to the St. Lawrence, and it is desirable that restrictive statutes should no longer neutralize the benefits of those natural connections. Mr. Lincoln, from the stand-point of his own business, was able to give a forcible presentation of the waste of time and the pecuniary burdens which, under the present system, hinder and impede business between Canada and this country. His picture of the exactions of the Custom-house is enough to satisfy any dispassionate person of the need of altering the methods which now are a direct impediment to the increase of our trade with the Dominion. In view of these facts, the resolutions of the Committee of our Board of Trade in favour of a reciprocity Treaty are eminently worthy of being embodied in legislation which shall prepare the way for the success of the proposed measure.

From the Boston "Post" of May 27, 1874.

RECIPROCITY WITH CANADA.—The action of the Board of Trade in relation to another Commercial Treaty with the Dominion is of commanding local interest and importance. New England has a share in this proposition which past statistics cannot adequately measure. The resolutions adopted advocate the formation of a Treaty similar to the one abrogated for such mistaken reasons, and appeal urgently to the Government to enter on its immediate negotiation. The very able, instructive, and convincing addresses in support of the resolutions by Messrs. Edward Atkinson and William H. Lincoln, both pre-eminently qualified to argue and illustrate the different aspects of the question selected by them, have never been surpassed by any speakers before the Board. The living and pertinent facts they embody are overwhelmingly conclusive, their presentation is even eloquently impressive, and their practical logic cannot be successfully assailed by criticism. It is made in particular to appear that New England suffers almost incalculable damage in permitting a mere political line to become an impassable commercial barrier to its free intercourse with Canada. This community cannot make itself too familiar with the illustrative statistics of trade and industry which Mr. Atkinson presents, nor with the sketch of the obstacles to commerce and business, from lack of a Treaty, which is furnished by Mr. Lincoln. New England enterprise has only anticipated and prepared for the return to reciprocity by adding numerous connections by rail with Montreal to those formerly existing. The Passumpsic and Chambly and the Portland and Ogdensburg, which, through the Great Falls and Conway branch of the Eastern, is also a Boston route, are notable examples, as well as other Boston connections with the Grand Trunk in New Hampshire. The energy which created these connections was inspired with the faith that the interests of the East demanded the freest and largest business relations between this port and Canada to develop its carrying trade and commerce. These railroads have not met the success they deserved, for the reason that tariffs and Custom-house charges retard the development and divert the current of this trade. It requires the liberty of a Reciprocity Treaty to give that impetus to the carrying trade of our railroads and shipping which will bring with it incidental growth of trade in other branches of industries between the two countries. No one can reasonably pretend that our commerce is improved or the value of our city increased by driving this trade away from Boston or by diminishing its volume. A sound commerce is a benefit to both parties. If the Provincials are willing to enter on it, we need not refuse.

The outlet from Montreal to the ocean closes sooner and opens later than the canals that connect her with the West; consequently, however she may develop as a direct shipping point for grain to Europe during the summer months, for more than half the year Boston and Portland are the ports through which, as the shortest route, she must forward the grain, provisions, and products of the forest that come to Montreal, and draw supplies for her interior trade. Under a reciprocity, Boston then would probably bear the same trade relation to Montreal that New York now bears to Chicago, and another point in our future prosperity would be secured. As a seaport Montreal can never be a success, but as a growing distributing point, drawing from New York and Boston its supplies, especially from the latter, and shipping through Boston and Portland, its prosperity would be advantageous to all. The abrogation of the Reciprocity Treaty forced on Montreal expensive efforts for a direct foreign commerce; the renewal of reciprocity will give the outlet by the cheapest route the prosperity it ought to have, and Boston fairly bears this relation to Montreal and Lower Canada. We have not referred to the magnificent trade

of the Eastern Provinces, with their population of more than three-fourths of a million, for whom such a Treaty would make Boston the entrepôt, both by rail and by sea, because it is the largest, best, nearest, and cheapest market for distributing their products and furnishing supplies in return. The magnificent promise of a trade in bonded merchandise with our Provincial neighbours, east, north, and west, should excite our general merchants to exertion. Our manufacturers also will see that the creation of such a commerce enlarges the quantity of their products, incidentally falling into the same channels of consumption, and gives them largely the benefit of markets heretofore closed to them. The Resolutions of the Board of Trade commend themselves to every sentiment that desires our city's progress and prosperity, and should have their effect in Washington.

From the Boston "Shipping List" of May 30, 1874.

RECIPROCITY.—The Resolutions adopted by the Boston Board of Trade on Monday last in favour of a Reciprocity Treaty with the Dominion of Canada, express the sentiments of our business community, and from the tone of our exchanges we should judge that they are concurred in by all the leading commercial interests of the country. The old Treaty was of decided advantage to both countries, and its repeal in 1866 was simply the result of our resentment towards England and the Provinces for their sympathy with the South during the rebellion. We wished to punish them for what we considered a gross breach of friendship, but it has turned out that we have injured ourselves as much as them. In the adjustment of the Alabama Claims and the adoption of the Washington Treaty, England has shown a disposition to make amends for the past, and the United States should be willing to show their magnanimity in the restoration of the Reciprocity Treaty, particularly when its adoption will be a pecuniary advantage to us as well as to our neighbours in the Provinces.

No arguments are needed to prove the necessity of the removal of all those annoying and unprofitable restrictions which now exist on the trade between the Dominion of Canada and the United States. We are as nearly one people as geographical limits can make us, and our interests, commercially and politically, are almost identical. We have a common property in the great lakes, and the canals and rivers which form their outlet to the ocean, and are a necessity to both of us. No great natural barriers separate our territories, and the most enthusiastic protectionist must admit the impracticability of keeping up a chain of custom-houses along our 5,000 miles of boundaries. The prosperity of both countries absolutely require free intercourse on our borders, free navigation of the canals and the St. Lawrence, and free fisheries. Not only should we agree to exchange products of the earth and sea, but manufactured goods made in either country should be allowed to pass both ways without duties. In a word, we want reciprocal free trade with the Provinces, and we believe the time is not far distant when it shall be established.

During the ten years preceding the old Treaty, from 1843 to 1853, our exports to the Provinces averaged in value 9,000,000 dollars a-year. During the ten years while the Treaty was in force, from 1853 to 1863, our exports averaged 25,500,000 dollars, an increase of 16,500,000 dollars. Our annual trade with the Dominion now foots up 80,000,000 dollars, in imports and exports, and is steadily on the increase. There is just difference enough in position, climate and products, to make trade profitable to both countries, and we shall be standing in our own light if we do not remove all legislative enactments which bar our free intercourse.

The following summary gives the value of the trade both ways for ten years preceding and during the Treaty:—

TEN Years preceding Reciprocity.

					Exports.	Imports.
					Dollars.	Dollars.
1844	..	..	..	..	6,715,903	1,465,715
1845	..	..	..	..	6,054,226	2,020,065
1846	..	..	..	..	7,406,433	1,937,717
1847	..	..	..	..	7,985,543	2,303,937
1848	..	..	..	..	8,382,655	3,646,467
1849	..	..	..	..	8,104,267	2,826,880
1850	..	..	..	..	9,549,035	5,644,462
1851	..	..	..	..	12,014,923	6,693,122
1852	..	..	..	..	10,509,016	6,110,299
1853	..	..	..	..	13,140,642	7,550,780
Total	..	..	..	..	89,862,643	30,239,444

TEN Years during Reciprocity.

					Exports.	Imports.
					Dollars.	Dollars.
1854	..	..	..	..	24,556,860	8,927,560
1855	..	..	..	..	27,806,020	15,136,734
1856	..	..	..	..	29,029,349	21,310,421
1857	..	..	..	..	24,262,482	22,124,296
1858	..	..	..	..	23,651,727	15,806,519
1859	..	..	..	..	28,154,174	19,727,551
1860	..	..	..	..	22,706,328	23,851,381
1861	..	..	..	..	27,745,613	23,062,933
1862	..	..	..	..	21,079,115	19,299,995
1863	..	..	..	..	31,281,030	24,025,423
Total	..	..	..	..	260,272,668	193,272,813

From the Boston "Post" of June 2, 1874.

A TREATY WITH CANADA.—It was not until it came to the actual assessment of the annual value of the inshore fisheries of the Dominion to the United States that the preposterous trade relations of the two countries were realized as they never were before; and out of that fact grew the present attempt on the part of Canada and Great Britain to re-establish those relations on a foundation of mutual interest and good neighbourhood. The proposition now made to the United States is that Great Britain consents to waive her claim to any pecuniary compensation for fishing anywhere in Canadian waters, in return for the exchange of a new Treaty. It is a strange arrangement, any way, for the nation to pay for fishing privileges that it might call them free to the fishermen. If a new Treaty will wipe out such an anomaly in reasoning, that might be good enough ground for its foundation. Both Canada and the United States lost by the abrogation of the Treaty of 1853, which was effected impulsively and for the most uncommercial reasons. It was a general injury to Canada, while to the United States it was special and impossible of compensation from any other quarter. What we received free from Canada under the Treaty, we have for the past eight years paid a duty on averaging 25 per cent. We are encouraging the domestic growth of timber, while levying a duty on what we have to import from Canada. We took over 11,000,000 dollars' worth of lumber from that country last year, against some 6,500,000 dollars in 1866, when the Treaty was abrogated. What we took in the largest quantities from Canada, when they came in free, was butter and cheese, bread stuffs, wool, animals, flour and grain, vegetables, coal, lumber, timber, fish and gypsum. Any one will see that they are the articles which a people cannot have too much of, and it is therefore a folly and waste to attempt to keep them out. We had over 52 per cent. of the foreign trade of Canada when the Treaty was annulled, and after seven full years have elapsed without a Treaty we have but 35 per cent.

For the first ten years of the Treaty, and before a depreciated currency and war prices had disturbed the character of our intercourse, the cash balance of trade in our favour was 62,000,000 dollars. For the whole thirteen years' term of the Treaty the total amount of the trade between the two countries was, according to the Canadian authorities, 623,437,525 dollars, and according to domestic computations 671,906,784 dollars. As soon as the repeal of the Treaty was effected the balance of trade turned and went against the United States, and during these seven years past has rolled up to 51,870,060 dollars. The statistics prove that we import more than ever before from Canada, and at increased prices. For the thirteen years of the Treaty we took Canadian lumber to the value of 39,000,000 dollars, which is 3,000,000 dollars a-year; for the seven years which have elapsed since the Treaty's abrogation we have bought of Canada almost 57,000,000 dollars' worth of lumber, or an average of 8,000,000 dollars per annum. This shows what a necessity it is to us, in spite of our putting on a duty to keep it out. Lumber at Toronto costs twice what it did ten years ago, and at Portland it costs twice what it does at Toronto. Although we import from Canada meat, swine, bread-stuffs, and flour, yet within the past four years we have exported to Canada almost 19,000,000 dollars' worth of those identical articles. It is because of the rapid growth of the export trade of that country, and our exports under a Reciprocity Treaty would increase in all other branches of production. But we of New England are to bear in mind that Boston is to be the winter port of Canada during the long period when the St. Lawrence is closed, and it would be just as profitable for us to maintain a through export trade for Canada at this port as to do it for Chicago and the West on its through

bills of lading. And reciprocally it is to be to our equal advantage for Canada to purchase and export our surplus productions. With the continued growth of her export trade, our own trade with her would necessarily increase in proportion. It is protection that is chiefly responsible for the death of this direct trade with Canada, our manufacturers not caring to compete for a market outside so long as they feel assured of one at home, though it be far from a satisfactory one.

It is undeniable that the Canadian Finance Minister was guilty of discriminating against goods from the United States, and that the sharp practice attempted upon us excited wide opposition in this country; but that only supplies the reason for the more careful preparation of a new Treaty which shall make such practice impossible. That Treaty should establish the freest possible trade intercourse. There should be only a political line between the two countries; the commercial one should be as invisible as it is between the States of the Union. Since Canada stepped forth in the dress of an independent nation in 1867, her energies have been steadily bent to the development of her resources and the building up of her individual prosperity. She has a population of nearly 4,000,000, 70 per cent. of which is engaged in agricultural occupations, and about 10 per cent. in mining, manufacturing, fishing and shipping. They are a hardy, industrious, saving people, and their accumulations begin to tell visibly. They have a bank capital of 55,000,000 dollars, which discounts the sum of nearly 121,000,000 dollars. For the last six years the revenues amounted to 103,348,596 dollars, and the expenditures to 96,405,887 dollars, leaving a surplus revenue of 6,932,709 dollars. The public debt is 110,000,000 dollars, chiefly incurred by most important public works, such as the Intercolonial Railway, the enlargement of canals, the improvement of the navigation of the St. Lawrence and the Lakes, and the subsidizing of river and ocean steam-ship lines.

The duties imposed are solely for revenue, all materials which enter into consumption, and the most of those entering into manufacture, being admitted duty free. Of the 138,961,281 dollars' value in imports for the year ending June 30, 1873, a duty averaging 18 per cent. was levied on nearly 79,000,000 dollars, and the remaining 60,000,000 dollars' worth was admitted free. There are more than 2,000 sawmills in Ontario and Quebec, costing from 30,000 dollars to 300,000 dollars each, in which employment is furnished for 10,000 men, while 15,000 more are at work in the woods during the winter, and 25,000 more are engaged on rafts, boats, canals, shipping for the market, and in the timber trade. Last year Canada exported 28,586,816 dollars' worth of lumber, which was doubled in value when it reached its market. The total foreign traffic of the Provinces amounted last year to 240,156,203 dollars, or 80 per cent. more than for the last year under the Treaty. Ship-building is rapidly increasing as a special industry, 45 steam-boats and 371 sailing-vessels have been launched in the Dominion during the year 1872-73. During that year 11,089 ocean vessels, with a tonnage of 3,032,746 tons, arrived at her seaports, and 18,960 lake and river vessels, with a tonnage of 2,994,434 tons, arrived at her inland ports; 30,077 vessels passed through the Canadian canals for the year ending June 30, 1872, carrying 3,721,364 tons of merchandize. Statistics like these furnish a correct and busy map of the growth and importance of the Dominion, and warn us against the stupidity of erecting an artificial barrier against a neighbouring power so vigorous and flourishing.

From the "American Canadian" of June 17, 1874.

RECIPROCITY.—IT requires two to make a trade. A *quid pro quo* is essential, otherwise the sufferer is apt to reflect and characterize the negotiation as something very like a swindle.

The Governments of England and the United States are engaged at the present moment in a trade, or barter, of the details of which the parties most interested—namely, the public of the United States and the British North American Provinces—are kept in profound ignorance. Theoretically speaking, the basis of negotiation is a free and unrestrained interchange of goods and products—an arrangement which, it is expected, will not only do away with an army of Customs officers on the frontier, but will tend much towards furthering the good feeling that ought to exist, and does exist between the two countries. So far, so well.

In the proposed Reciprocity Treaty the United States and Canada have each equal advantages to offer the other. The products of the Dominion are necessary to the manufacturers and consumers of the United States, and the ingenious industries of the Americans are necessary, in point of cheapness, to the Canadians. Here is a *quid pro quo*, a give

and a take; and on that basis can be built a Treaty that would deserve the name of Reciprocity.

But other interests come into the scale and turn the balance. Since the abrogation of the late Treaty the industries of Canada have been growing up. Although young, and born of necessity, they have been found sufficient for her needs. She has, besides, the mother-country to fall back upon for such supplies as she cannot cheaply produce. In other words, Canada prospers very well as she is, and can, if need be, do without the interchange of trade with her largely-producing but heavily-taxed neighbour.

In addition to the exchange of products of the land, equality in the use of the fisheries is sought. That is to say, the United States have no fisheries worth speaking of on the Atlantic coast, or any where else, below the 45th degree of north latitude; while north of that parallel the Canadian and other British Americans possess fishing grounds as least equal in value to those that induced Mr. Seward—that ablest of statesmen—to purchase Alaska. On which side the balance of trade would be, in this part of the transaction, is obvious. Yet it would be a colossal error on the part of the Colonists to set too high a price on their fisheries, and thus check the progress of negotiations. A question, more sentimental than judicious, now intervenes as to the ownership of the seas. God alone owns the seas as He does the dry land. But the occupier of a shore farm puts a value on his frontage, and would decidedly object to even his next-door neighbour continually poaching on his water privilege. A shore frontage, alive with fish, is worth money, and the occupant naturally looks for compensation from those who would cast their nets therein. Hence Canada naturally looks to be paid for the use of her fisheries. The justice of this claim the United States cannot fail to recognize. The money would be extremely useful in enlarging the Dominion canals, and might be paid by the United States without compunction out of the Alabama ransom.

Yet another point that cannot be over looked in the Draft of the proposed Treaty is the mutual right of the coasting trade,—including, of course, the Pacific coast. In this point, the Canadians would have the advantage, at least at present. Carefully weighing the expressions of opinion within our reach, we should say that for this concession, Canada will firmly hold out. Much might be said in favour of its being granted, even from an American standpoint of view,—but of that, more anon. Being a privilege to the Canadian marine, it ought to be paid for to the extent of a part,—certainly not to anything like the whole amount,—of the sum assessed for the fisheries.

In these remarks we believe we sum up the general public opinion of Canada. Twenty-one years are a long term, even in a nation's life. In the life of man three times seven years cover the space between youth and age. Hence this Treaty, if accomplished, for good or ill, will affect the current generation of both countries, and should be not only carefully planned, but be thrown open for public consideration. If the brotherhood of nations be aught else than an Arcadian dream, this opening of mutual trade and marine relations between friendly peoples is the first step towards its realization. Long-sighted ghost-seers, who raise phantoms from the fog, perceive complications arising out of any such arrangement. One objection is, that, by opening the coasting carriage, British ships would compete for the California trade. Supposing such to be the case, that trade, as all others, is open to Americans themselves as to Canadians, and, now that we have an over-land railroad route, the competition of 4,000,000 people can scarcely be such as to weigh much in the balance of trade as against 30,000,000,—and, if it did, cheap transportation, in advance of almost all other wants, is what the voice of this latter half of the nineteenth century demands. Another bugbear is, that in the future we may have war. Granted; but most unlikely. The reciprocity of thought as well as of commerce must preclude any such suicidal result. Meanwhile it is much short of even worldly wisdom to fetter the present for any such problematical chances of the future. What we want now is unfettered exchange of goods and products; the unrestricted use of God's watery domain without calling it mine or thine; freedom for the ships of both nations to load and unload wherever keel may float; and a hopeful trust that the ever-current stream of time may bring no malign change in the future. All these blessings are now within our reach, if they be not sacrificed to Yankee cuteness on the one hand, or Provincial rapacity on the other.

From the "Boston Daily Advertiser" of June 20, 1874.

LET US SEE IT.—The sentiment in favour of a new Reciprocity Treaty has been carefully fostered by the free-traders, and an appearance of unanimity in support of such a Treaty, whatever may be its terms, has been created. Incorrect and misleading statistics have been used, and illogical and unfair arguments have been employed. Now

the news comes from Washington that the Treaty has been agreed to by the Representatives of the High Contracting Parties, and that it has been sent to the Senate.

It is unnecessary to repeat what we have often said in favour of better trade relations with Canada. The principle of reciprocity is one that meets with universal support. But there are very strong and cogent reasons why this country should not be saddled with a slightly amended copy of the old Reciprocity Treaty. There is nothing for us to gain by it, and much to lose. We have already shown that nearly all the articles in the old Treaty are now admitted duty free by Canada. Is it any concession to the United States to agree to receive free of duty grain and flour, or a score of other articles named in the Treaty of 1854, which Canada has already found it for her advantage to place on her free list? Those who are labouring to break down our whole Tariff system advocate any Treaty, not because it will, even in their opinion, of itself benefit the country, but because it tends to overthrow the whole structure.

As to the measure now before the Senate, it is hardly a subject for general discussion. It is a secret Treaty. The Senate owes it to the country to publish it. A thousand interests are involved, and they should be heard. This is not one of those delicate diplomatic questions that are properly kept out of sight. In effect it is a change in our Tariff, and there is no more reason why the country should be kept in ignorance of it than there would be in refusing to publish a Bill in general amendment of the Customs' laws. Indeed, far less. The peculiarity of the Constitution throws this question before the Senate alone. Concurrent action is not required. The vote of the Senate is therefore necessarily final, and consequently of great importance. Let us know then whether it is proposed merely to re-establish reciprocity in the old, and most objectionable, form, or whether we are to have some compensation for the concessions we are asked to make to Canada. The proper course is to remove the obligation of secrecy from the whole matter, and let the Treaty be known and the debate upon it be public. Then if Senators disregard the true interests of the country, either by ratifying or by rejecting the Treaty, the people will know whom to hold responsible in a matter in which they are so deeply interested.

From the "American Canadian" of June 24, 1874.

THE TREATY.—The removal of the injunction of secrecy from the Treaty negotiated at Washington will give the people of America an opportunity, between now and the next meeting of Congress, to compare notes as to their respective interests, and, out of the mass of conflicting elements to eliminate something that may please all parties. But there is one branch of reciprocity which cannot be too frequently ventilated, namely, the right of reciprocal coasting trade. We commend the subject to our readers on both sides of the line, even should publication of the text of the Treaty show that this important matter,—on which, indeed, the probable fate of the whole negotiation hinges,—has been, as we trust to learn it has been, provided for. "Reciprocity," if it means anything, certainly means a free and unfettered exchange of the products of skill and commerce, and that reciprocity must be one-sided that would impose restrictions on the passage of the ships that carry the products to and fro.

Be it remembered that Canada is, essentially a maritime country. Her three habitable sides, with the exception of a few hundred miles, are water, and perhaps on her fourth, when a change in the planet shall dissolve the thick-ribbed ice of the pole, as the "Challenger" has dissolved Wilkes' antarctic continent, she has an open polar sea. Meantime her three water-lines are enough, for it gives her a coastage of her own of many thousand miles, and she can offer to Americans the carrying trade of a water frontage equal, at least in extent, to that of Europe, and superior, mile for mile, to that of the United States. Taken together, and counting the Mississippi as a running sea, the United States and Canada have the grandest seaboard of the world.

Setting aside any local littleness, misnamed patriotism, why should an imaginary line be drawn on the chart across the very centre of this magnificent waterway, and why should paper laws say to the ships of either nation (for Canada is a nation), "Hitherto shalt thou come, and no farther"? Apart from her surplus of agricultural products, the staple productions of Canada are timber and skilled labour, which, conjoined, produce ships. To exclude this, her staple product, from participation in the carrying trade is not reciprocity but unreciprocity, for expressions of which opinion we refer to our columns entitled "Spirit of the Press," in which may be heard the voice of Canada testifying, with no uncertain sound, that free coasting for her vessels is a *sine quâ non* in any reciprocal negotiations. It is urged that American shipbuilders will not be able to compete in point of cheapness with those of the seaboard Provinces. The remedy is obvious: if Canadian

vessels for the coasting-trade can be built cheaper than the American can build, let them purchase Canadian ships. Another objection raised by the shipping interest of the United States—and that voice is very powerful in the councils of the land—is that the permission of Canadian ships to traffic along the coasts will materially reduce freights. This argument is freely conceded. But it would appear that there is a higher interest than that of shipowners, namely, the right of the public to purchase the products they consume at the cheapest possible price. This cheapness can only result from competition, and the only competition possible, at present, is from Canadian ships. Hence such competition is not only permissible, but desirable. Trading enterprize will make profit out of any transaction, and while the accession of a crowd of Canadian coasters might for a time upset the calculations of counting-houses on the wharves, it would have as a counterpoise the inevitable effect of cheapening the cost of transport, and therefore of diminishing the cost of necessities to consumers, who are really the main objects of legislation. Nature herself has indicated the true course of American commerce. For five months in the year the Laurentian highway is closed. Shall Canadian ships, therefore, be frozen in during that period, or shall they engage in the cheapening of transport along coasts farther to the south? Does it follow that because free trade in shipping would affect the interests of a few American traders, the vessels of the third marine in the world must be restricted to the northward of a certain line; be locked in their own harbours for a third of the year, and the products of four millions of souls lie over for months awaiting a market? Yet all this a refusal to open the coasting-trade would do to one party in the agreement, while the other would be enjoying the benefits to be derived from an exchange of all her own staple products.

From the Boston "Daily Advertiser" of June 24, 1874.

THE PROPOSED RECIPROCITY TREATY.—The injunction of secrecy in regard to the proposed Commercial Treaty between the United States and Great Britain was removed after the text of the Treaty had been made public. We print the unofficial, yet probably authentic, draft in full this morning. It is a re-enactment of the Treaty of 1854, with very important additions. Not one of the fifty-two classes of productions to be reciprocally received free of duty, contained in the former Treaty is omitted from the new one. In addition to these fifty-two articles, the following are included in "Schedule A": Bricks for building, and fire-bricks; earths, clays, ochres, and sand; hay; lime; malt; dressed skins and tails; marble and stone, wrought; pease; petroleum, crude or refined; salt; straw. Schedule B contains simply a long and very complete list of agricultural implements. Schedule C consists of a great variety of manufactured articles, which will be carefully scanned, including the following: Leather, leather goods, boots and shoes, and machinery for making them; steam engines of all kinds: carriages, carts, and cars of all kinds; paper, paper-making machinery, type, printing-presses, and all printers' and binders' materials; cotton and woollen goods of various specified kinds; furniture and wooden ware of all kinds; iron and steel in pigs, bars, rods, sheets, &c., and certain specified manufactures.

The reciprocal admission of these articles free of duty is but one of many parts of the Treaty. The fisheries are to be made free without the payment of the compensation for the assessment and payment of which provision was made by the Treaty of Washington. The enlargement of the Canadian canals and the deepening of the channel of the St. Lawrence, between Lake Erie and Montreal, are promised by the Dominion before the beginning of the year 1880. The Canadian Government also engages to construct the Caughnawaga Canal, and New York State is to be urged to make a canal of equal capacity between Lake Champlain and the Hudson River. The navigation of the canals, the St. Lawrence, and the great lakes, is to be entirely free, and vessels of either country may carry cargoes and passengers from one point to another on them without restrictions of any sort. Free trade in vessels between the United States and Canada is established. The light-house system on the great lakes, and the matter of fish propagation in the inland waters common to both countries, are to be in the hands of two Joint Commissions. Newfoundland is to be included in the Treaty if all parties agree. When ratified, the Treaty is to continue in force for twenty-one years, and thereafter for three years after notice given to either Government of a desire to terminate it.

This Treaty is certainly more favourable to American interests than we had reason to expect, but it is not one that will escape severe criticism. In the matter of manufactures it is greatly in our favour. Most of the articles enumerated are articles which we have for sale from factories already in operation. Canada is thrown open as a market for our iron and our cotton, woollen, leather, and wooden wares. We pay a high price

for this market in admitting Canadian lumber, and especially Canadian ships. The question is, whether we get an equivalent. The fisheries are thrown in, and no compensation is to be asked for the privileges secured by the Treaty of Washington. In the matter of the lakes and canals traffic, we gain much in the promise of wider and deeper canals and better navigation, and we concede much in allowing Canadian vessels to participate in the trade between American ports on the lakes. The expediency of ratifying the Treaty is a matter not to be hastily decided, for it is evident that it would be highly injurious to some interests, while greatly beneficial to others. Careful examination of the advantages and the disadvantages must be made, and to this consideration we shall return hereafter.

From the Boston "Traveller" of June 26, 1874.

THE RECIPROCITY TREATY.--The full text of new Reciprocity Treaty with Canada is at length made public. Its consideration by the Senate must now be postponed until the next session, or until the President assembles that body for the purpose, ten days prior to the opening of Congress, in December. The subject is one of such importance that no one should regret a delay which gives our producers and manufacturers ample time to study the provisions of the Treaty, and enables the people of both countries to make up their minds deliberately as to its reciprocal advantages. The Treaty appears to be a fair and equitable one, and seems designed to promote and improve the trade facilities of both countries, and to secure to the United States very important advantages in the way of transportation by the great lakes and the contemplated ship canals. There are those among our citizens, however, who have given years of study and investigation to this subject, and before any Treaty is confirmed the people should have the full benefit of their opinions and judgment. It is difficult for any one to arrive at a correct decision without such a criticism, and it is but just, too, that manufacturers, producers, miners, and others; whose interests may be seriously affected, should have an opportunity of presenting their objections, if any are entertained, and the interval between the present time and the next session of Congress can thus be turned to good account.

By Articles I and II of the Treaty the coast fisheries of both countries are made entirely free. Article IV admits articles enumerated in the schedules annexed to the Treaty, being the growth, produce, or manufactures of the Dominion of Canada, or of the United States, at two-thirds of the present duties, from the 1st of July, 1875, to June 30, 1876; for the following year at one-third of those duties, and after July 1, 1877, free for the remainder of the time the Treaty may be in force, or twenty-one years from its date. In the succeeding articles it is provided "that the Canadian canals on the main route from Lake Erie to Montreal shall be enlarged forthwith, at the expense of the Dominion of Canada, so as to admit the passage of vessels drawing 12 feet of water," and the locks are also to be enlarged correspondingly. The channel of the St. Lawrence river is to be deepened also in the several reaches between the canals wherever necessary, so as to allow of the free passage of these vessels, and this work is all to be completed before the 1st of January, 1880. The Government of Canada is also to construct a canal to connect the St. Lawrence River at some convenient point, at or near Caughnawaga, with Lake Champlain; this canal to be of the same dimensions and depth as the others named. The United States engages to urge upon the Government of the State of New York to enlarge, and, if necessary, to extend the canal from Whitehall, on Lake Champlain, to Albany. Reciprocal advantages are given to the vessels of the two countries in the navigation of the canals and the transportation of cargoes and passengers from port to port on the great lakes or River St. Lawrence, and the United States engages to urge upon the Governments of the States of New York and Michigan the granting of similar concessions on the Erie, Whitehall, and Sault St. Marie Canals to the inhabitants of Canada.

These are among the most important features of the Treaty. The articles specified in the schedules require attentive examination, but seem to have been judiciously selected, and to embrace those manufactures of this country and products of Canada which can be advantageously exchanged. The great importance of the canal improvements on the St. Lawrence, by which vessels drawing 12 feet of water may pass through the great lakes and St. Lawrence, and by way of Lake Champlain to the navigable waters of the Hudson river will be immediately recognized, and this alone would be a priceless boon to the West, and equally beneficial to Canada and our seaboard. Cheap transportation is thus secured to vast stores of grain, produce, lumber, &c., and to the various manufactures of the States, which would find a ready market in the Canadas.

Extract from the Boston "Post" of June 27, 1874.

THE RECIPROCITY TREATY.—The published details of the Treaty elaborated by the Representatives of the United States, Canada, and Great Britain, much more than establish the first favourable impressions it produced. The terms are discovered to be liberal to a degree beyond the general expectation. There is no longer any question that they will fill the requirement suggested in the accompanying Executive Message of "resulting beneficially for the United States." There are fifteen Articles to the Treaty in all, the first three of which are devoted to the fisheries, and for ever terminate that long-standing dispute by giving American fishermen the free right to fish on the sea-coasts and shores, and in the bays, harbours, and creeks of the maritime provinces, by granting British subjects similar rights along the coast of the United States anywhere north of the 39th parallel or Delaware Bay, and by reserving certain fishing-grounds, as under the old Treaty, and providing for commissions to settle all disputes arising concerning them. The IVth article is devoted to the vital subject of reciprocal trade, and under it three schedules suffice to enumerate the classes of productions of either country which may be exchanged on equal terms. The existing duties, however, are not to be abolished all at once; for one year, dating July 1st, 1875, two-thirds of the present duties on these enumerated articles are to be paid; for the second year but one-third; and thereafter, so long as the Treaty remains in force, they are to be exchanged free from all duty whatever. The schedules referred to were duly published in the "Post," with the full text of the Treaty. The Vth Article brings forward the canals, and provides for the enlargement to a depth of twelve feet of the canals from Lake Erie to Montreal. The VIth contains a pledge on Canada's part to construct the Caughnawaga Canal prior to the year 1880, and the United States in return agrees to urge on the State of New York the enlargement of the Whitehall Canal. The VIIth Article grants to the citizens of either country the free right to engage in the domestic trade of the other on the Great Lakes and the St. Lawrence river.

The freedom of the Welland and St. Lawrence, and of the Caughnawaga and St. Clair Canals is offered the United States, while that of the Erie, Whitehall and Saulte Ste. Marie Canals is to be urged in return by the United States upon the local authorities owning them, and if without effect, then the freedom of the Caughnawaga canal will be withdrawn by Canada. The remaining Articles of the Treaty relate to free trade in vessels, to a joint lighthouse commission, and to the mode of ratifying and adopting its provisions and making them of practical effect and undisputed interpretation. New England is to gain immensely by this Treaty, and Boston cannot but see in it the opening of a future for her trade and commerce which no other way could possibly provide. It is to be like the discovery of another country, populated and productive, at her very door. The main advantages which are to be derived from a more intimate intercourse with Canada are all but self-evident. Of the products of the field, the forest, and the mine, which are to come in free, and whose value in the operations of manufacturing and mechanical industry is of prime importance, the list is already in the mind of every one who has occasion to incorporate them into actual use. The cheap lumber that is needed for house-building will be far from the least grateful of the accessions secured by the Treaty. Nor will cheap coal, nor potatoes, fish, provisions, and other products be welcomed with any less satisfaction. And this commercial port will inevitably become, with its direct railway connections with Montreal on the north and with Halifax on the east, the centre of a large and profitable trade with the maritime provinces, which, with the exercise of ordinary energy and enterprise, it can scarcely fail to engross. If the proposed Treaty can be secured next winter, what an opportunity is offered this community, by promptly utilizing the Hoosac Tunnel, to establish its future prosperity and power on a foundation too broad ever to be shaken. The Treaty ought, by every reason, to stimulate action on the tunnel.

Extract from the Boston "Daily Globe" of May 26, 1874.

RECIPROCITY.—Meeting of the Board of Trade yesterday. Addresses by Edward Atkinson, Edward T. Russell, W. H. Lincoln, Henry W. Mayo, J. B. Brigham, Arthur W. Pickering, and others. Resolutions in favour of a Renewal of the Treaty with Canada. A full Report of the Remarks and Proceedings.

The meeting of the Boston Board of Trade to consider the practicability of the renewal of the Reciprocity Treaty with Canada, called for yesterday afternoon, was largely

attended by some of the most prominent and active of the merchants and business men of the city. Addresses were made by Messrs. Edward Atkinson, Edward T. Russell, W. H. Lincoln, Henry W. Mayo, and others, in favour of the movement, that of Mr. Atkinson being especially full and thorough; and Resolutions were adopted endorsing the movement, declaring that a Treaty similar in effect to that abrogated in 1866 should be secured by our Government, as being eminently conducive to the general prosperity of the country. We present below a full report, occupying several columns, and direct the most careful attention to it.

The Report in detail.

A special meeting of the Board of Trade was held yesterday afternoon, to take action in regard to the Reciprocity Treaty with Canada. There was a very large attendance, notwithstanding the disagreeable weather, and among the members present were several of the most prominent business men of the city. Shortly after 3 o'clock the meeting was called to order by the President, Joseph S. Ropes, who briefly stated the object for which the meeting was called. Mr. Edward T. Russell then made a few remarks, introducing the Resolutions, as follows:—

Remarks of Edward T. Russell.

This meeting has been called to consider the condition of the foreign trade of the city and the question of reciprocity with the Dominion of Canada. Both questions have an active interest for us all. But I desire to say a few words at this time in favour of a new Treaty of Reciprocity with the Dominion of Canada that will, at least, give us free coal, lumber, potatoes, and breadstuffs, the abrogation of the old Treaty in 1866 was unfortunate for both countries, and has been much regretted, and, at various times, efforts have been made to obtain a new Treaty. In March, 1869 the House of Representatives adopted a resolution calling for a renewal of negotiations with Great Britain on the subject of reciprocal trade with the British Provinces of North America, the free navigation of the St. Lawrence River and the freedom of the fisheries. Under the Washington Treaty we have recently gained the free navigation of the St. Lawrence and freedom of the fisheries; but our general trade and intercourse is still hampered by vexatious and unnecessary duties and expenses, from which we should seek relief by a new Treaty. The opportunity is now offered us. By the terms of the Washington Treaty the United States are bound to pay such a sum of money as may be assessed by the Commissioners as the value of the fisheries opened to us above those opened by us to Canada. This sum, it is claimed, will be a large one, but it can, no doubt, be speedily arranged to the satisfaction of both parties through the medium of a Treaty of Reciprocity, and in this view and belief I offer the following

Resolutions.

Whereas, the trade and commerce actually existing between the United States and the Dominion of Canada are very great, amounting to some 80,000,000 dollars per year; and

Whereas, these mutual transactions could undoubtedly be more than doubled, if unrestricted intercourse was had between these two great countries; and

Whereas, the geographical, as well as the commercial, relations of the United States and Canada are so intimate, connected as they are by the great lakes, rivers, and railway systems of the continent; therefore it is hereby

Resolved, By the Boston Board of Trade, assembled in special meeting for the consideration of this subject,—That a reciprocal Commercial Treaty, similar in effect to the Reciprocity Treaty abrogated in 1866, should be secured by the Government of the United States as being eminently conducive to the general prosperity of the country; and we earnestly call upon the Government to take immediate steps towards the negotiation of such a Treaty.

Resolved,—That the Secretary of this Board be requested to send copies of this Resolution, together with the proceedings of this meeting, to the Secretary of State and the several Senators and Representatives in Congress from New England.

After the Resolutions had been read, Mr. Henry W. Mayo addressed the meeting as follows:—

Remarks of Henry W. Mayo.

Mr. President: I rise to say something in support of the Resolutions that have been offered for our consideration.

It is difficult to make one's self feel that it is necessary to adduce facts and arguments in favour of the removal, so far as possible, or, at all events, the lessening of any hindrances that may exist to the free commercial intercourse between two countries that, even under the existing unfavourable circumstances, have mutual annual business transactions to the enormous amount of 80,000,000 dollars.

I am glad, however, since illustration may be necessary, to be able to refer to one branch of business and of industry very important to both New England and the Dominion, that is now fortunately conducted upon principles of reciprocity. I refer to the fisheries. The fisherman of the Dominion are now free to all the fisheries of the United States north of the 39th parallel, except in rivers, and our fishermen to theirs, with the same exception; and although this freedom has existed only since July of last year, yet the benefits have been very great, and I have reason to know that they have been mutual.

The increased intercourse does not show so much in figures, although very marked in the statistics, as it is in fact. The terrible gale of August literally destroyed hundreds of both American and Provincial fishing vessels and stations. Many lives were lost, and, of course, the product of the season largely reduced; but, notwithstanding these losses, the value of reciprocal rights on the fishing grounds, and in the interchange of fishing products, was very clearly demonstrated, though none was needed for any who remembered the prosperous condition of the fisheries under the old "Reciprocity Treaty." As a sample item, I will refer to the exports of fish from Boston to the western part of the Dominion, which have been about ten times greater since July, 1873, than for any corresponding period since 1866.

There is another feature in the reciprocal exchange in fish which would be greatly increased by a free exchange of the products of the land as well as the sea, and that is the business done direct between Boston and the smaller ports of the maritime provinces. The arrival of small coasting vessels has already been greatly increased, but if in addition to fish, cargoes for these crafts could be made up of potatoes, lumber, &c., enough could always be furnished by the smallest ports to make up a trading voyage, and the result would be, not only the benefit of furnishing a return cargo, but also the concentration of fish particularly to this market, which would enable us to make up a more desirable West India cargo than can be done anywhere else. I believe it is a mistake to suppose that this concentration of stocks in this market would injure in any way similar products of our own industry or manufactures. These articles are already produced—already find market somewhere in competition with our own products—and are consumed. It is simply a question, in this case, of where the business shall be done, not whether it shall be done.

Remarks by Mr. J. B. Brigham.

Mr. B. Brigham then rose and spoke of the advantages which would accrue to Boston from such a Treaty, with especial reference to the lumber trade. He said that here, lumber was being cut off at a very rapid rate. He was talking with a gentleman only the other day who, speaking of the destruction of lumber in this country, said that lumber was becoming very dear, and that before long the people of Massachusetts, instead of getting their lumber from the State of Maine, would have to go to Michigan or farther off, by and by. Why, he asked, should not a man in Minnesota be jealous of Canada lumber? It seems we have a market near by, and a Reciprocity Treaty will cheapen lumber here, and we can build our houses cheaper, and more money can be laid up at the end of the year. On hay, for instance, we are paying 20 per cent.; now we receive a great deal of hay from Canada. On butter we are paying 4 cents a pound. If we have a free trade by reciprocity as in 1854 and 1864, a large trade will be the result; our store-houses will be filled, and the steamers will be loaded down with boots and shoes. You go to Montreal and Canada West, and they say, "Why do you not make some arrangement so that our goods may go by way of Boston?" The delay is here; there is a hindrance to business. It seems to me, by this Treaty, we will not only get our lumber at a lower rate, but the annoyance of Custom-houses and all those things which add to the expense will be removed. Here we are with only an imaginary line separating two countries, which might enter into relations with the greatest benefit to both. It seems to me that we should consider this important question.

Mr. Edward Atkinson then took the floor, and delivered the following address:—

Address of Edward Atkinson, Esq.

Among many others, there are two things needed to promote the commerce of Boston, both of which may be compassed by a little joint effort on your part. Permit me to say to the members present that I think Boston business men are too apt to leave the burden

of reform and improvement on a few men's shoulders, not only of pointing out the need, but of executing the remedy. My own experience is that any one who takes up these questions, and appears before Legislative Committees and the like, is more apt to be sneered at as being desirous of newspaper notoriety than credited with a desire to do good service, especially by many who are not members of our Board.

A very important measure has just been lost in the House of Representatives simply because most of those who have the most vital interest in it have failed to give it attention. I refer to the Bill for continuing the liability of railroads as common carriers for twenty-four hours after the arrival of merchandize. Complaint is made of the Boston banks for being unwilling to consider railroad bills of lading good collateral for loans; yet, so long as the law of Massachusetts remains as it is, no railroad receipt can be considered fit security, and any bank director that made advances upon one, unless it was accompanied by a policy of insurance, would be unfit for his position. An Act to remedy this evil was reported by the Railroad Committee, passed by the Senate, and failed in the House, as I believe, simply from want of information on the part of members of outside the Committee.

The railroads, apparently governed by their common practice in Boston of continuing in a fixed routine, sent their counsel before the Committee to resist the passage of the Act, as it appeared, merely because it involved a change from their old method. The arguments of counsel were trivial, and the testimony of their witnesses simply ludicrous. It surprises me that the railway managers do not perceive that the small risk of fire which they would incur can be covered by a system of mutual insurance at almost no expense, where the merchant would have to pay extravagantly, and that their gain in traffic might be very large.

It is in the power of the principal consignors to compel the railroad corporations to yield this point, either by direct negotiation or by giving sufficient attention to it next winter to carry it by statute. I know how much Mr. Cabot, Mr. Clark, and a few others have worked upon this question, and also that they have not been supported as they should have been. Had a dozen consignors of merchandize made it their own business to inform the leading members of the House upon the merits of this question, the Act reported this winter would have passed. The other subject on which each of you can now do good service is the Junction Railroad project which I have presented to your attention, whereby the traffic of the Western and North-Western roads may be brought to South Boston.

A very able railroad engineer and constructor from the State of New York went over this route, last week, from Grantville to Mount Bowdoin, and from his own observation confirmed every point presented by me. He expressed his wonder that the road had not been built and in operation years ago, merely for the sake of its own local business, and also said that, in view of its immense importance to the commerce of Boston, if it were not built now, Boston would prove itself to be a "one-horse provincial town."

A corporation to be known as the Boston and North-Western Railroad Company is now being organized for the purpose of building the road. We ask no State aid, but as the State owns the terminal grounds at South Boston, the Hoosac Tunnel, and a large share of the Hartford and Erie Railroad, over which we shall come in, we do want State co-operation, for its own benefit and ours also. We ask the State only to appoint a committee of some sort to examine the matter, during the summer, and report in print to the next Legislature. The petitions to that end are now on the table in the Senate, and the request will, I think be granted; but if those of you who approve the plan would express such approval to Senators and Representatives, it would practically assure the needful action.

I am as well satisfied as a man can be of any future event, that the whole State debt of nearly 30,000,000 dollars may be paid from the State lands at South Boston, if there is a reasonable amount of attention given to the subject, and if common business sagacity be given to the necessary measures for developing the traffic upon those lands. No city in the United States possesses such an opportunity for the transshipment of produce as Boston, and no city has showed so little provision or energy in preparing for it. If we fail now it will prove that we are not fit to manage our own estate, and that we cannot combine even to carry out plans that would pay a profit in every portion of the undertaking.

I commend to the Executive Committee of the Board the subject of the liability of railroads for fire risk at their stations, hoping that they will take measures for a conference with the railroad managers on the subject. Among the many measures which will make the eventful history of the administration of President Grant, it now appears probable that another measure of true statesmanship may be counted if, as it is believed, a Treaty of Reciprocity with the Dominion of Canada shall be substituted in the place of an award of

compensation due from this country to Canada for granting us the right to share freely in the coast fishery of the British Provinces. Let anyone who has not considered this matter and its especial importance to Boston think what a blow it would be to New England if, instead of the St. Croix River, our north-eastern boundary were the Piscataqua; if our border town upon the coastline were Portsmouth instead of Eastport, and if, in place of this line cut through the woods on the north of Maine, the line between Massachusetts, New Hampshire, and Vermont were guarded by Custom-houses, and could not be passed without an examination by the revenue officials and the payment of a heavy tax. You can easily conceive what a blow to the prosperity of Boston would be struck if even only the million and a quarter of people who constitute the population of these three States were made foreign to us—if Portland became another Halifax. Think what Boston, what Massachusetts, would become if they were hemmed in on the west by the rugged barriers of the Berkshire Hills, and on the northern border of our own State by the still more rugged barrier, the still greater obstacle to intercommunication, a line of Custom-houses and a force of revenue detectives, demanding a heavy tax.

Think, again, what would have been the provincial condition of Maine and New Hampshire had they been isolated from us. Where would have been their arts and manufactures, where their mills and works? They might still have built shops, they might have conducted their fisheries, they might have imported their wool, their lumber, their oats and their potatoes; but, beyond this, how little could they have accomplished. Can you conceive anything more absurd than that the free intercourse between Massachusetts and her sister States to the north should be interrupted, and that, under pretence of raising a revenue, a decree of almost absolute non-intercourse should be established. Yet such is the absurdity now shown us on the face, and which we hope to overcome in our relations with Canada. A barrier harder to surmount than the Berkshire hills, more costly in each year to pierce than the whole sum that has been expended on the Hoosac tunnel, needs but the word of a statesman to fall between us and our neighbours only a little further off than Maine or Vermont. We seek, to-day, the cause of the loss of our foreign trade. We mourn because we cannot even be the carriers of the grain that others may enjoy its use. We fear that our foreign steamers will be taken off. Yet, here at our very door, 4,000,000 people stand ready to yield to us the abundance of their stores of all that we need, and to take from us in exchange the product of our looms and spindles, of our furnaces and our forges, of our workshops and warerooms—if we will but throw down the barrier that has been built up between us and them by prejudice and ignorance. If the separation of what now constitutes northern New England would cripple the industry of Massachusetts and reduce Boston to a small provincial town, will not the opening to us of that great Dominion of Canada cause the hum of busy industry to resound again in all our works and cover our harbour once more with the white sails, or, to speak in modern prose, with the black smoke-stacks of prosperous commerce?

What is the Dominion? How few can answer. I remember the enthusiasm with which our great Governor Andrew spoke of the lower British or maritime provinces of the Dominion, the last time I dined with him before his death. He compared Nova Scotia and New Brunswick in area and in mineral wealth to New York and Pennsylvania, and declared them equal, and he alleged that what they lacked in agricultural power, if anything, was more than made up in the wealth of their fisheries. Passing by them, only consider how we may spare our too much thinned-out forests and yet barely touch the timber of Upper Canada. Then, think of the 20,000 square miles of fertile soil of Lower Canada underlain with limestone, of which we in New England have none; the natural home of wheat and barley, the land flowing with milk, and rendering to the industrious farmer the fleeces of the long-woolled sheep, for which we have scarce an acre that is fitted this side of Oregon. It is not time to say, what God hath joined together, let man no longer keep asunder?

Need we do more than merely hold up the picture I have presented to you? Would it, indeed, mark a statesman to accomplish such a simple act of common sense? It is even so, and a few moments may not be spent amiss in seeking the reason of this strange anomaly. As you are all aware, the Treaty of Reciprocity was negotiated in 1854, and went into operation March 10, 1855, for ten years, and subject to one year's notice prior to the end of the ten years, or thereafter.

As the end of the ten years approached in 1863-64, it was a dark time in our land, all our different branches of industry were burthened with excessive taxes. Representative J. S. Morrill of Vermont, now Senator, and Senator Morrill of Maine, both of whom had opposed the Treaty from its inception, introduced notices for its abrogation. The discussion proceeded upon the suggestion of the appointment of a commission to negotiate a new Treaty. On this ground, and upon this only, Senator Sumner favoured the termination of

the old Treaty. There was then some reason for a new adjustment; we were then engaged in the absurd attempt to collect 2 dollars a gallon on whiskey, and although our agricultural products with which those of Canada came into competition were not directly burdened with excise taxes, yet they were indirectly loaded with the taxes on the manufactures of iron, steel, copper, lumber, leather, cotton and wool, of which the farming population are the chief consumers.

But, unfortunately, the session of Congress which came together in December, 1864, met just after the Fenian raid into St. Alban's, and just after the excitement of the Presidential election; the country was exasperated with the Canadians on account of their alleged sympathy with the South, their unfriendly comments, and for other reasons. Senator Collamer, moreover, alleged that the original Treaty had been enacted by the slave power to prevent the annexation of Canada; all the absurd nonsense in regard to the "balance of trade" was paraded before the people, and under the pressure of an unreasoning clamor the Treaty was abrogated without any provision for the negotiation of a new one.

Shrewd men, taking advantage of the opportunity for a profit, imported about two years' stock of Canadian products in nine months of 1865-66, and on the 10th of March, 1866, we finally accomplished our apparent object of biting off our own noses to spite our faces. A more ludicrously stupid and costly piece of mis-legislation never was accomplished by any legislative body in this country. Just at the time when our manufactures were suffering most from the reaction that followed the end of the war, we cut off three and one-half millions of our best customers whom we had supplied to a very large extent with manufactured goods, and unquestionably a large part of the depression of some of our manufactures since may be attributed to this cause.

However, let bygones be bygones. The excise on whiskey is now the same in Canada as in the United States, the internal taxes have been removed from our manufactures, and there is no practical impediment in the way of a new Treaty. It was alleged that before the enactment of the last Treaty we had always exported more to Canada than we imported, and that during its existence the reverse was true, and this was one of the reasons given by the wise-acres for its abrogation. Well, let us turn their own guns against our opponents. Ever since the termination of the Treaty the proportional excess of imports over exports has increased heavily.

In the eight years that have elapsed the figures show 250,000,000 dollars imports, to 200,000,000 dollars exports, from and to the Dominion. Instead of driving Canada into annexation by the termination of the Treaty, as some expected to do, we drove the Provinces into confederation; we forced them to become a nation, to establish manufactures at great cost to themselves, to seek new and distant markets, and to enter into competition with us in ways and places that we least expected; and we built up a profitable business in smuggling that has done infinite harm to both nations, and which can never be stopped on such a line.

Mark one single item: Once we supplied Canada with cheese, now she supplies herself, and exports an eighth part as much as we do to Great Britain. We forced her to go there for her cottons, her woollens, and her hardware, and she sends cheese in part payment.

But there is one peculiar feature in our commerce with Canada to which I would call your attention, and that is the extent to which we even now exchange products of like kinds. Contiguous countries must exchange, and on such an extent of border—measuring 5,000 miles as it does—there must be an export at one end, where the same article is imported at the other. Mark these figures, from the Trade Statistics of 1873:—

Take coal first. Canada proper possesses no coal, and the transportation from Nova Scotia is long and costly. Hence, in 1873, while we imported from the Dominion 261,257 tons, valued at 683,292 dollars, we exported 438,395 tons, valued at 2,175,755 dollars. Of course, the import was mainly in New England, the export from Pennsylvania and Ohio.

Will you longer permit the rapacious monopolists of Pennsylvania to levy a tax upon the steam-power of New England, while seeking their own customers free of tax in the same country whose coal they deprive you of? There lies almost at the mouth of Boston Harbour a wealth of coal and iron unrivalled in the world. The shores of Massachusetts Bay, nay, all the harbours on the New England coast, might be lined with works and ship-yards for its consumption, and yet you consent to the continued existence of a barrier five times as difficult to surmount as the Hoosac mountain, which the simple word of a true statesman might level with the ground. It would cost but a quarter of a dollar a ton to haul freight on an incline over the Hoosac mountain, and you consent, without a protest, to a tax on coal and iron more than five times as great.

Among dutiable articles, the import and export of 1873 stands as follows:—

						Import.	Export.
						Dollars.	Dollars.
Animals, living	..	..	..	..	..	3,144,201	913,560
Breadstuffs ..	..	..	..	..	..	6,174,537	15,358,610
Iron, steel, and manufactures thereof	..	..	..	..	..	2,797,515	1,218,420
Marble and stone	..	..	..	..	..	176,744	149,032
Oils, coal ..	..	..	..	..	..	190,018	169,637
„ other ..	..	..	..	..	..	75,000	54,938
Provisions ..	..	..	..	..	..	1,226,704	2,159,265
Sugar, raw ..	..	..	..	..	..	76,760	7,288
„ refined ..	..	..	..	..	..	16,481	146,515
Lumber ..	..	..	..	..	..	10,288,810	1,718,750
Wool, raw ..	..	..	..	..	..	1,940,204	..
„ manufactures ..	..	..	..	..	..	..	141,128

Under a revenue tariff of 15 per cent., with wool free, Canada has imported through Boston hundreds of thousands of pounds, even whole cargoes of Australian and other wools, for her factories, and has exported their products in payment. These very factories have been built and started, and have been successful, while we were struggling to maintain our highly-protected manufactures, and have partly, not quite wholly, failed in the attempt.

But thus far I have treated the question mainly from our own special stand-point, but I call upon you to mark the export of bread-stuffs to Canada. The Canadians grant the free use of their canals, and are preparing to enlarge them. Restore reciprocity and the construction of the Caughnawaga canal could not be deferred. Its use would become so obviously essential and profitable that it would almost build itself, and on this the interest of Boston and the great West unite once more and demand the same policy.

When will the people learn that all this commerce exists because both parties gain in the exchange? When will people cease to talk nonsense about the balance of trade, because they shall have at last comprehended the truth that there can be no permanent trade at all unless both sides gain? Unless there is a profitable balance on the ledger of each person, firm, or nation, no Reciprocity Treaty will have any effect whatever. Are we to be hoodwinked, blinded, and misled by a set of theorists who prate of an adverse balance of trade because one nation appears by the Custom-house books to import more than it exports? Answer such fools according to their folly, and write them down asses in large capitals, that even they cannot fail to understand. The great trouble with them is that they have not even intelligence enough to know what asses they are, and the conviction has not yet been forced upon them. England imported 500,000,000 dols. worth of goods more than she exported last year, and, according to these sciolists, impoverished herself to that extent. In fact, by her policy, she has become the money power of the world.

I have asked, what is the Dominion? Its area is equal to that of the whole United States, Alaska included, or 3,400,000 square miles. What does it possess? One half is covered by a vast forest from which we must draw our supply of lumber, cost what it may, and subject to whatever tax a bad revenue system may impose upon it. These forests are their wealth, they are our necessity. The removal of these vast forests is one reason why the population of Canada has increased so slowly; their lands cannot be occupied like our prairies at an instant's notice. It takes a generation to remove the forest and make room for the wheat; but bear in mind that the culture of wheat can only be maintained with our present knowledge of agricultural chemistry on land that has produced forest trees. In the prairie soils, exhaustion of the alkalis soon takes place. The Canadas must, therefore, be the future granary for wheat for our own country.

Next, the finest ores of iron and copper exist in inexhaustible abundance in Canada as well as in the lower British Provinces, and these ores even now supply no small portion of the consumption of the United States. These Canadian ores have no adjacent supply of coal, and are valuable only as they can be brought into connection with the coal-fields of this country. Among our States, none have so great an interest in procuring a free and ample supply of these ores as Illinois and Indiana, underlain as they are with coal, and needing as they do the iron way even for their country cross-roads. We speak as if our railway service had come near its end, when in fact it has only begun; it needs only decrease of cost of construction to double the railway mileage of the prairie States. Earth roads on their soil cannot be much longer tolerated anywhere.

The best grazing country in the world lies in this Dominion; will it harm any one here to be able to exchange boots, shoes, clothing, hardware, and the like, for the best

and most ample supply of beef, mutton, butter, and eggs? Yet, in the absence of a Treaty, even this privilege is in part forbidden, and because we cannot sell we cannot buy; hence the best of their supply passes across the water to enable our competitors in manufacturing, whom we so much dread, to compete yet more effectually with us.

The finest barley, the heaviest oats, the best potatoes are the product of the maritime provinces. Do we need them in New England? Is the cost of living so low with us as to make it fit to reject this abundance because it can be had cheaply? Would their competition affect our farmers injuriously? Far from it. These are the coarse products of agriculture; our farmers can do better.

Not many years since, the finest wheat in the country was raised in Central New York; soon the soil was exhausted for wheat, and little is now grown. Did farming become less profitable? Far from it; the farmers turned their attention to grazing, to butter and cheese and to fruit, and now farming in that section is thrice as profitable as wheat-growing was. The same thing would occur in New England. Give us an abundance of these coarse products at low cost; let us have the barley, oats, potatoes, fish, and the like from the British provinces; then we decrease the cost of living to all our operatives, and the difference would be spent in milk, butter, cheese, fruit, and the finer products of agriculture, raised by our own farmers, on our own lands, in the immediate vicinity of consumers, at far greater profit than can be made in these coarse and heavy products that will only pay for distant transportation by water—not by rail.

I have thus feebly described that the Dominion of Canada is in the power of producing just such articles as we require to consume, but Canada, like ourselves, has an enormous foreign trade. It is in this trade that the peculiar infelicity of her position shows itself. The great producing regions of the Dominion which we formerly knew as Upper and Lower Canada, have no Atlantic ports; they have, however, one capital advantage over us in their mighty St. Lawrence, which, with the improvements already made, carries a water line, navigable for a ship of 1,000 tons, 2,500 miles inland to the very centre of the continent. This great water way having its outlet on the 50th parallel, is closed to them for nearly one-half of the year. This alone has prevented the Canadas from rising to the condition of a first-class State; the practicable and only proper commercial outlet to this great river, for climatic reasons, are the harbours of Boston, Portland, and New York.

On the other hand, the great water way, even when free from ice and flowing ready to serve the Western States as their outlet to the ocean, is closed by a barrier far worse than ice, that of the prejudice and non-intercourse worked by bad statutes.

The Almighty made the great plains of the West and of the Canadas for the habitation of his children. Between them and the ocean, he raised the great Laurentian chain of mountains, which we know as the Apalachian range.

On the north, he opened the river St. Lawrence, and through the frequent gaps in the mountains the way for our iron roads has been discovered. As one country, each section would have supplemented and benefited the other, but men in their ignorance and prejudice have frozen the river after the ice itself had floated away, and have closed the gaps in the mountain chains even after the iron road has been laid down in them. Are there words to express the folly of those who would reconstruct the continent more fitly than it has pleased the Almighty to do it? Are those men statesmen or blind idiots, who render the labour of man more arduous, who double the sweat of the brow, and serve but half the loaf that might be eaten? These are the questions that are before you to-day; they are not mere questions of a dollar more or less, but they are questions that lie at the foundation of human society, and that are a part of social ethics. To this end are our Resolutions; and so far as our action may affect our purpose, it may be that we are building deeper and higher and better than we know.

Mr. W. H. Lincoln, of the firm of Thayer and Lincoln, next addressed the meeting, speaking as follows:—

Remarks of W. H. Lincoln.

Mr. Chairman: The business of our firm with Canada relates entirely to the transportation of merchandize, both from Canada to this port, for transshipment, and from this port to points in Canada; all which merchandize has to be conveyed in bond. It is well known to the commercial community that this business with Canada was largely increased the past winter, in consequence of special efforts put forth by those interested in the commercial prosperity of our city, and which were also made under unusually favourable circumstances. The Commercial Club of this city, by special invitation of Central Vermont Railway Company, paid a visit to Montreal last December, and were cordially received and welcomed by the merchants there, and a new interest was awakened,

and, seconded by the railway companies, a new system was inaugurated, under which a fresh impetus was given to the business, and the transactions were of considerable magnitude. Since that time, and during a period of five months, we received from Canada for export 250,000 bushels of wheat and 15,000 barrels of flour, besides large quantities of butter, cheese, &c. The Cunard Company and private firms also received large quantities of merchandize in the same way. The exports of this port were thus swelled to an unusual and unprecedented amount. Steamers and ships were enabled to obtain business here which would otherwise have been obliged to leave for other ports to load. The business is of great value to this city, and seems now to be of vital importance, and it is capable of still greater extension. But the difficulties attending the transactions are serious, and arise from the enforcement of the revenue laws as connected with the Custom-house regulations. The time now necessarily consumed, and the careful attention that is required to see that the rules are not violated, as well as the heavy responsibilities that must be assumed by giving bonds with penalties for large sums, amounting in some cases to over 100,000 dollars, all these annoyances and burdens are so onerous that the desirability of continuing the business, so important to the welfare and growth of our city, is, to say the least, exceedingly questionable. Any measure, therefore, such as the adoption of a Reciprocity Treaty, which would at once abolish many of these hindrances and impediments, would be hailed with delight by every one who has business relations with that country. It would also tend to increase materially the business transactions between the two sections, and bring us at once into closer alliance and sympathy. Its importance cannot be over estimated, and no efforts should be spared to secure the completion of the Treaty.

In order to present a clearer idea of the subject, it may be well to state the rules that are necessarily imposed upon us, and the work that has to be performed. First, in regard to merchandize coming to this port from Canada for export in bond. At point of shipment the shippers are obliged to make out invoices of the goods, giving a full description and value of the property, and then obtain a consular certificate, all in triplicate. The shippers then have to forward one set to the Custom-house at the frontier. The property must be consigned to the railroad agent or some party at the frontier station, whose duty it is to enter the goods upon arrival at the Custom-house. They are entered in bond and forwarded. The Custom-house then sends a manifest to the Custom-house at Boston, and also a duplicate to the agent of the railroad line at this end. The merchandize cannot be obtained here without the signature of the railroad agent. On arrival here, a rewarehouse and withdrawal entry for immediate exportation must be made in duplicate. The goods are thus entered, and the railroad agent has to make oath that these goods are the identical ones with those entered at the frontier station. A permit must be obtained for delivery, which is presented to the Custom-house officer having the cars in charge. The cars must correspond with the car numbers named in the manifest. A bond is signed for double the amount of duty, agreeing to produce a landing certificate of the property at the port of destination in Europe, which certificate must be signed by the consignee, the master, and mate of the steamer or vessel, and attested by the United States' Consul. A year is allowed for the cancellation of the bond.

It frequently happens that this matter is neglected at the foreign port, and then we receive a notice from the Custom-house that the bond remains uncanceled and the time has expired, and the enforcement of the penalty is alluded to. Application must then be made for an extension of time, which is granted if reasons are satisfactory, and parties abroad must be notified in regard to it. Finally, when the landing certificate is received in due form, it is taken to the Custom-house and the bond is cancelled and the transaction ended. Now, when it is considered that this must all be done in the case of every shipment, and there are many different shipments by each vessel, some idea of the difficulty may be conceived. But when some mistake or error has been made the labour is greatly increased. It was only last week that we received a landing certificate from Glasgow for 2,000 barrels of flour, and the master and mate had neglected to sign it. Fortunately, the ship happened to be in Montreal, and we therefore sent the document there for signature. But if the ship had proceeded upon a long voyage in another direction, the time required and the difficulty that would have arisen would have been much more, and it might have become necessary to have applied to the Secretary of the Treasury for special release.

In some instances the goods have arrived here, and the Custom-house papers from the frontier could not be found, and it was only by giving a penalty bond that we would produce them that we could obtain the property. We wrote several letters and telegraphed also to the Custom-house officials at St. Alban's, but the only reply was that the papers had been sent long since. Meanwhile our own Custom-house was demanding the papers. Finally, we ascertained that merchandize for another party was entered upon the same

manifest, and that it had been filed away. It was, therefore, found, and we were enabled our merchandize and cancel the bond. We only mention these facts to show how great the difficulties are; and were it not for the courtesy and obliging disposition of our own Custom-house officers, the transaction of the business would be well-nigh impossible. The expense attending the Custom-house business is also an important item, and is chargeable upon the property. The delay to merchandize while in transit, and even after its arrival here, is quite a serious matter. For instance, a shipper in Canada enters a shipment of fifty cars of wheat upon his manifest. It does not all go forward in one train, but a portion is sent one day, a part the next, and the balance several days after. On arrival of the lots first shipped at the frontier station, they are all detained until the entire lot has arrived according to the manifest; often causing disappointment and delay at this end.

Now, in regard to merchandize destined for Canada from Liverpool, via Boston. The shippers abroad are required to furnish us with duplicate invoices of the goods and copy of bill of lading. The goods have to be entered in bond here for exportation, the entries made in triplicate, each entry containing a description of the goods and value, and invoice attached to one. The Custom-house retains two, the other is sent to St. Alban's or the frontier station. The making out of these papers, where we receive a large number of different lots of goods, requires a great deal of time. On arrival of property at the frontier the locks and seals of the cars and the manifests of the property must be examined by the Custom-house officer, and certificates of the fact must be forwarded to the Custom-house here. Finally, at the point of destination, the United States' Consul issues a landing certificate that the property has been received, the duties thereon being paid or secured. This certificate must be sent here, to enable us to cancel the bond which was given for double the amount of duty that we would produce said certificate. We have inquired, when signing bonds for large amounts, what would be the result in case the goods were lost or destroyed by fire or otherwise, while in transit, thus rendering it impossible for us to secure the landing certificate. The case would then come under the special provisions of the law, and would require the special action of the Secretary of the Treasury. It would be natural to conclude that the authorities would waive the enforcement of the bond. But what guarantee have we for that? The experience of the past few months has shown what risks we might incur, however upright may have been our motives and intentions, or how carefully our business may have been conducted.

As before stated, the bonds are given for very large amounts, and two sureties must be furnished. One does not wish to ask a friend or business acquaintance to become surety for such large sums, and this is another objectionable feature in connection with the business. Thus, from the beginning to the end it is hedged about with difficulties; and the risks one incurs, the time consumed, and the attention required in complying with all the Custom-house rules and regulations, render the business very undesirable, and the compensation is not at all adequate, neither can it be made so.

Mr. Bates then said he thought the Island of Newfoundland should be added, and introduced a resolution to that effect, which read as follows:—

Resolved,—That the Treaty regarding reciprocity with Canada be made to include also the Island of Newfoundland.

A Word in Opposition.

Mr. D. N. Skillings, before the Resolutions were submitted to the meeting, desired to say a word in opposition to the proposed measure. He said he thought such Resolutions as these ought not to be allowed to pass. He did not see that any particular benefit was to be derived from the Treaty. We were receiving 500,000,000 dollars from Canada, with a proportionate revenue. If we receive lumber free from Canada, we ought to receive cotton goods free from Great Britain. Massachusetts produces very little lumber, but Wisconsin and other Western States do, and they will protest against this. He said that no Treaty like that abrogated should be made; it was desirable to have a Treaty, but it ought not to go to such an extent as to operate against any particular trade, and he hoped the Resolutions would not pass in that shape. It was a very great mistake that the lumber of the United States is disappearing; there is a great amount of lumber, and there will not soon be a dearth of it.

Mr. Arthur W. Pickering said that the great question in a meeting like this was, "What is good for the whole?" It was not a question of private interests. We do not want to build a wall between this country and Canada. He hoped the idea of reciprocity would be carried, even if it did happen to interfere with some of our particular interests. Mr. Skillings said that, since the last Treaty, he had invested largely in lands in Maine, and such a Treaty as was proposed would injure him greatly; and for that reason he

opposed it; but if the Convention wanted free trade, he was perfectly willing to go for that.

The Preamble and Resolutions were then read by the Secretary, Colonel E. G. Attwood, and were submitted to the vote of the meeting by the President. They were unanimously adopted.

Mr. Mayo then read the Report of the Committee on Transportation on the Ottawa and Atlantic Railroad. They reported that, at their last meeting, they were waited upon by Mr. Hibberd, of Montreal, and conferred with him upon the subject of the Ottawa and Atlantic Railroad. The line starts at Ottawa City, running in a south-easterly direction eighty miles to the St. Lawrence River, which it is proposed to cross at a favourable point, and thence sixty miles in a south-easterly direction to the north end of Lake Champlain, where a connection is to be formed with the Central Vermont. This line, if completed, brings Boston forty-two miles nearer to Ottawa and the north than Portland is. The Report was accepted and placed on file, and the meeting then dissolved.

No. 439.

Mr. Watson to the Earl of Derby.—(Received August 2.)

(No. 38.)

My Lord,

Washington, July 20, 1874.

WITH reference to my despatch to your Lordship's address, No. 31 of the 17th instant, I have now the honour to inclose to your Lordship Mr. Fish's reply to the note, copy of which was inclosed in the despatch above referred to.

Mr. Fish's reply is dated July the 18th, but was only sent from the State Department to this Legation this afternoon.

I do not propose to allude, in my communications with Mr. Fish, to the subject of this correspondence, unless I should be instructed to do so by your Lordship.

I have, &c.

(Signed) R. G. WATSON.

Inclosure 1 in No. 439.

Mr. Fish to Mr. Watson.

Sir,

Department of State, Washington, July 18, 1874.

I HAVE to acknowledge the reception of your note of the 17th instant, wherein, in obedience to an instruction from Her Majesty's Principal Secretary of State for Foreign Affairs, you state that, on the understanding that the Draft Reciprocity Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, as agreed to by you (me), will be considered by the Senate in December next, Her Majesty's Government will await the final result of the consideration which the Treaty may then receive in the Senate before taking any fresh steps with regard to the Fisheries Commission, and that you are further directed by the Earl of Derby to add that Her Majesty's Government wish it to be clearly understood that their right to revert to the provisions of the Treaty of Washington for the appointment of the Fisheries Commission is in no way prejudiced by the delay that has occurred or that may occur in consequence of the proceedings with reference to the Reciprocity Treaty.

I have the honour to call your attention in connection with the reference to the Treaty "as agreed to by you" (me) to the fact that the proposed draft of the Treaty was not signed by me, and it was presented by the President to the Senate, as a draft of a Treaty submitted to the Secretary of State by the Plenipotentiaries of Her Britannic Majesty at Washington, for the consideration of the President. The injunction of secrecy having been removed, I have the honour to inclose a copy of the message of the President transmitting the draft of the Treaty to the Senate, and a report from myself to the President showing the extent to which the proposed Treaty may be said to have been agreed to.

I should further observe that, while the Senate has postponed the subject "to the next session of Congress, commencing in December next," that body has not given any assurance that the consideration of the Treaty will be had during the month of December next.

I make these statements to avoid the possibility of misapprehension, of silence, under the declaration contained in your note; the slight errors implied in your communication,

being, as I infer, the result of accidental misinformation as to the actual action of the several branches of the Government, in relation to the proposed Treaty.

With respect to the concluding part of your note, it is fully understood on the part of this Government that no rights under the Treaty of Washington, which may have existed in behalf of either party thereto, at the date when the negotiations with respect to the proposed Reciprocity Treaty were begun, are to be prejudiced by the delay which has occurred or that may occur in consequence of such negotiations up to the action of the Senate upon the proposed Treaty.

I have, &c.
(Signed) HAMILTON FISH.

Inclosure 2 in No. 439.

To the President :

I HAVE the honour to inclose a copy of the draft of a Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals and for their use by United States vessels on terms of equality with British vessels, which the British Plenipotentiaries have proposed to this Government.

(Signed) HAMILTON FISH.

Department of State, Washington, June 17, 1874.

Inclosure 3 in No. 439.

To the Senate of the United States :

THE Plenipotentiaries of Her Britannic Majesty at Washington have submitted to the Secretary of State, for my consideration, a draft of a Treaty for the reciprocal regulation of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals and for their use by United States vessels on terms of equality with British vessels. I transmit herewith a report from the Secretary of State, with a copy of the draft thus proposed.

I am of opinion that a proper Treaty for such purposes would result beneficially for the United States. It would not only open or enlarge markets for our production, but it would increase the facilities of transportation from the grain-growing States of the west to the seaboard.

The proposed draft has many features to commend it to our favourable consideration ; but whether it makes all the concessions which could justly be required of Great Britain, or whether it calls for more concessions from the United States than we should yield, I am not prepared to say.

Among its provisions are articles proposing to dispense with the arbitration respecting the fisheries, which was provided for by the Treaty of Washington in the event of the conclusion and ratification of a Treaty and the passage of all the subsequent necessary legislation to enforce it.

These provisions as well as other considerations make it desirable that this subject should receive attention before the close of the present Session. I therefore express an earnest wish that the Senate may be able to consider and determine before the adjournment of Congress, whether it will give its constitutional concurrence to the conclusion of a Treaty with Great Britain for the purposes already named, either in such a form as is proposed by the British Plenipotentiaries, or in such other more acceptable form as the Senate may prefer.

(Signed) U. S. GRANT.

Washington, June 17, 1874.

No. 440.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, August 7, 1874.

I AM directed by the Earl of Derby to transmit to you to be laid before the Earl of Carnarvon, for his perusal, a despatch from Her Majesty's Chargé d'Affaires at Washington,* on the subject of the proposed Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 441.

Mr. Rothery to the Earl of Derby.—(Received August 8.)

(No. 44.)

My Lord,

Doctors' Commons, August 7, 1874.

I HAVE the honour to acknowledge the receipt of your Lordship's despatch No. 13 of the 3rd ultimo, informing me that, as there was no prospect of the Fisheries Commission meeting at present, I was at liberty to return to England, and conveying to me the approval by Her Majesty's Government of my proceedings. I beg to express to your Lordship my very sincere thanks for the kind and courteous terms in which that approval has been conveyed; and to assure your Lordship that, so far from my detention in America having occasioned me any inconvenience, it has, owing to the very kind permission given to me by your Lordship to visit California, been attended with much pleasure, and I trust some profit to myself.

I should have acknowledged the receipt of your Lordship's despatch sooner, but I have only recently received it, as it had been sent out to the United States; and I had, in accordance with directions conveyed to me by telegram, already left before it had reached that country.

I have, &c.
(Signed) H. C. ROTHERY.

No. 442.

Mr. Rothery to the Earl of Derby.—(Received August 8.)

(No. 45.)

My Lord,

Doctors' Commons, August 8, 1874.

I have the honour to inform your Lordship that, in accordance with the intention expressed in my despatch No. 42 of the 9th ultimo, I left New York on Wednesday, the 15th of the same month, on board the "Scotia," and arrived in London on Saturday the 25th, bringing with me all the papers and documents relating to the North American Fishery Question, except one very large map of the fishing-grounds, which I left in charge of the British Legation at Washington.

I propose, as soon as I can find time, to arrange all the books and papers, and to hand them over to the respective Departments. I shall also, during the ensuing autumn months, complete the Memorandum which I had commenced before leaving England, and shall bring it down to the present time, as it would probably be of use, in case the Fishery question should be again raised at some future time.

I have, &c.
(Signed) H. C. ROTHERY.

No. 443.

Mr. Watson to the Earl of Derby.—(Received August 9.)

(No. 43.)

My Lord,

Newport, July 27, 1874.

I BEG leave to inclose herewith to your Lordship an extract from the New York "Tribune," of the 24th instant, being a report to that journal of a national, or more properly speaking, an international, meeting of the Dominion Board of Trade with

delegates from the United States, which was held at St. John's, New Brunswick, on the 18th instant, for the purpose of considering the advantages, or otherwise, of the proposed Canadian and United States Reciprocity Treaty.

The sense of the meeting seems to have been adverse to the Treaty.

I have, &c.

(Signed) R. G. WATSON.

Inclosure in No. 443.

Extract from the "New York Tribune" of July 24, 1874.

Reciprocity with Canada.—Action of the Dominion Board of Trade—The Treaty held to be one not advantageous for Canada—The Dominion Government to be memorialized for its Withdrawal or Amendment—Objections to its Provisions.

(From an occasional correspondent of the "Tribune.")

St. John, N.B., July 18.—The present week has been one of very great interest in St. John, having witnessed the assembling here of the Board of Trade of the Dominion of Canada, a body corresponding to the National Board of Trade of the United States. Delegates are in attendance from Windsor, Hamilton, Toronto, Ottawa, Kingston, Montreal, Quebec, St. John, Charlottetown—in fact from every important town in the Canadas and the Provinces of New Brunswick, Prince Edward Island, and Nova Scotia. These Delegates are, in most cases, officers of the Boards of Trade in their respective cities, and a number of them are closely connected with political life. Altogether about fifty of these Representatives of the commercial and manufacturing interests of the New Dominion are present, and they comprise a body of men of unusual intelligence and sagacity, and of extraordinary influence on the future of Canada. This meeting attracted attention, and seemed to possess unusual importance from two facts. First, that the circular calling it announced as the first and most prominent subject of consideration the new Treaty proposed between Canada and the United States; second, that invitations were extended to the National Board of Trade of the United States to send Delegates to the St. John's meeting. The inference was at once drawn by politicians on both sides that this was a scheme to manufacture public opinion in favour of the Treaty, and to devise ways and means to promote its ratification. Nothing could have been further from the truth, as the result has proved. The American Delegates were T. C. Hersey of Portland, B. F. Nourse of Boston, John Austin Stevens, jr., of New York, Captain E. P. Dorr of Buffalo, R. Hawley of Detroit, and W. E. Smith of Milwaukee. On Thursday, the 16th instant, the Dominion Board of Trade adjourned over until 10 o'clock to-day, having allotted Thursday evening and the entire day of Friday to the enjoyment of hospitalities extended to them by the Board of Trade and citizens of St. John, and by the Lieutenant-Governor of New Brunswick. Promptly at 10 o'clock to-day the full Board of Trade of the Dominion met, with the President, W. H. Howland, in the chair. The American Delegates were assigned prominent seats in the hall. The subject of the meeting, the Reciprocity Treaty, having been announced, the debate began, and the true purpose of the Convention was at once manifest. It was not to promote the success or the rejection of the Treaty, but to gather expressions of opinion from intelligent business men of every part of the Dominion as to the practical bearing of the proposed Treaty. The Delegates took up, analyzed, and discussed its various provisions from their point of view, showing wherein it would prove advantageous and wherein prejudicial to them. The speakers came from every quarter, from Ontario, Montreal, Quebec, St. John, from the chief commercial and manufacturing points of all the Provinces. And while there was no dissent from the opinion that reciprocal trade relations with the United States were very desirable for both countries, and while every sentiment towards the people of the United States was very friendly and cordial, there was almost unbroken unanimity in the expression of opinion that the proposed Treaty, lately negotiated at Washington, and submitted by the President to the Senate, is very unequal and unfair, and would work great injury to the interests of Canada. The discussion, conducted in brief, business-like speeches limited to 15 minutes each, was continued from 10 A.M. to 5 P.M., with an intermission of only one hour; and at the conclusion resolutions were adopted almost unanimously declaring that while a Reciprocity Treaty with the United States is desired by Canada, the pending Treaty is very objectionable in many important particulars, and the Dominion Government is to be memorialized by the Board of Trade to seek the withdrawal or

amendment of the same. After the debate by the Dominion Delegates was closed, and pending the order for a vote, the American Delegates were called on and requested to give their views on the subject to the Convention. Responses were made by Messrs. Hersey, Nourse, Stevens, and Hawley, each and all saying that, as Representatives of the American Board of Trade, they had no views to offer, for the reason that the American Boards had not in any case considered the Treaty or expressed an opinion on it. Individually, however, they were happy to reciprocate the friendly expressions made by the Canadians in favour of freer intercourse, both commercially and socially, between the two countries.

It is needless to set forth in much detail the objections of the Dominion Board of Trade to the proposed Reciprocity Treaty. The Canadian newspapers are full of the objections enunciated by the Convention, and "The Tribune" has already given place to some of them. Very briefly, those objections are as follows:—

1. The Treaty will deprive the Dominion Treasury of 4,000,000 dollars' annual revenue, which, in the present condition of trade, it will be difficult to supply from other sources.

2. The Treaty surrenders or makes free the Canadian fisheries. The Canadians get no return for the freedom of their fisheries, although under the Treaty of Washington a Commission was to be appointed to assess the value thereof, and the American Government was to pay to the Dominion Government the money value assessed. The Canadians have been flattering themselves that their Treasury would derive a heavy sum from this source, and they think they should have the privileges of the American coasting trade for their ships, in return for the freedom of their fisheries given to the Americans.

3. The Treaty requires the Canadian Government within a limited (and too brief) time to widen and deepen the Welland and St. Lawrence canals, and to construct wholly a new canal from the St. Lawrence river to the head of Lake Champlain—all of which canals are to be free to American commerce. In return the United States' Government only promises to "use its influence" with the States of New York and Michigan to procure the admission of Canadian commerce to American canals. The Canadians only see the shadow, not the substance of reciprocity in this proposition.

4. The Treaty proposes the annual reduction by one-third of the present rate of duties on commodities interchanged between the two countries. The American duties they claim will average 50 per cent., while their own highest rate is 17½ per cent. After the second year their country will be practically open to free trade to the United States, so small will be their rate of duties, whereas the American rate will still be high enough to be in many cases prohibitory. Thus, they fear, their young manufacturing establishments will be crushed out by American free goods before the three years expire.

In these four statements of their side of the case, you have the pith of Canada's objections to the Treaty. There was another objection made by a few, and with no little feeling, against the British and Dominion Governments, to wit: that this Treaty seemed to be initiated by them, whereas, as the former Treaty between the United States and Canada had been abrogated on notice by the United States, it properly belonged to the latter Government to make overtures for its renewal. The national spirit of the Canadians, which is rapidly growing, is offended by this fact, but they blame their own Government, not ours, and will not sacrifice a truly Reciprocal Treaty on a point of etiquette.

No. 444.

The Earl of Derby to Mr. Watson.

(No. 262.)

Sir,

Foreign Office, August 11, 1874.

I HAVE to convey to you my approval of the note addressed by you to Mr. Fish, relative to the Draft Reciprocity Treaty, copy of which was inclosed in your despatch No. 31 of the 17th ultimo.

I am, &c.

(Signed) DERBY.

No. 445.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, August 14, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch from Her Majesty's Chargé d'Affaires at Washington, upon the subject of the proposed Reciprocity Treaty.*

I am, &c.
(Signed) TENTERDEN.

No. 446.

Lord Tenterden to Sir H. Holland.

Sir,

Foreign Office, August 20, 1874.

I AM directed by the Earl of Derby to transmit to you, to be laid before the Earl of Carnarvon, for his perusal, despatches, as marked in the margin,† upon the subject of the proposed Reciprocity Treaty.

I am, &c.
(Signed) TENTERDEN.

No. 447.

Mr. Watson to the Earl of Derby.—(Received August 24.)

(No. 54.)

My Lord,

Newport, August 8, 1874.

I HAVE the honour to inclose, for your Lordship's perusal, an interesting article (the only one I can obtain) from the "New York Commercial Advertiser" on the Reciprocity Treaty.

This article exhibits such a reciprocal dissatisfaction with the provisions of the Treaty as seems to me to establish their equity and suitableness, and the journal in question believes that the Treaty will pass the Senate.

I have, &c.
(Signed) R. G. WATSON.

Inclosure in No. 447.

Extract from the "New York Commercial Advertiser," Monday, August 3, 1874.

THE RECIPROCITY TREATY.—The necessity, or at least the desirability of a Reciprocity Treaty with the Dominion of Canada, has been pretty generally felt, both in this country and in the Dominion, ever since the late existing one was abrogated. There is, in fact, hardly room for objection to this, and it was universally anticipated that the consideration of the subject on the part of the appointees of both negotiants would result in a conclusion which should be advantageous to both parties to the Convention, and at least agreeable to one of these. It is, therefore, matter for speculation, if not for deprecation, that the draft of the Reciprocity Treaty finally agreed upon, should not only not meet with the views of either of the proposed contracting parties—so far as an informal expression of public opinion should be considered—but is actually opposed virulently by large numbers of business men, and by important commercial and business organizations in both countries. Throughout the United States, the comments upon the proposed Treaty have been generally unfavourable, by the press and by those representative bodies of merchants and manufacturers which have considered it. But the objections made here, though strenuous and pronounced, have not, as a rule, taken the shape of that extreme disagreement with the proposed stipulations which is generally current in Canada. There the press and the public have displayed a degree of vigour in their opposition to the entire framework of the Treaty, as well as to its specific stipulations, and such a decided animosity to the Canadian participation in its construction, as to be almost amusing to us more quiet lookers-on. While, probably, much of this excess of feeling is

* No. 443.

† Nos. 436, 437, 438, and 439.

attributable to personal objections and local political feeling, it is also obvious that the Canadians are very determined in resisting every approach to reciprocity in the form of a Treaty which does not offer what to their view shall appear to be really reciprocal terms. In the recent meeting of the Dominion Board of Trade at St. John, New Brunswick, Delegates from the National Board of Trade of the United States being present by invitation, the entire question of reciprocity was very thoroughly gone into, and opinions *pro* and *con* were freely advanced. It was then shown very clearly that, while the prevailing business and commercial opinion in Canada was firmly in favour of a suitable Treaty, and most kindly disposed towards the United States, yet the Treaty offered was considered generally as unfair and unequal, and objectionable in many of its features. So marked was the character of the sentiment of those concerned, that resolutions were agreed upon by the meeting authorizing a memorial to the Dominion Government, asking the alteration or withdrawal of the Treaty. It was alleged in these resolutions that the Treaty conceded privileges to the United States much more valuable than those afforded to Canada, and that its final conclusion would be largely detrimental to Canadian interests. As the wool manufacturers and iron manufacturers of the United States have, by resolution, complained of the Treaty on precisely similar grounds, viz., that the apprehended consequences of its acceptance are ruinous both to the agricultural and manufacturing interests of the country, and as this opinion is shared in a minor degree by possibly a majority of the representative men and the representative newspapers in both countries, it follows that it is a little surprising that it should be believed both in Canada and the United States that the Treaty will be confirmed. The Canadian press admit that the Dominion Government has committed itself to its stipulations, while there is a well-grounded opinion that the United States' Senate will likewise sustain and confirm it. On August 12 and 13, a meeting of the manufacturers of Ontario is to be held in Hamilton to consider the Reciprocity Treaty, when the whole subject will be fully discussed, and we shall possibly have some new light thrown on the political history of this remarkable instrument.
