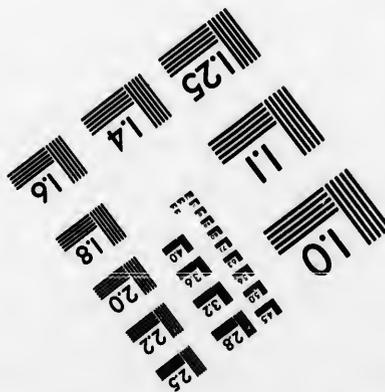
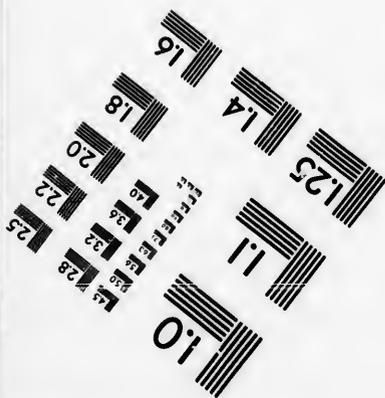
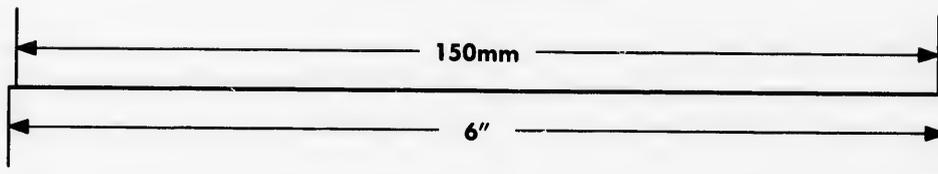
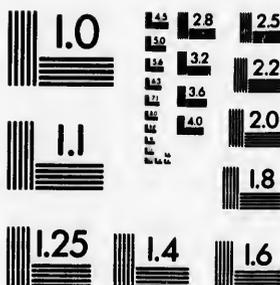
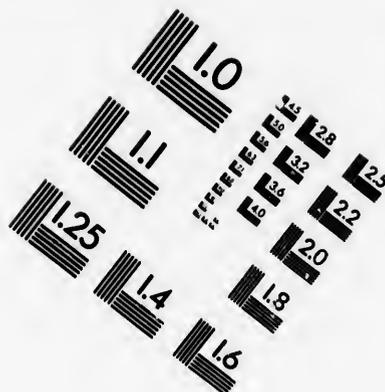
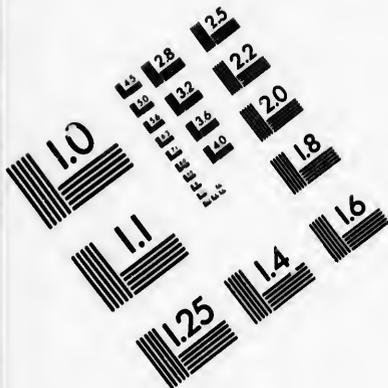


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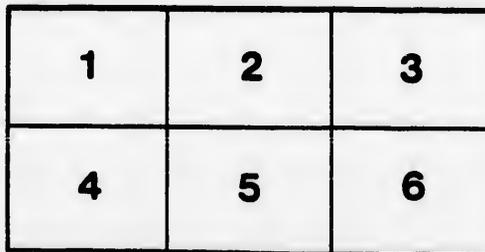
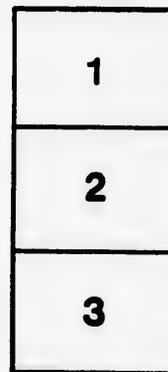
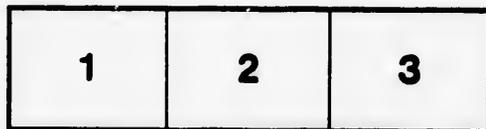
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[No. 20

PAPERS
IN
REFERENCE TO VARIOUS QUESTIONS AFFECTING
NEWFOUNDLAND AND CANADA

INCLUDING THE
CONFERENCE AT HALIFAX

HELD DURING NOVEMBER, 1892

SESSION 1893

PRINTED BY ORDER OF PARLIAMENT



OTTAWA
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FURTHER PAPERS

(20*d*, 20*e*, 20*f*.)

RESPECTING the enforcement by the Newfoundland Authorities against Canadian Vessels of the Newfoundland Act respecting the sale of Bait to foreign fishing vessels.

OTTAWA, March, 1893.

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No. 198.

Lord Knutsford to Lord Stanley of Preston.

DOWNING STREET, 30th March, 1892.

To His Excellency

The Governor-General in Council, &c., &c., &c.

MY LORD,—I have the honour to acknowledge the receipt of your despatch, no. 79, of the 10th March, forwarding the substance of the resolutions passed by the legislative assembly of Nova Scotia, respecting the proposed reciprocity convention between Newfoundland and the United States.

I have, &c.,
 KNUTSFORD.

No. 199.

VICTORIA CHAMBERS, 17 VICTORIA STREET,
 LONDON, S.W., 2nd April, 1892.

The Honourable the Premier,
 Ottawa, Canada.

SIR,—I have the honour to acknowledge the receipt of a copy of the order in council dated 3rd March, 1892, on the subject of the refusal of the government of Newfoundland to issue bait licenses to Canadian fishermen. I notice in the report signed by the minister of justice and the minister of marine and fisheries that it is recommended, in accordance with a suggestion made by Lord Knutsford, that I should be instructed as to the views of the government, and be requested to act, on behalf of the Dominion, at a conference with a representative from Newfoundland, to discuss the points at issue between the two colonies.

I desire to take the opportunity of mentioning that I have not so far received any instruction upon the subject. There was some allusion to the matter a little while ago in the newspapers, but at the moment I was under the impression that my name had been used instead of that of the minister of marine and fisheries. I found out subsequently, however, that this was not the case, but, in the meantime, Mr. Harvey, the representative of the Newfoundland government, who was in this country at the time, had returned to St. Johns.

Before, however, I knew anything at all of the proposal, I met Mr. Harvey at the St. Stephen's Club in company with Mr. Pennell, the chief clerk of the Canadian department of the colonial office, and at the request of Mr. Harvey met him at Mr. Pennell's office at the colonial office, and discussed the various points in dispute with him. Mr. Harvey informed me that the Canadian government were altogether under a misapprehension in supposing that the effect of the Bond-Blaine convention would be to discriminate against the imports of the Dominion, and showed me the new tariff in which the same reductions were made. I pointed out that I was equally under the impression, and quoted the language of the convention, which I contended would still oblige them to make a corresponding reduction below the tariff he showed me. Mr. Harvey stated that there was no intention to discriminate against Canada; but it was clear, however, to me that if the convention had gone into operation the United States would have demanded a reduction in the duties in their favour, equivalent to the advantage to be given to them under the proposed treaty.

Mr. Harvey suggested, in the course of the conversation (and showed me a memorandum to that effect), that if Canada would remove her oppositions to the Bond-Blaine convention, and suspend the duties now charged on Newfoundland fish, Canadian vessels would be allowed to get bait as heretofore, and that the imports from Canada would be

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restored to the position they formerly occupied. I could only say to Mr. Harvey that I thought the initiative lay with them, and that if they would allow Canadian fishermen to obtain bait, and remove the prohibitory duties on imports from Canada, they would receive equally favourable treatment from the Canadian government, but that the Bond-Blaine convention was a much wider question, and one that could not be adopted without a practical abrogation of the Treaty of 1818.

I naturally referred to the way in which Canada had been treated by Newfoundland, especially in view of the pledges that were given at the time the Bait Act received the royal assent, and of the exceptionally favourable treatment accorded in many ways to Newfoundland. I expressed the opinion very strongly that I thought it was to the interest both of Canada and Newfoundland to act together in matters which concerned British interests in North America, so far as it was possible to do so, and reminded him that a similar view was expressed by a joint committee, of which he was chairman, of the legislative council and house of assembly of Newfoundland, appointed to consider the subject of the export and sale of bait, when they were seeking the passage of the Bait Bill of 1886.

Of course you will understand that this interchange of opinions between Mr. Harvey and myself was of purely an informal nature, but in view of the order in council referred to above, I think it well to acquaint you with what has taken place.

I am, sir, your obedient servant,

CHARLES TUPPER.

No. 200.

Lord Stanley of Preston to Lord Knutsford.

GOVERNMENT HOUSE, OTTAWA, 30th April, 1892.

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

MY LORD,—With reference to previous correspondence on the subject of the relations between this Dominion and the colony of Newfoundland, I have the honour to forward copy of an order in council embodying a report by the minister of marine and fisheries, who represents that he has received information that it is the intention of the district court of that colony to decide that the imposition of extra duties upon Canadian goods under the provisions of the Newfoundland Revenue Act was illegal.

In view of the rumoured intention of the Newfoundland government to enact *ex post facto* legislation to legalize the exaction of these duties, ministers request that her majesty's government be moved to consider the propriety of instructing the governor of Newfoundland to refuse her majesty's assent to any such legislation.

I have, &c.,

STANLEY OF PRESTON.

[Enclosure 1 in No. 200.]

CERTIFIED COPY of a report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 25th April, 1892.

On a report, dated 19th April, 1892, from the minister of marine and fisheries, stating that important information has reached him touching the relations between Newfoundland and Canada.

The minister observes that it appears for the purpose of testing the legality of the imposition of the "extra" duties imposed by way of retaliation against Canada, upon certain articles under the (assumed) authority of the Newfoundland Revenue Act, an action was begun in the district court of that colony, against the receiver-general, to

recover back a small amount, within the jurisdiction of that court, paid under protest in extra duties.

That while, up to the time of the receipt of the information, judgment had not yet been delivered, it was generally understood that although upon a technical point—want of notice of action—the plaintiff would be non-suited, the decision of the court would establish the principle of the case in favour of the right to recover back the duties.

The minister observes further that the grounds relied upon for this decision are :—

(1.) There is a defect in the wording of the section of the Revenue Act, applicable to the case. The words "shall be levied, collected and paid" which follow the words "the following duties, etc.," have been omitted.

(2.) The main ground that the fishermen of Canada "have not the privilege of taking fish on all parts of the coasts of the colony," that privilege, a right having been taken from them by the refusal of the government of Newfoundland to issue licenses to Canadians for the purpose of catching bait fishes.

An appeal will, of course, be made from this decision to the supreme court of Newfoundland.

The minister desires to invite attention to the rumoured intention on the part of the Newfoundland government of introducing into the legislature of that colony an act to legalize the imposition of the duties already illegally imposed, and he learns that joint action is being taken by certain Canadian importers and shippers in this matter. As soon as particulars can be obtained respecting the proceedings referred to they will be laid before your excellency in council.

It is hoped that *ex post facto* legislation touching discrimination or prohibitory duties against Canadian goods will be disallowed by the imperial authorities.

The minister is not aware of any particular reason for supposing that his excellency the governor of Newfoundland would refuse assent to such a bill, unless some previous indication of the wishes of her majesty's government in that direction had been given.

The committee, on the recommendation of the minister of marine and fisheries, advise that your excellency be moved to forward copy of this minute, if approved, to the right honourable the principal secretary of state for the colonies, for the information of her majesty's government, together with a request that her majesty's government be moved to consider the propriety of instructing the governor of Newfoundland upon the subject.

All which is respectfully submitted.

JOHN J. MCGEE,

Clerk of the Privy Council.

No. 201.

Lord Stanley of Preston to Lord Knutsford.

25th April, 1892.

Canada made unconditional proposal direct to Newfoundland on the 16th inst., to resume *status quo* for this season, to enable efforts for settlement by conference or otherwise to be made, and have received an unfavourable reply.

My government now learn that the government of Newfoundland has introduced revenue bill, containing discriminating tariff against Canadian products as before, with immaterial verbal amendment.

It also contains retroactive provisions which legalize the license fees exacted in 1890 for which Canadians are now, with prospects of success, seeking redress in the courts. They hope earnestly that her majesty's government will have the bill reserved, and will, while legislation hostile to Canada is continued, decline to sanction it.

Pressure of public opinion may, it is feared, render necessary legislation respecting fishing in our waters similar to that enacted against our fishermen by Newfoundland.

STANLEY.

No. 202.

OFFICE OF THE HIGH COMMISSIONER FOR CANADA, VICTORIA CHAMBERS,
17 VICTORIA STREET, LONDON, S.W., 30th April, 1892.

The Honourable
The Prime Minister,
Ottawa.

SIR,—I have the honour to transmit herewith for your information, a copy of a letter, with enclosure, which I have received from the colonial office respecting a statement made in the Newfoundland legislature as to what passed at my interview with Mr. Blaine at Washington in April, 1891, together with a copy of my reply.

I have the honour to be, sir, your obedient servant,
CHARLES TUPPER,
High Commissioner.

[Enclosure 1 in No. 202.]

COLONIAL OFFICE, S.W., 23rd April, 1892.

SIR C. TUPPER, BART., G.C.M.G.

SIR,—I am directed by Lord Knutsford to transmit for your information a paraphrase of a telegram from the governor of Newfoundland respecting a statement made in the Newfoundland legislature as to what passed at your interview with Mr. Blaine in April, 1891.

The governor of Newfoundland has been requested by telegraph to repeat this message to Lord Stanley of Preston.

I am, &c.,
EDWARD FAIRFIELD.

[Enclosure 2 in No. 202.]

Sir Terence O'Brien to Lord Knutsford (Received April 12th, 1892, 11 p.m.) Telegraphic (Paraphrase.)

At the request of my government I forward the following minute of council :

My ministers consider it desirable that her majesty's government should be immediately informed of the following facts: On the 6th instant the leader of the opposition stated, upon the authority of Sir Charles Tupper, that Mr. Blaine asserted, at the conference held with Sir Charles Tupper and Sir J. Pauncefote on the 2nd April, 1891, that Mr. Bond had expressed intention of this government to exclude Canadians from bait privileges. As the leader of the opposition purports to quote from a despatch from Sir C. Tupper to Lord Stanley, my government immediately telegraphed to Blaine asking if statement was correct, and received the following reply: "I never stated to Sir Charles Tupper that you had expressed the intention of your Government to exclude Canadians from bait; you never said anything of the kind to me. Sir J. Pauncefote, who was present at the interview with Sir C. Tupper, says that no such a thing was said or alluded to." This emphatic reply establishes the fact that no promise was given or implied that Canadians would be excluded from bait under convention, or that United States would be in any way differentially treated.

[Enclosure 3 in No. 202.]

17 VICTORIA STREET, S.W., 28th April, 1892.

SIR,—I beg to acknowledge the receipt of Mr. Fairfield's letter of the 23rd instant, transmitting a paraphrase of a telegram from the governor of Newfoundland,

respecting a statement made in the Newfoundland legislature as to what passed at my interviews with Mr. Blaine in April of last year. It appears to me that there is some misapprehension in the matter.

I have never stated that Mr. Blaine asserted in my interviews with him that Mr. Bond had expressed the intention of the Newfoundland government to exclude Canadians from bait privileges.

What I did say in my report to the late Sir John Macdonald upon the subject was as follows:—

“Mr. Blaine said that it did not appear necessary to negotiate any treaty with Newfoundland, as that colony had expressed its readiness to give the United States the privileges they enjoyed by their own action, and that they proposed not only to give bait to United States fishermen, but to refuse to give the same privilege to Canada. I told Mr. Blaine that the Bait Act in Newfoundland had received the assent of her majesty upon the distinct pledge of Sir Ambrose Shea and the then premier of Newfoundland that Canadian vessels would not be affected by it. That I understood the courts of Newfoundland had declared that the action taken under that act was not legal. I added that her majesty had the power to disallow any bill that might be passed upon the subject by the colony.”

I have no hesitation in saying that the above quotation describes accurately what passed at my meeting with Mr. Blaine.

Mr. Blaine asked whether Newfoundland had the power to continue to grant the privileges in question to the United States, and I replied in the manner I have already indicated.

In any case it should be borne in mind that before the date of my meeting with Mr. Blaine, Newfoundland was issuing licenses to United States fishermen, and withholding them from Canadians.

I am, &c.,

CHARLES TUPPER.

No. 203.

Lord Stanley of Preston to Lord Knutsford.

GOVERNMENT HOUSE, OTTAWA, 19th May, 1892.

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

MY LORD,—With reference to your lordship's despatch no. 88, of the 9th ultimo, in which you intimated that her majesty's government would not feel warranted in referring to the judicial committee of the imperial privy council the case submitted by this government with a view to the determination of the bait controversy between Canada and Newfoundland, I have the honour to forward herewith copy of an approved minute of the privy council of Canada covering a report by the minister of marine and fisheries, who urges that her majesty's government may be moved to reconsider their decision.

The minute represents that Canada has shown all willingness to adopt as a solution of the difficulty the reference to the judicial committee suggested by your lordship, while Newfoundland has declined to accept it, and he considers that, as the consent of Newfoundland is unnecessary, and as, moreover, the case prepared by Canada is quite unobjectionable, her majesty's government might with propriety refer it independently of either Canada or Newfoundland.

I have, &c.,

STANLEY OF PRESTON.

[Enclosure 1 in No. 203.]

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 14th May, 1892.

The committee of the privy council have had under consideration a despatch, hereto attached, dated 9th April, 1892, from Lord Knutsford, respecting the bait controversy with Newfoundland.

The committee have also had under consideration a report, hereto attached, dated 10th May, 1892, from the minister of marine and fisheries, to whom the despatch above mentioned was referred, in which they concur.

The committee advise that your excellency be moved to forward a copy hereof to the right honourable the principal secretary of state for the colonies for the information of her majesty's government.

All of which is respectfully submitted for your excellency's approval.

JOHN J. MCGEE,
Clerk of the Privy Council.

[Enclosure 2 in No. 203.]

OTTAWA, 10th May, 1892.

To His Excellency the Governor-General in Council.

The undersigned has had referred to him a despatch from her majesty's principal secretary of state for the colonies, dated 9th April, 1892.

This despatch acknowledges receipt of minutes of the Canadian privy council on the bait controversy with Newfoundland, forwarded in your excellency's despatches of the 10th March last, and states that Lord Knutsford, having carefully considered these papers, believes that on reconsideration your excellency's ministers will agree with her majesty's government that they would not be warranted in placing an *ex parte* statement of this controversy, prepared by one side only, before the judicial committee of the privy council.

His lordship states that your excellency's ministers will doubtless consider whether there is any other way by which the validity of the action of the government of Newfoundland can be tested.

It will be within the recollection of your excellency that, after other expedients had apparently failed, your excellency's advisers suggested imperial legislation for the removal of the embargo placed, contrary to solemn pledges, upon Canadians under the provisions of the Newfoundland Bait Act.

The suggestion of a reference to the judicial committee of the privy council came from her majesty's government, and was promptly accepted by the government of Canada.

It does not appear that the consent of the government of Newfoundland is necessary to the submission of the case to the judicial committee.

The case in strictness need not be described as *ex parte*.

The undersigned would further observe that the questions of fact contained in a reference do not involve any collection of evidence.

No attempt has been made in the draft case to depart from a statement of undoubted facts.

The question put for decision is: "Are the contentions of the government of Canada, as above stated, or any of them, in accordance with law, and if not to what extent are they in accordance with law?"

The government of Newfoundland could not, it is submitted, with a view to procuring a correct decision, put the case differently, nor could it possibly better its own position by any other form of submission.

The undersigned begs to call your excellency's attention to the provisions of the Act 3 and 4 William IV., chapter 41, intituled: "An Act for the better Administration of Justice in His Majesty's Privy Council." This statute provides for certain

members of his majesty's government to form a committee to be styled: "The Judicial Committee of the Privy Council," before which appeals in certain cases lie. Section 4 reads as follows:—

"(IV). And be it therefore enacted that it shall be lawful for His Majesty to refer to the said Judicial Committee for hearing or consideration any such other matters whatsoever as His Majesty shall think fit, and such committee shall thereupon hear or consider the same and shall advise His Majesty thereon in manner aforesaid."

The present case seems to be one which may very properly form a reference to this committee under the provisions of the section just quoted.

It will be within the recollection of your excellency that, at the time when the Canadian government had asked that her majesty's government should be moved to adopt legislation to prevent the government of Newfoundland refusing bait licenses to Canadian fishing vessels, while freely granting them to the citizens of a foreign nation, Lord Knutsford suggested to your excellency's government, in his despatch, covered by privy council reference, no. 784 H, that a joint case should be prepared, stating the facts on behalf of the government of the dominion of Canada and that of the colony of Newfoundland for reference to the judicial committee under the particular section above referred to.

In the despatch dated 26th May, 1891, the secretary of state for the colonies informed the governor of Newfoundland that he had communicated with the law officers of the crown, and enquired whether, in their opinion, the Colonial Act of 1889 gave power to the colonial government to refuse licenses to Canadian and French fishermen, while granting such licenses to United States and colonial fishermen, and, if it did give such power, whether that power might be exercised otherwise than by proclamation of the governor under section 4 of the act. He asked whether, if the act did not give such power of discrimination, the colonial government could in its executive capacity arbitrarily exclude any class of her majesty's subjects from fishing in the British waters of Newfoundland, while allowing other British subjects and foreigners to do so.

Lord Knutsford was advised that, in the opinion of the law officers, the colonial government has power to refuse to give licenses under the act of 1889 to French fishermen, who, as foreigners not entitled to fish in the British territorial waters of Newfoundland, do not belong to the class of persons to whom the act contemplates that licenses will be granted; but that the United States fishermen are not subject to exclusion on this ground, by reason of the special right belonging to the United States, and recognized in the treaties of 1783 and 1818, to enjoy in common with British subjects, the fisheries of these waters; and that, in their opinion, the colonial government is not entitled by the act to exclude Canadians or other British fishermen from obtaining licenses.

His lordship was further advised that the act of 1889 gave, by implication, power to the colonial government to make regulations as to the mode and terms of issuing licenses, but not to discriminate between persons who at the time of its passing were entitled to fish in its territorial waters.

On the same date the secretary of state for the colonies, in notifying Sir William Whiteway of the decision of the law officers of the crown, expressed a strong hope that, as the action of the Newfoundland government was *ultra vires*, the prohibition against issuing licenses to Canadian fishermen would at once be withdrawn.

The executive of Newfoundland, however, declined to accept the decision of the law officers of the crown, and continued their policy of discrimination against Canadian fishermen.

The government of Newfoundland has, therefore, refused to accept the decision of the law officers of the crown, and also declines to take part in the reference of a joint case to the judicial committee of her majesty's privy council.

The reference to the judicial committee by her majesty's government, independently of Canada or of Newfoundland, appears to the undersigned to be now a most natural proceeding.

It is significant in this connection that the government of Newfoundland now propose retroactive legislation for the purpose of legalizing their past action.

The undersigned would also invite your excellency's attention to the fact that, having been advised that the exaction of fees from Canadian fishing vessels under the Bait Act of 1889, during the year 1890 was illegal, he arranged with the honourable the minister of justice to take steps for the recovery of the sums paid by the masters of Canadian vessels for licenses issued to them during that year. Should, however, the Newfoundland government obtain such *ex post facto* legislation, the result of these proceedings would, of course, fail.

The undersigned, therefore, recommends that your excellency should convey the request of the Canadian government that the right honourable the secretary of state for the colonies be moved to reconsider his despatch, and that the question be now referred to the judicial committee of her majesty's privy council.

The undersigned recommends that a copy of this report, if approved, be transmitted to the right honourable the principal secretary of state for the colonies, for the information of her majesty's government.

Respectfully submitted,
CHARLES H. TUPPER,
Minister of Marine and Fisheries.

[Enclosure 3 in No. 203.]

Lord Knutsford to Lord Stanley of Preston.

DOWNING STREET, 9th April, 1892.

To His Excellency the Governor General, &c., &c., &c.

MY LORD,—I have the honour to acknowledge the receipt of your despatches nos. 66 and 67, of the 10th of March, forwarding minutes of the Dominion privy council respecting the bait controversy with Newfoundland.

I have carefully considered these papers, and I think that on reconsideration your ministers will agree with her majesty's government that they would not be warranted in placing an *ex parte* statement of this controversy prepared by one side only before the privy council.

Your ministers will doubtless consider whether there is any other way by which the legality of the action of the Newfoundland government can be tested.

I have, &c.,

KNUTSFORD.

No. 204.

Lord Knutsford to Lord Stanley of Preston.

DOWNING STREET, 17th May, 1892.

To His Excellency the Governor General, &c., &c., &c.

MY LORD,—I have the honour to acknowledge the receipt of your despatch no. 82 of the 11th of March enclosing copy of an order in council respecting the relations between the Dominion and Newfoundland.

You will have learned from my telegram of the 9th of March that the proposed conference here is no longer practicable as Mr. Harvey had returned to Newfoundland.

With regard to the question whether the draft convention between Newfoundland and the United States involves discrimination in favour of the latter and against Canada, I have already placed my views before you in my despatch of the 26th of March.

I have, &c.,

KNUTSFORD.

No. 205.

Lord Stanley of Preston to Lord Knutsford.

GOVERNMENT HOUSE, OTTAWA, 25th May, 1892.

The Right Honourable the LORD KNUTSFORD, K.C.M.G., &c, &c., &c.

MY LORD,—On the 18th April, I received from the governor of Newfoundland a telegram repeating under your lordship's instructions a telegram which he had sent to your lordship on the 12th of that month relative to a statement alleged to have been made by Mr. Morine, the leader of the opposition in the Newfoundland legislative assembly, as to the intention of Newfoundland to exclude Canadians from bait privileges, which had been contradicted by Mr. Blaine. This telegram was referred to my ministers for consideration, and I now have the honour to transmit copy of an approved minute of the privy council maintaining the accuracy of the statement made by Mr. Morine, and representing that Mr. Blaine's contradiction applied to an incorrect version of the statement.

I have, &c.,

STANLEY OF PRESTON.

[Enclosure 1 to No. 205.]

CERTIFIED COPY of a report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 18th May, 1892.

The committee of the privy council have had under consideration a telegram, hereto attached, from his excellency Sir Terence O'Brien, governor of Newfoundland, stating that he had been desired by Lord Knutsford to repeat to your excellency a telegram sent to him on the 12th April, 1892.

This telegram refers to a statement made by the leader of the opposition in the legislature of Newfoundland touching a reported assertion by Mr. Blaine as to the attitude of Newfoundland towards Canada under the Bond-Blaine convention.

The undersigned has ascertained that the source from which Mr. Morine obtained the information which he used in support of his statement in the legislature was a letter written a year ago by Sir Charles Tupper to the late Sir John A. Macdonald, detailing the substance of a conversation exchanged with Hon. Mr. Blaine, in the presence of her majesty's minister, in which Mr. Blaine is represented as stating that they (Newfoundland) proposed not only "to give bait to United States' fishermen, but to refuse to give the same privilege to Canada."

This letter was published in the Canadian Sessional Papers of 1891, together with other correspondence on the subject, and has been before the public ever since, without its accuracy being questioned by any one.

It will be further observed that in the phraseology of Mr. Bond's telegram, the words "had expressed the intention of this government to exclude Canadians from the bait privileges," are calculated to mislead.

The minister observes that the question would have been properly put had the language used in Sir Charles Tupper's letter been adopted, viz.:—"That they proposed not only to give bait to United States' fishermen, but to refuse to give the same privileges to Canada."

It is submitted that the correct presentment of the case suggests that the proposal was conditional upon certain contingencies involved in the ratification of the convention.

The former presentment, for which there is no justification afforded by the letter of Sir Charles Tupper, asserts that an actual expression of the intention of the government of Newfoundland to exclude Canadians from the bait privileges had been authoritatively given, and that such intention was in no way contingent upon any future arrangements to be entered into between the United States and Newfoundland.

Whatever treatment Newfoundland was to extend to the United States had no connection with her already established relations with Canada, and, if it could be held that the incident of the conversation should turn on a question of memory, Mr. Bond is not assisted in establishing that it was not the intention of his government to discriminate against Canada, for the conference was held on the 2nd April, while Mr. Bond had already issued instructions to the officials of Newfoundland, dated 20th March, entirely excluding Canadians from participating in the bait privilege.

The minister further observes that the conclusion of the despatch of the governor of Newfoundland reiterates the point which the Newfoundland authorities have laboured so hard to maintain—that no promise was implied or given that Canadians would be excluded from bait, or that the United States would be treated differentially in any way.

Whatever force could be given to this argument under different circumstances, cannot, it is submitted, apply under those existing, as the absence of any specific statement, that it was intended to discriminate against Canada, could not be held effective as against an actual and persistent discrimination being exercised on every opportunity, in favour of the United States' citizens against Canadians.

The committee, on the recommendation of the minister of marine and fisheries, advise that your excellency be moved to forward a copy of this minute to the right honourable the secretary of state for the colonies, for the information of her majesty's government.

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

JOHN J. MCGEE,

Clerk, Privy Council.

No. 206.

OFFICE OF THE HIGH COMMISSIONER FOR CANADA,
VICTORIA CHAMBERS, 17 VICTORIA STREET, LONDON, S.W., 18th May, 1892.

The Hon. J. J. C. ABBOTT, Q.C.

DEAR MR. ABBOTT,—I send, for your information, a cutting from the *Times* of Friday last, in which you will notice that the under secretary of state for foreign affairs, in reply to a question in the house of commons, stated that the government had decided not to approve the proposed convention between Newfoundland and the United States, and that they were unable to depart from the position taken up that negotiations between the United States and Newfoundland must proceed *pari passu* with negotiations for any arrangement between Canada and the United States.

I had a long conversation a day or two ago with Lord Knutsford upon the subject, when he informed me that the government had arrived at the decision to which I have referred. He informed me, however, that it would strengthen his hands a good deal with his colleagues, if the Canadian government did not extend their retaliatory policy against Newfoundland. His lordship stated that the government recognized that the only way out of the difficulties of Newfoundland was the admission of the colony into the Dominion, and they were extremely anxious that nothing should be done likely to retard this very desirable consummation. At the same time he frankly recognized the provocation the Dominion had received, and also the injury inflicted upon Canadian fishermen and traders by the hostile policy of our neighbours. In these circumstances I thought it desirable to send the following telegram to you in cipher yesterday:—

"Long conversation Knutsford last night. Government decided not to permit Newfoundland arrangement with States unless Canada included."

Yours faithfully,

CHARLES TUPPER.

[Enclosure 1 in No. 206.]

The Times, 13th May, 1892.

NEWFOUNDLAND.

Mr. F. Evans asked the under-secretary for the colonies upon what day he would lay upon the table the correspondence which had passed between her majesty's government and the government of Newfoundland, respecting the proposed convention recently agreed between the governments of the United States and of Newfoundland.

Baron H. de Worms.—Papers will be presented as soon as the interests of the public service permit.

Mr. F. Evans.—Am I to understand that on a question so closely affecting the welfare of the people of Newfoundland a little closer answer cannot be given by the government?

Baron H. de Worms.—It would be contrary to precedent to present papers until negotiations are completed.

NEWFOUNDLAND AND UNITED STATES CONVENTION.

Mr. F. Evans asked the under-secretary of state for foreign affairs whether her majesty's government had declined to assent to the convention between the United States government and the government of Newfoundland.

Mr. J. W. Lowther.—The answer to the honourable member's question is in the affirmative. Her majesty's government have not been able to depart from the position which they have taken up that the negotiations of a convention between the United States and Newfoundland must proceed *pari passu* with the negotiation of an arrangement between Canada and the United States.

No. 207.

HALIFAX, N.S., 18th May, 1892.

Hon. CHARLES H. TUPPER,
Minister of Marine and Fisheries, Ottawa.

Will you please telegraph me how many trap licenses issued to Newfoundlanders last?

A. G. JONES.

No. 208.

OTTAWA, 20th May, 1892.

Hon. A. G. JONES, Halifax, N.S.

Enquiry being made to answer your telegram definitely about Labrador licenses.

CHARLES H. TUPPER.

No. 209.

OTTAWA, 20th May, 1892.

Commander WAKEHAM,
SS. "La Canadienne," Gaspé.

Call at Esquimalt Point for instructions re cod traps.

WILLIAM SMITH,

Deputy-Minister of Marine and Fisheries

No. 210.

OTTAWA, 21st May, 1892.

Commander WAKEHAM,
SS. "La Canadienne," Gaspé.

Status quo 1889 to be reverted to between Canada and Newfoundland. A fair division of traps will, therefore, be made to fishermen of both countries this season in Labrador.

CHARLES H. TUPPER.

No. 211.

Lord Knutsford to Lord Stanley of Preston.

(Paraphrase.)

21st May, 1892.

The following message has been received from the governor of Newfoundland:—

"My ministers request me to transmit the following message:—

"Upon consideration of proposal in the telegram from the secretary of state for the colonies of the 16th ult. to revert to *status quo* of 1889 for the current year, and for conference to effect an amicable adjustment of existing differences, and also of Lord Knutsford's despatch of 7th instant, it was resolved that, in order to meet the views of her majesty's government, and to restore friendly relations between the two colonies a communication conveying an expression of these views be sent to the governor general of Canada."

Your government should communicate as soon as possible with the Newfoundland government. I am confident that this will be received with great satisfaction in Canada.

KNUTSFORD.

No. 212.

Sir T. O'Brien to Lord Stanley of Preston.

(Paraphrase.)

21st May, 1892.

I am requested by my ministers to transmit the following message:—

My government agree, in order to meet the views of her majesty's government, as contained in despatch from colonial office, dated 7th instant, and telegram of 16th ult., to revert, pending conference, to the *status quo* of 1889 for the current year.

Additional duties on Canadian products will be removed on the receipt of intimation that your government have removed duties on Newfoundland products.

O'BRIEN.

No. 213.

Lord Stanley of Preston to Sir T. O'Brien.

(Paraphrase.)

22nd May, 1892.

The Canadian government has received your message with satisfaction.

A proclamation suspending duties on Newfoundland fish and fish products is being prepared, but under the statute it should recite that Newfoundland duties have been reduced. It is hoped that your government will be able to announce, without delay, the removal of the additional duties.

Arrangements will be made to effect complete reciprocity in remission of duties in the meantime.

STANLEY.

No. 214.

*Lord Stanley of Preston to Lord Knutsford.**(Paraphrase.)*

22nd May, 1892.

Your telegram of May 21st respecting Newfoundland.

I had received yesterday morning telegram to same effect, and in reply, telegraphed that we received message with satisfaction, and that proclamation suspending duties on Newfoundland fish and fish products was being prepared. Meanwhile arrangements will be made to effect complete reciprocity in remission of duties. We cannot under the statute issue it until Newfoundland duties have been reduced, but it will be issued the moment we receive announcement of removal of additional duties.

STANLEY.

No. 215.

OTTAWA, 23rd May, 1892.

W. WAKEHAM, Gaspé.

License book does not show any licenses issued Newfoundlanders. What licenses did you issue Newfoundlanders?

WM. SMITH,
Deputy-Minister of Marine and Fisheries.

No. 216.

*Sir Terence O'Brien to Lord Stanley of Preston.**(Paraphrase.)*

23rd May, 1892.

As duties came on automatically under Revenue Act on your putting duties on our fish, they will, when you take off your duty, come off in the same manner.

O'BRIEN.

No. 217.

*Lord Stanley of Preston to Sir Terence O'Brien.**(Paraphrase.)*

24th May, 1892.

Your telegram of the 23rd.

If neither party can move till the other moves first it is obvious deadlock. Could not a formal notice of intention to remove duties reciprocally say from 1st June be accepted as sufficient on both your side and ours?

STANLEY.

No. 218.

*Sir T. O'Brien to Lord Stanley of Preston.**(Telegram.)*

24th May, 1892.

Referring to my telegram of 23rd May should you anticipate any difficulty, we should both of us fix on date for removal simultaneously of imposition of duties on product of both countries.

O'BRIEN.

No. 219.

PASSENIAC, 24th May, 1892.

WM. SMITH, D.M. M. and F.

Eight licenses from number 411 to 418 in license book : Captains Penny, Blandford, two Shetlers, Begruvey, Brown, Buckle and Whitely.

W. WAKEHAM.

No. 220.*Sir T. O'Brien to Lord Stanley of Preston.**(Paraphrase.)*

25th May, 1892.

My ministers agree on mutual notice to remove duties on and after Friday, 27th inst.

Proclamation will be issued upon your reply concerning this.

O'BRIEN.

No. 221.*Lord Stanley of Preston to Sir Terence O'Brien.**(Telegram.)*

OTTAWA, 26th May, 1892.

Dominion government agree to remove duties on and after Friday 27th inst., on the understanding that on that day Newfoundland government do likewise, and also remove restrictions as to bait fishes. Please telegraph as soon as instructions are issued, but our proclamation will issue to-morrow afternoon on the assumption that the agreement has been carried out by Newfoundland.

STANLEY.

No. 222.*Sir Terence O'Brien to Lord Stanley of Preston.**(Telegram.)*

27th May, 1892.

Notice inserted in *Gazette* to-day that extra duties levied under section 13 Revenue Act 1891, will not be collected on and after this date. Dominion government having removed duties on fish and fish products exported from Newfoundland into Dominion of Canada, notice has been given by telegraph to officials to grant bait licenses to Dominion fishermen upon same terms as to Newfoundland fishermen giving similar bonds.

O'BRIEN.

No. 223.*Lord Stanley of Preston to Sir Terence O'Brien.**(Telegram.)*

OTTAWA, 27th May, 1892.

Thanks for telegram. Our proclamation passed through privy council and will appear in *Canada Gazette* to-morrow, so that I hope all difficulty departs for the present.

STANLEY.

No. 224.

*Lord Stanley of Preston to Lord Knutsford.**(Telegram.)*

OTTAWA, 27th May, 1892.

I sent following message to governor of Newfoundland, 26th May:—
 "Dominion government agree to remove duties on and after 27th May, on the understanding that on 27th May, Newfoundland government do likewise, and also remove restrictions as to bait fishes. Please telegraph as soon as instructions are issued, but our proclamation will issue 27th May, on the assumption that the agreement has been carried out by Newfoundland." This is satisfactory so far.

STANLEY.

No. 225.

*Lord Stanley of Preston to Lord Knutsford.**(Telegram.)*

OTTAWA, 28th May, 1892.

My telegram of 25th April, private. I learn that a bill of same purport is being pressed through legislature just now. I hope that it will not be allowed to pass without reservation. It appears to me to be objectionable, both as being unfair and as being retroactive.

STANLEY.

No. 226.

*Lord Knutsford to Lord Stanley of Preston.**(Telegram.)*

30th MAY, 1892.

H. M. G. learn with satisfaction intelligence in your telegram of 27th May as to Newfoundland.

KNUTSFORD.

No. 227.

*Lord Stanley of Preston to Sir Terence O'Brien.**(Telegram.)*

OTTAWA, 30th May, 1892.

Sincerely glad that matters are on a better footing. We fully appreciate conciliatory attitude and reciprocate kind feeling. Could you now ascertain informally what their views are about a conference. It appears to me that it would be best held in London. One of our principal ministers will probably be there before long upon other business and you might prefer him to high commissioner. What would suit best as to time? On hearing from you I propose to telegraph secretary of state for the colonies. This telegram unofficial, but Dominion ministers would agree. Please show it to prime minister if you think fit.

STANLEY.

No. 228.

*Lord Knutsford to Lord Stanley of Preston.**(Telegram.)*

31st May, 1892.

Referring to your telegram of 28th May, following telegram sent to governor of Newfoundland, May 26th:—"Law officers of the crown advise as regards customs duties levied under section 13 of Revenue Act, 1891. Queen may be properly advised to allow retrospective provisions contained in your telegram of 27th April; as regards license fees under Bait Act, they advise under any pretence statutory or other authority for charging such fees ought to be sanctioned by retrospective legislation; if Revenue Bill amended accordingly you may assent to it." Section 13 of Newfoundland Act was adopted in 1885 in view of section 4 of Canada Customs Act of that year. I hope that negotiations about to be begun will result in modifications in sections of Canadian and Newfoundland Acts referred to. Despatch follows by mail.

KNUTSFORD.

No. 229.

Lord Knutsford to Lord Stanley of Preston.

DOWNING STREET, 31st May, 1892.

Governor General, &c.

MY LORD,—I have the honour to acquaint you that her majesty's government have had under consideration your despatches and telegrams respecting the Revenue Bill which has been passed by the legislature of Newfoundland.

Her majesty's government have given their careful attention to the representations of your ministers on the subject of section 13 of this bill, which provides for the levying in certain circumstances of discriminating duties on Canadian goods, but they have ascertained that the same clause has been included in every Newfoundland Revenue Act since 1885, when it was inserted in view of the duty imposed by the Dominion Customs Act of that year on fish from Newfoundland and other countries.

Her majesty's government have therefore been unable to take so serious a step as to instruct the governor to reserve the bill on account of this provision, as urged by your ministers.

I venture to hope that during the negotiations with Newfoundland upon which your government are about to enter it may be found possible to arrange for the mutual withdrawal of the sections in the Canadian and Newfoundland Revenue Acts which have given rise to the present difficulty.

With regard to the retrospective provisions of the measure, as to the duties levied under the similar clause in the act of 1891 and the sums paid for license fees under the Bait Act in 1890, with a view to the full consideration of these provisions, I instructed the governor that unless they were accompanied by a suspending clause he must reserve the measure.

The question was then referred to the law officers of the crown, and they have reported that her majesty may be properly advised to assent to the legislation by retrospective legislation of the duties levied under section 13 of the Revenue Act of 1891, but that with respect to the sums charged for license fees under the Bait Act in 1890, as there was no statutory or other authority for charging such fees they ought not to be sanctioned by retrospective legislation.

I have, therefore, in accordance with this opinion informed the governor of Newfoundland that if the bill is amended by the omission of the retrospective provisions as to the bait license fees he may assent to it.

I have, &c.,

KNUTSFORD.

No. 230.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 6th June, 1892.

The committee of the privy council have had under consideration a confidential despatch, hereto attached, dated 26th March, 1892, from the right honourable the secretary of state for the colonies, acknowledging the receipt of a telegram from your excellency dated 15th March, 1892, stating the views of the Canadian government as to the manner in which the draft Newfoundland convention discriminates against Canada in favour of the United States.

The committee have had also under consideration the annexed report from the minister of marine and fisheries, to whom the despatch was referred in which they concur.

All of which is respectfully submitted.

JOHN J. MCGEE,
Clerk of the Privy Council.

[Enclosure 1 in No. 230.]

DEPARTMENT OF MARINE AND FISHERIES,
OTTAWA, 19th April, 1892.

To His Excellency the Governor-General in Council.

The undersigned has had under consideration the privy council reference no. 1122 h, 7th Ap., 1892.

It covers a confidential despatch from her majesty's principal secretary of state for the colonies, dated 26th March, which acknowledges the receipt of a telegram from your excellency dated 15th ultimo, stating in what manner the draft convention between Newfoundland and the United States discriminates against Canada in favour of the United States.

After quoting sections IV and V of this draft, referring to their meaning and stating that it was natural in an arrangement applying solely to the United States that goods imported only from that country should be mentioned, his lordship proceeds to argue that there is nothing in article IV to imply that Newfoundland will not extend to other countries the same scale of duties. Lord Knutsford is of opinion also that even if the convention had come into force, an act of the legislature of Newfoundland would be necessary to affect the rates of duty on imports.

He further points out that section 22 of the Newfoundland Tariff Act makes the reduction of duty on flour and pork, on the coming into force of the convention, of general application.

Your excellency's ministers are assured by his lordship that her majesty will not be advised to give assent to any legislation by Newfoundland discriminating directly against the products of the Dominion.

His lordship then, touching the draft convention, the treaty of 1818, and the act of 1819—while admitting that privileges in excess of those allowed under that treaty would be secured to United States' citizens—suggests that similar privileges were accorded United States' vessels by the Canadian government under licenses for a fee of \$1.50 per ton, and that so far as Canada was concerned, the draft convention would leave the treaty of 1818 absolutely unimpaired.

The undersigned, on the important feature of discrimination, would refer to a joint report of the honourable the minister of justice and himself, embodied in an approved minute of council of 12th December, 1890, and the minute of council of 29th January, 1891.

These reports discussed the discrimination involved in the draft convention while under discussion.

20d, e, f—2

The opinion of your excellency's government was further expressed by an approved minute of council (no. 972 H.) embodying a report of the undersigned, dated 3rd March, 1892, upon a despatch from the governor of Newfoundland, dated 26th December, 1891, communicating a minute of the executive council, declining to take part in the submission of a case to the judicial committee of her majesty's privy council.

The undersigned now has the honour to submit that not only was discrimination contemplated by Newfoundland in favour of the United States of America against the Dominion of Canada, as indicated by sections 4 and 5 of the draft convention, but that to discriminate against Canada was, and is the intention of the government of Newfoundland, is the more clearly established by the fact that, at the time of the convention, the general duty on flour and pork was higher than the duty named in the draft convention.

It is of importance to note, in this connection, that, subsequently, the revenue bill transmitted by the governor of Newfoundland for royal assent expressly provided for such discrimination. One of the delegates from Newfoundland on the French Shore Question, and a member of the legislature of Newfoundland, informed the undersigned that this bill was returned to Newfoundland for amendment, and it was amended by the executive and not by the legislature, so that the general duties and those under the convention were made to appear the same.

From the above there would appear to be abundant evidence that so soon as the treaty is ratified the legislature of Newfoundland will be asked to raise the general duties, otherwise the effort of the United States to limit the duties on goods from that country is not easily understood.

The undersigned desires to invite your excellency's attention to the present discrimination under a substantially prohibitive tariff against Canada as indicative of the intention of the Newfoundland government in this direction.

To show that the interpretation of the proposed arrangement is correct, the undersigned refers to an article published in the *New York Tribune* of 13th November, 1890, a recognized organ of the administration of that country, as well as by the attempts on the part of the United States to introduce the principle of discrimination in the recent treaty with the West Indies.

The undersigned submits also, and it should not be forgotten, that independently of any treaty and apparently upon an informal and secret understanding, fishing vessels of the United States of America now, and since the negotiations, have been enjoying in the waters of Newfoundland privileges contrary to the provisions of the treaty of 1818, which are denied the fishing vessels of the Dominion of Canada, and to those of any other country except the vessels of the United States.

This particular feature of the case formed the subject of a special report to your excellency dated 4th March, 1892, embodied in an approved minute of council, (no. 368) to which attention is again directed.

While his lordship's assurance that "Her Majesty will not be advised to assent to any Newfoundland legislation discriminating directly against the products of the Dominion" is very gratifying, it is nevertheless the fact that the governor of Newfoundland annually approves of orders in council directly discriminatory and prohibitory to Canada, which are contrary to law, according to the law officers of the crown, and fiscal duties substantially prohibitory are at present being enforced in Newfoundland against goods from Canada.

The undersigned cannot refrain from reminding your excellency, in dealing with the draft treaty and the intention and purpose of the Newfoundland government, of the past assurances and broken pledges of that executive, and of the unfriendly treatment experienced by Canada at the hands of Newfoundland, your excellency's government is naturally apprehensive of any legislation which gives that colony the power to further discriminate against Canada. So that, if article IV of the convention may be construed as not implying that Newfoundland would refuse to others the scale of duties specified for articles from the United States, it certainly affords no guarantee upon which her majesty's government could rely that British interests would not be sacrificed to those of a foreign power.

The undersigned takes this opportunity to call your excellency's attention to an important feature of the draft convention, to which the Canadian government, it is true, has already objected, but which is not dealt with by Lord Knutsford.

Under the provisions of the convention, it is proposed, in substance, by the United States' government, to favour the goods of Newfoundland in preference to those of Canada.

This feature of discrimination is clear.

To this the Canadian government strongly objects. It involves a policy fraught with the gravest consequences in the consideration of imperial interests in British North America. It is practically an attempt to divide those interests which have hitherto been united.

It is in effect a proposal to buy most favoured treatment through a surrender on the part of Newfoundland of the most important rights acquired for British America as a whole by the convention of 1818.

The undersigned submits that the interest involved under this convention of 1818 concern neither Canada nor Newfoundland alone; but, affecting both, as they do, they concern Canada to a much greater degree than Newfoundland.

In the opinion of the undersigned a sanction of the draft convention amounts, in effect, to the destruction of important fishery clauses of the treaty of 1818.

The secretary of state of the United States may very properly seek the attainment of this end, but it is yet believed by your excellency's government that no government in Great Britain will aid him in the endeavour.

His lordship refers to the action of Canada in granting licenses to United States' fishing vessels under the terms of what was known as the *modus vivendi* of 1888.

Your excellency will observe that Canada is pursuing, in this regard, a policy highly endorsed by her majesty's government and in accordance with the understanding of her majesty's commissioners and a representative of the government of Newfoundland at Washington in 1888, and subsequently sanctioned by the legislatures of Newfoundland and Canada, and always by acts of parliament. In this arrangement Newfoundland co-operated with Canada, until it appeared possible to that colony that advantage could be gained for Newfoundland at the cost of Canadian interests.

It is not to be forgotten, moreover, that the licenses granted to United States' fishing vessels in Canadian waters preserve intact every provision of the treaty of 1818, since the limited privileges granted from year to year are sold at a rate of \$1.50 on each registered ton of the vessel whose owner takes out a license.

No discrimination in the United States or in Canada is obtained in exchange for this arrangement, and no interest of Newfoundland or of the British empire is impaired.

On the other hand it is now proposed by the draft convention, and contemporaneous action on the part of Newfoundland, to exclude Canadian vessels from the enjoyment of privileges which are to be given free for a term of years to vessels of the United States, and contrary to the provisions of the treaty of 1818.

The cases are not, therefore, it is submitted, analogous.

In conclusion, the undersigned remarks that the reference to imperial legislation in this connection was made in order to strengthen the position taken by Canada when claiming that the draft convention involved Canadian interests as well as those of Newfoundland, and it is submitted that the imperial parliament could and should protect these interests, which so much affect the prosperity and solidarity of the British empire.

The undersigned thoroughly agrees with Lord Knutsford in the manifest desirability of removing any misapprehensions as to matters of fact and intention, so as to leave the way open to a friendly settlement of the question at issue.

The undersigned recommends that a copy of this report, if approved, be forwarded to the right honourable the principal secretary of state for the colonies, for the information of her majesty's government.

Respectfully submitted,

CHARLES H. TUPPER,

Minister of Marine and Fisheries.

[Enclosure 2 in No. 230.]

(Despatch 26th March, 1892.)

(See No. 190, papers relating to Canada and Newfoundland. Session of 1892, page 183, 23c, d, e, f, and h.)

No. 231.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council approved by His Excellency the Governor General in Council on the 6th June, 1892.

The committee of the privy council have had under consideration a despatch dated 30th April, 1892, from the honourable the high commissioner for Canada, transmitting a copy of a letter with enclosures, received by him from the colonial office, respecting a statement made in the Newfoundland legislature as to what passed at an interview between the high commissioner and Mr. Blaine at Washington in 1891, also his reply thereto.

The minister of marine and fisheries, to whom the despatch was referred, observes that the high commissioner quotes the language used by him in the communication to the late prime minister of Canada in connection with his interviews at the conference at Washington during the year 1891.

The minister, in this connection, desires to call attention to the minute of council, dated 18th May, 1892, upon the same subject, which deals more fully with the statement as made in the Newfoundland legislature.

The committee, on the recommendation of the minister of marine and fisheries, advise that your excellency be moved to forward a copy hereof, together with copies of the despatch of the high commissioner, with its enclosure, to the governor of Newfoundland, for his information.

All of which is respectfully submitted.

JOHN J. MCGEE,
Clerk of the Privy Council.

[Enclosure 1 in No. 231.]

(See no. 202 preceding.)

[Enclosure 2 in No. 231.]

(See Enclosure no. 1 in no. 202 preceding.)

[Enclosure 3 in No. 231.]

(See Enclosure no. 2 in no. 202 preceding.)

[Enclosure 4 in No. 231.]

*(See Enclosure no. 3 in no. 202 preceding.)***No. 232.***Lord Stanley of Preston to Sir Terence O'Brien.*

OFFICE OF THE GOVERNOR-GENERAL'S SECRETARY,
OTTAWA, 11th June, 1892.

His Excellency Sir TERENCE O'BRIEN, K.C.M.G.

SIR,—With reference to your telegram of the 18th April last, dealing with a statement alleged to have been made by the leader of the opposition in the Newfoundland legislative assembly on the authority of Sir Charles Tupper, as to the intention of Newfoundland to exclude Canadians from bait privileges, I have the honour to forward herewith a copy of an approved minute of the privy council, 6th June, 1892, submitting copy of a despatch, with its enclosures, received from the high commissioner on this subject.

It will be observed that the high commissioner denies having made use of the statement attributed to him in your telegram, and quotes the exact language of his report to the late Sir John Macdonald, which would appear to have been misapprehended.

I have, &c.,
STANLEY OF PRESTON.

No. 233.

Lord Knutsford to Lord Stanley of Preston.

JUNE 17th, 1892.

We have reason to believe Newfoundland government prefer Canada to this country as meeting place for conference in relations with Canada. Your ministers should communicate with Newfoundland government as to best practical arrangements for meeting.

KNUTSFORD.

No. 234.

Lord Knutsford to Lord Stanley of Preston.

DOWNING STREET, 21st June, 1892.

The Governor-General,
&c., &c., &c.

MY LORD,—I have the honour to acknowledge the receipt of your despatch no. 157 of the 19th May, forwarding copy of an approved minute of the privy council again urging that the case prepared by the Dominion government as to the legality of the action of the Newfoundland government in refusing to issue bait licenses to Canadian fishermen should be submitted to the judicial committee of the privy council.

Since the date of your lordship's despatch, a considerable change has taken place in the attitude of Newfoundland on this question, and her majesty's government hope that the friendly discussion of the matter between the two governments which is to take place will result in a permanent and satisfactory arrangement on this point. In these circumstances her majesty's government do not think it advisable at present to take the further steps indicated by your ministers.

I have, &c.,
KNUTSFORD.

No. 235.

Lord Knutsford to Lord Stanley of Preston.

DOWNING STREET, 6th July, 1892.

Governor General,

The Right Honourable Lord Stanley of Preston, G.C.B.

MY LORD,—With reference to my telegram of the 31st May, I have the honour to acquaint you, that although I have felt unable to authorize the governor of Newfoundland to issue a proclamation bringing into force the section of the Newfoundland Revenue Act, which sanctions the collection of the bait license fees imposed during 1890, I am strongly of opinion that as the government of that colony have now adopted a more friendly attitude towards Canada, it would be a graceful act on the part of your ministers and in accordance with the spirit of the *modus vivendi* agreed upon between the two governments, if they were to withdraw the actions which it is understood they have brought for the recovery of the sums paid for these license fees.

There is still, unfortunately, considerable feeling against Canada existing in Newfoundland, and this cannot fail to be intensified should these actions be pressed, and thus the good hopes which her majesty's government have entertained of establishing the relation of the two colonies on a permanent and satisfactory footing might be seriously imperilled.

The sums paid do not amount to much in the aggregate, and the persons who have paid them have no doubt long since written them off, so that little hardship would be entailed on individuals by the withdrawal of the actions, and I am confident that the forbearance of your government to press their claims in this matter would be highly appreciated in Newfoundland, while it would certainly be viewed with satisfaction by her majesty's government.

I have, &c.,
KNUTSFORD.

No. 236.

Sir F. B. T. Carter to Lord Stanley of Preston.

The Governor-General, &c., &c., &c.

GOVERNMENT HOUSE, ST. JOHN'S, 12th July, 1892.

MY LORD,—With reference to your lordship's despatch of the 11th June last, respecting a statement alleged to have been made by Sir Charles Tupper in relation to the exclusion of Canadians from British privileges within this colony, I have the honour to state that I have submitted your lordship's despatch, with enclosures, to the executive council.

I have, &c.,
F. B. T. CARTER, *Administrator.*

No. 237.

The Marquis of Ripon to Lord Stanley of Preston.

His Excellency
The Lord Stanley of Preston.

DOWNING STREET, 26th August 1892.

MY LORD,—I have the honour to acknowledge the receipt of your despatch of the 30th of June, forwarding a copy of an approved minute of the privy council dealing with the question of discrimination between Newfoundland and the United States.

In reply I have to acquaint you, for the information of your ministers, that I must not be supposed to assent to the contentions raised in this minute, as they have already been dealt with in previous communications. I do not think it necessary to discuss them further.

I would observe, however, that there would appear to have been some misunderstanding between the minister of marine and fisheries and one of the delegates from Newfoundland respecting the mode of enacting the Newfoundland Revenue Bill of 1891.

That measure was received in this department from the colony exactly in the form in which it now stands amongst the statutes of the colony; it was not returned to Newfoundland for amendment, and it will be seen from the Journals of the Newfoundland legislature of the 4th of May, 1891, that the amendment in question was made in the usual manner by the legislature.

I have, &c.

RIPON.

No. 238.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 12th September, 1892.

The committee of the privy council have had under consideration a despatch, dated 6th July, 1892, from the right honourable the principal secretary of state for the colonies, advising of the inability of her majesty's government to authorize the government of Newfoundland to issue a proclamation bringing into force the section of the Newfoundland Revenue Act which sanctions the collection of the bait license fees imposed during 1890.

The minister of marine and fisheries, to whom the despatch was referred, observes that his lordship the secretary of state for the colonies expresses himself as strongly of the opinion that, under the changed condition of affairs between the colony of Newfoundland and the dominion of Canada, it would be a graceful act on the part of the Canadian government, and in accordance with the spirit of the *modus vivendi* agreed upon, if they were to withdraw the actions brought for the recovery of the sums paid for such license fees.

The minister further observes that it is said that the sums paid do not, in the aggregate, amount to much, and the persons who have paid them have no doubt long since written them off, and that little hardship would be entailed by the withdrawal of the actions, while it would be appreciated by Newfoundland, and be viewed with satisfaction by her majesty's government.

The minister suggests that, in his view, according to the understanding under which proceedings were instituted, the Canadian government would seem to be under a moral obligation to the litigants to carry on these suits, if possible, to a successful termination, nor could the claimants be asked to forego their demands unless Canada were prepared to assume the liability of Newfoundland. However small the amounts, the claimants are for the most part ill able to afford their loss, and the minister does not conceive that the hope of establishing good relations with Newfoundland, would be seriously impaired by insistence on what Canada is advised is a just and legal claim, inasmuch as it is not to be presumed that the government of Newfoundland would desire to retain any amount which might be found by the proper tribunal to have been exacted without the authority of the law.

The minister, with every desire to promote good feeling between Canada and Newfoundland, and to co-operate with her majesty's government in the maintenance of the most cordial and fraternal relations, is unable to recommend that the suits in question be abandoned.

The committee, concurring in the above, advise that your excellency be moved to forward a copy of this report, if approved, to the right honourable the principal secretary of state for the colonies, for the information of her majesty's government.

All of which is respectfully submitted for your excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

No. 239.

Administrator of Newfoundland to Lord Stanley of Preston.

ST. JOHN'S, NEWFOUNDLAND, 15th Sept., 1892.

Am requested by my responsible advisers to enquire of Y. L. earliest possible date at which it will be convenient for a deputation of Canadian government to meet delegation from this colony at Halifax to discuss fishery question and other questions of difference between the two governments.

ADMINISTRATOR.

No. 240.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council approved by His Excellency the Governor-General in Council on the 23rd September, 1892.

The committee of the privy council have had before them a telegram from the administrator of the government of Newfoundland to your excellency, dated the 15th September, 1892, hereto attached.

The committee advise that your excellency be moved to inform the administrator, by telegraph, that a deputation from the Canadian government can meet a delegation from the government of Newfoundland at Halifax to discuss the fishery question and other questions between Newfoundland and the Dominion, any time after the tenth day of October next.

The committee further advise that the government of Newfoundland be invited to name a day subsequent to the tenth of October, on which it would be convenient for their delegates to meet a Canadian delegation.

JOHN J. MCGEE,
Clerk, Privy Council.

No. 241.

REPORT of a Committee of the Honourable the Privy Council approved by His Excellency the Governor-General in Council on the 23rd September, 1892.

The committee of the privy council beg to recommend to your excellency that the minister of militia and defence, the minister of customs, and the minister of marine and fisheries, be appointed a deputation to meet and confer with certain delegates from the government of Newfoundland upon the fishery question and other questions between the two governments.

JOHN J. MCGEE,
Clerk, Privy Council.

No 242.

Sir Terence O'Brien to Lord Stanley of Preston.

ST. JOHN'S, NEWFOUNDLAND, 25th October, 1892.

MY LORD,—Referring to my telegram of October 22nd, delegation from Newfoundland purpose leaving on November 2nd by Allan mail steamer.

O'BRIEN.

No. 243.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 29th October, 1892.

The committee of the privy council have had before them a despatch, hereto attached, dated 20th June, 1892, from the administrator of the government of Newfoundland, advising that his government still decline to consider the claim of Mr. Henry Dicks for the restoration of his schooner "Hattie," which was seized by the Newfoundland officials, and for a refund of customs duties claimed to have been illegally collected from him, and also a report thereon, hereto attached, dated 19th August, 1892, from the minister of marine and fisheries, to whom the above mentioned despatch was referred, in which it is recommended that the despatch in question be referred to the minister of justice for his consideration of the steps which may be taken in this case.

The minister of justice recommends that the claim in question and all papers in connection therewith—minute of council of 31st December, 1890, no. 2840; minute of council of 26th January, 1891, no. 145, 1891; and minute of council of 26th March, 1892, no. 560H—be referred to those members of your excellency's council, who are about to confer with commissioners from the government of Newfoundland in respect to divers matters in difference between that colony and Canada, with a view to their obtaining proper settlement, and in the event of no such settlement being effected, that the papers be again referred to the minister of marine and fisheries in order that the whole matter may be brought to the attention of her majesty's government.

The committee submit the above recommendation for your excellency's approval.

JOHN J. MCGEE,

Clerk of the Privy Council.

[Enclosure 1 in No. 243.]

DEPARTMENT OF MARINE AND FISHERIES, CANADA,
OTTAWA, 19th August, 1892.

To His Excellency

The Governor General in Council.

On reference, no. 1289H, from the privy council, dated 14th ultimo, covering copy of a despatch of the 20th June last, from the administrator of the government of Newfoundland stating that his ministers still decline to consider the claim of Mr. Henry Dicks, for the restoration of his schooner "Hattie," which was seized by the Newfoundland officials, and for the refund of customs duties claimed to have been illegally collected from him, the undersigned has the honour to recommend that the despatch be now referred to the honourable the minister of justice for his consideration of the steps which may be taken in this case.

Respectfully submitted,

CHARLES H. TUPPER,

Minister of Marine and Fisheries.

[Enclosure 2 in No. 243.]

Administrator to Governor-General.

GOVERNMENT HOUSE, ST. JOHN'S, 20th June, 1892.

The Right Honourable

The Lord Stanley of Preston,
&c., &c., &c.

MY LORD,—In answer to your lordship's despatch of the 30th March last, forwarding an approved minute of the privy council with reference to the case of Mr. Henry Dicks, I have the honour to inform your lordship that my ministers still decline to consider the claim.

I have, &c.,

F. B. T. CARTER,

Administrator.

[Enclosure 3 in No. 243.]

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 26th March, 1892.

The committee of the privy council have had under consideration a despatch (hereto attached), dated 10th April, 1891, from the governor of Newfoundland communicating

a letter from his colonial secretary, dated 9th April, 1891, in answer to a minute of council of the 31st December, 1890, recommending that the attention of the Newfoundland government be called to a claim on behalf of Mr. Henry Dicks, owner of the schooner "Hattie," of Charlottetown.

The minister of marine and fisheries, to whom the despatch was referred, observes that in the despatch it is stated that the government of Newfoundland considered that there were no grounds for the claim set up by Mr. Dicks, as if he did suffer loss it was upon a breach of the local laws.

The minister further observes that the minute of council above referred to fully sets out that the claim in question, amounting to \$2,000, was preferred by reason of the treatment received at the hands of the Newfoundland authorities in connection with the Bait Act, and it was also pointed out that throughout the whole transaction there appeared to be every disposition on the part of Mr. Dicks to comply with the requirements of the local laws.

The minister, in view of the answer returned by the Newfoundland government in this connection, recommends that your excellency be moved to inquire of the governor of Newfoundland whether his government is ready to afford an opportunity for Capt. Dicks to substantiate his claim by proof.

The committee advise that your excellency be moved to forward a copy of this minute to his excellency the governor of Newfoundland.

All of which is respectfully submitted for your excellency's approval.

JOHN J. MCGEE,
Clerk, Privy Council.

No. 244.

CERTIFIED COPY of a Report of a Committee of the Honourable the Privy Council approved by His Excellency the Governor-General in Council on the 29th October, 1892.

The committee of the privy council beg to recommend to your excellency that the minister of justice be appointed a member of the deputation to meet and confer with certain delegates from the government of Newfoundland upon the fishery question and other questions between the two governments, in the room of the minister of marine and fisheries, who is obliged to proceed to England on official business.

JOHN J. MCGEE,
Clerk, Privy Council.

No. 245.

Sir T. O'Brien to Lord Stanley of Preston.

ST. JOHN'S, NEWFOUNDLAND, 5th Nov., 1892.

Mail steamer arrived this morning. Delegates will start to-night.

O'BRIEN.

No. 246.

REPORT of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 9th December, 1892.

The committee of the privy council, on the recommendation of Sir John Thompson, K.C.M.G., submit the accompanying copy of the proceedings of the conference recently held at Halifax between delegates from the governments of Canada and Newfoundland, for your excellency's information.

JOHN J. MCGEE,
Clerk of the Privy Council.

To His Excellency the Governor-General in Council :

Pursuant to arrangement, delegates representing the governments of Canada and Newfoundland respectively, met in the legislative council chamber at Halifax on the 9th November, 1892, at 11 o'clock.

There were present, the honourable Mackenzie Bowell, honourable J. A. Chapleau and honourable Sir John Thompson, K.C.M.G., representing the government of Canada, and the honourable Sir William Whiteway, K.C.M.G., honourable A. W. Harvey and honourable Robert Bond, representing the government of Newfoundland.

The delegates thereupon filed their credentials (see appendices 1, 2, 3 and 4).

The conference was organized by the selection of Sir William Whiteway as chairman, and Mr. Douglas Stewart, of the department of justice, Ottawa, as secretary.

It was agreed that the following subjects should be considered by the conference :—

(1.) The convention between Newfoundland and the United States, known as the Bond-Blaine convention.

(2.) The bait question.

(3.) The imposition of a tariff on Newfoundland fish by the Canadian government, and the tariff of Newfoundland on Canadian products.

(4.) The boundary between Canadian Labrador and Newfoundland, and collection of duties at Labrador.

(5.) The status of Newfoundland fishermen on the coast of Canadian Labrador, and the status of Canadian fishermen on the coast of Newfoundland.

(6.) The fees collected from United States vessels under the *modus vivendi*, for licenses in 1888, and succeeding years.

It was understood that the conclusions which might be arrived at by the conference should be *ad referendum* to the respective governments.

It was agreed that the sessions of the conference should begin at 10 o'clock a.m. and 3 o'clock p.m. each day until the conference should conclude.

LABRADOR.

The question of the Labrador boundary was first considered.

Mr. Bowell explained that the present grievance was one more particularly relating to customs exactions than one in connection with location of the boundary. While minister of customs, his attention had been called to the report of Lieut. Gordon, R.N., in which it was stated that traders who supplied the coast of Labrador, and who usually made Rigoulette their first port of call, were required by the Newfoundland customs officials to make entry there, and pay duty on the full cargo, although a portion of the cargo was intended for consumption on Canadian territory. This system was said to apply more particularly to supplies for the Labrador coast in the vicinity of Ungava Bay.

Sir William Whiteway said that it seemed to him that the Newfoundland customs officials would only exact duty upon such goods as might be reported for entry at the port in Newfoundland territory to which they might be consigned—that this was more of a matter between the traders or importers and the customs officials, than one for the consideration of the respective governments. He pointed out that the Canadian government had full power to exact customs duties on all goods entering their territory at Ungava Bay or elsewhere, even though they had previously paid duty at Rigoulette, and that the customs officer at Rigoulette had no instructions to exact duties on goods other than those entered for consumption in Newfoundland territory.

Mr. Harvey stated that he had never heard of the grievance before, and that he was quite sure that the customs officer on the coast of Labrador had no authority to act in the manner which had been alleged.

Mr. Bond repudiated any desire on the part of the Newfoundland government to permit such a practice.

Mr. Bowell replied that while it was satisfactory to learn that no instructions had been given by the Newfoundland government to its officers to collect customs duties

upon goods, the ultimate destiny of which was for consumption in Canada, it was important to know whether such duties had been collected and passed to the credit of the Newfoundland revenue. It would be seen by reference to the reports of Lieut. Gordon, of 1884 and 1886, that this had been done, whether through error on the part of Newfoundland customs officials or not, was not known. In confirmation of what he had said, he might mention the fact that Mr. Parmelee, commissioner of customs of Canada, had, during the past summer, visited some of the Hudson Bay posts, on the shores of James' Bay, and had, on inquiry, learned from Hudson's Bay officers, that duties had been paid by the company to Newfoundland officers upon goods destined to that portion of the Dominion on the shores of Ungava Bay, from which place they were distributed for trading purposes in the interior of that portion of Canada. If this were the case, and there did not seem to be any doubt of it, the practice should not be continued, whatever might be done in relation to such moneys as had been so collected in the past. He was scarcely prepared to accept the proposition laid down by Sir William Whiteway, that this was more of a matter between the "traders or importers and the customs officials than for the consideration of the respective governments." If duties had been improperly collected by the customs officials of either government, upon goods which were for consumption in the territory of another country, it was clearly a question of consideration for those governments interested, and not for the trader or official. Such powers could never be recognized as existing in an officer of any government.

Mr. Chapleau added that the Hudson's Bay officers had informed Mr. Parmelee that the Newfoundland customs officers had collected duties at Rigoulette upon goods which were known to be for consumption in Canadian territory in the neighbourhood of Ungava Bay.

The question was allowed to stand over, pending further information as to the actual practice in the past, at the Newfoundland ports referred to, and the value and quantity of goods which were so entered, if any, destined for consumption in Canada, it being agreed by the delegates from both countries, that if irregularities of the character under discussion had occurred, it was a matter of administration solely, and would be so disposed of.

With reference to the boundary question, Sir William Whiteway said that the delimitation was marked on a map which had been published, he understood, by authority of the Canadian government, and was now in the colonial secretary's office in St. John's, and which was quite acceptable to him as showing the true boundary.

Mr. Harvey stated that he had never doubted but that the delimitation, as shown on the map referred to, was final.

Sir John Thompson explained that the map was merely a possible boundary suggested by the geographer of the department of the interior at Ottawa. That the government of Canada had understood that the question of boundary was yet undecided.

The question of the boundary in Labrador was further discussed for some time, and an examination was made of three different maps, in which different boundaries are shown, none of which, Sir William Whiteway said, was the map referred to by him.

THE BAIT QUESTION.

The bait question was then introduced by Mr. Harvey, who stated that he was, to a great extent, the author of the bill, and was a member of the committee which finally prepared it. He explained that, at the time the statute was adopted, it was not intended that fishermen of Canada should be treated differently from those of Newfoundland, but that the rights of fishermen of Newfoundland or of Canada to obtain licenses was in neither case guaranteed.

THE BOND-BLAINE CONVENTION.

Sir William Whiteway suggested that it would, he thought, be desirable that the Canadian delegates should make a statement to the conference of the reasons which induced the Canadian government to protest the ratification of what was known as the Bond-Blaine convention.

Sir John Thompson reviewed the history of previous negotiations affecting the relations of the provinces of British North America with the United States, and pointed out that in the Reciprocity Treaty of 1854 (although the maritime provinces of British North America were not represented in the negotiations), they (Newfoundland included) were given an opportunity to avail themselves of the provisions of that treaty. Again, in 1871, when the Washington Treaty was effected, it contained a similar provision in favour of Newfoundland, although Newfoundland was not represented. When an agreement was made with the administration of the United States in 1888, Newfoundland's interests were protected. Her government was consulted at the various stages of the negotiations and a provision was inserted requiring the consent of the legislature of the colony. The practice had been from the earliest times, as regards negotiations between the imperial government and foreign countries, that the interests of all her British North American colonies should be considered together, not only as regards fisheries matters, but also regarding matters affecting trade relations.

The negotiations between Mr. Blaine and Mr. Bond were well advanced before the Canadian government had become aware of them, as it first did through the press. Afterwards an intimation came from the British minister at Washington that the convention was on the point of being concluded. Canada had no opportunity of being heard, and when she asked for the option to be included in any convention which might be made, Mr. Blaine intimated that he would negotiate for a wider treaty with Canada. He then reviewed the negotiations on the part of Canada, in conformity with Mr. Blaine's suggestion for a "wider arrangement." Negotiations had been entered upon by Canada, and it was found that the "wider" arrangement would involve conditions which it would be impossible to accept. No arrangement, in short, could be effected without discrimination against Great Britain—the practical adoption of the United States tariff—and the imposition of fiscal conditions which would practically give the United States the fixing of a tariff for Canada. He pointed out that the Bond-Blaine convention would result in a discrimination against Canada, and that it was accompanied by restrictions of the rights and privileges which her fishermen had previously enjoyed and which were not imposed on United States fishermen. He suggested that the following principles should be assented to:—

- (1.) That Canada as well as Newfoundland should have the right to take part in such, or any negotiations which would affect the interests of both countries.
- (2.) That at the very least, no convention should be concluded which both countries should not have the option to avail themselves of.

He quoted an address of the legislature of Newfoundland passed in 1852, asserting these principles in relation to the negotiations for the treaty of 1854. He also referred to the decision of her majesty's government to the like purport when steps were being taken to effect a separate arrangement with Prince Edward Island.

The efforts to obtain a fair arrangement with the United States were only relaxed when it was found that the conditions imposed would sow the seeds of imperial disintegration; and he thought that any separate arrangement such as the Bond-Blaine convention, would divide the hitherto united interests of British American dependencies.

He referred to the fact that the convention would accord to the United States fishermen privileges in Newfoundland which were denied by the treaty of 1818, and that any abrogation of the provisions of that treaty would seriously affect Canadian fishermen. The latter would therefore suffer from the discrimination before referred to, and from the loss of the benefits of the treaty of 1818.

Sir William Whiteway asked the Canadian delegates whether, supposing for the sake of argument, a limited time was fixed to afford an opportunity for Canada to negotiate with the United States, and those negotiations becoming futile, they would persist in their protest against the completion of the Bond-Blaine convention? In suggesting this question, he observed that if correct, as contended, and no doubt it was so, that the articles which under that convention would be admitted free to the United States from Newfoundland, it would be advantageous to Canada to have admitted free from there also, then if Canada could not obtain the concessions and Newfoundland could do so,

would it not be beneficial to the empire as a whole, if a part could obtain the privilege, although the whole could not? Was it an evidence of friendliness for Canada to object to Newfoundland to be benefited because Canada could not? He then went on to argue that the opening up of a new market in the United States for Newfoundland fish would indirectly be beneficial to Canada in withdrawing the fish sent to the United States from other markets.

A discussion then followed as to the articles enumerated in the convention, and the question of crude minerals having been mentioned, Mr. Bond stated, that although it was not stipulated in the draft convention submitted to Sir Julian Pauncefote by Mr. Blaine, it was thoroughly understood that crude minerals should be admitted in the event of a resolution of approval being adopted by the Boston chamber of commerce. This resolution of approval had been adopted, and he (Mr. Bond) had communicated such to Sir Julian Pauncefote and suggested the insertion of the words.

Sir William Whiteaway, reviewing concisely the position of Newfoundland, her fisheries, and the disabilities under which she laboured, consequent upon the French Treaty question, repeated his question and asked, whether in view of all the circumstances, in the event of Canada failing to secure a reciprocal arrangement for herself within a given time, she would persist in her refusal to acquiesce in a convention secured by Newfoundland?

Sir John Thompson thought that the Canadian delegates should hardly be asked to make a pledge in advance. It would be only fair to see what the grounds might be on which equal arrangements would be refused to Canada, assuming that they were to be refused. If they were refused on the ground of Canada's fidelity to the interests of the empire, Canada could not be blamed for asking that the protection of her majesty's government should still be extended to her people against a convention which would injure their interests.

Sir William Whiteaway contended that Canada would not be injured, but Newfoundland would be benefited by the Bond-Blaine convention.

Mr. Harvey reviewed the circumstances which led up to the Bond-Blaine convention.

He stated that in all previous negotiations, more particularly those of 1854, 1871 and 1888, Newfoundland was not represented. That while it was true that she was given the option of becoming a party to such arrangements as had been effected, yet it was equally true that her interests had been sacrificed in each case. That she had watched with interest the negotiations made in 1888 between Canada and the United States, and attributed their failure, not to diverse trade interests, so much as to other questions in dispute between the two countries. He considered that the failure of 1888 was due almost entirely to the irritated state of public feeling in the United States with reference to such questions as the "Canal Tolls" and "Behring Sea" difficulty.

In view of this it was thought desirable by the government of Newfoundland to enter into negotiations on her own account. With this in view she made application and eventually received the consent of the imperial government to enter upon such negotiations. The result of these negotiations was entirely satisfactory to the government of Newfoundland, and, as he believed, not inimical to the interests of Canada. He considered it rather unjustifiable on the part of the Canadian government that they should refuse to allow Newfoundland to profit by these privileges simply because Canada could not participate.

He lucidly pointed out the peculiar position in which Newfoundland was placed on account of the fact that she had only one great industry. That her chief industry had been crippled by the aggressiveness of the French, in asserting their alleged rights, which had virtually driven Newfoundland fish from the markets of Europe. He submitted that Canada did not afford any market, at present, for the products of Newfoundland, the herring trade with the province of Quebec having been crowded out by the development of the frozen fish trade of the maritime provinces of Canada. In this extremity, Newfoundland had looked to the almost unlimited markets of the United States and had met with a very satisfactory response. He referred to this as corroborating his previously expressed opinion that the United States was not unwilling

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to enter into reciprocal arrangements with British colonies with which no outside vexed questions were pending. He referred to Sir John Thompson's statement that, in the traditions regarding the treatment of the fisheries in British North America, they had always been considered the property of the empire and not the property of the provinces to which they were adjacent. In this connection he pointed out that this usage had first been violated by Canada, when, in 1885, she adopted a statute which gave authority to levy duty upon fish imported from Newfoundland, while Canadians had the undisputed right to fish in all Newfoundland waters and take the fish there caught by them into the Dominion without payment of duties. In view of this fact, he contended that it hardly became Canada to attribute to Newfoundland a violation of the traditional usage. He appealed to the Canadian delegates to act with justice and generosity, and to endeavour to appreciate the peculiar position in which Newfoundland is at present placed.

Sir John Thompson replied that, while it was true that the statute of 1885 applied to all countries, including Newfoundland, it was not to be forgotten that that act had not been put into operation until after the "Bait Act" had been adopted by the legislature of Newfoundland, and in fact, not until after the Bond-Blaine convention had been negotiated. He considered this a sufficient answer to the suggestion of Mr. Harvey that Canada had taken the first step towards the violation of the long-established usage referred to.

Mr. Bond handed in the following returns presented by the customs department of Newfoundland, being from the 1st January to 31st December in each respective year:—

Calendar Years.	Imports from Canada.	Imports from United States.	Exports to Canada.	Exports to United States.
	§	§	§	§
1882.....	2,126,840	2,214,733	404,090	368,722
1883.....	2,340,138	2,830,302	397,176	589,673
1884.....	2,150,016	2,145,928	332,075	291,137
1885.....	2,040,547	1,955,278	231,173	196,796
1886.....	1,937,605	1,671,810	195,245	288,453
1887.....	1,986,229	1,337,322	312,084	238,057
1888.....	2,041,144	1,602,138	482,497	327,925
1889.....	2,075,258	1,615,143	480,367	485,202
1890.....	2,423,319	1,247,754	631,104	452,100
1891.....	2,499,945	1,526,674	794,844	580,577

Mr. Chapleau presented detailed returns of the trade between Canada and Newfoundland during the last five years, as shown by the Canadian trade returns. The following is a recapitulated summary:—

IMPORTS FROM NEWFOUNDLAND.

Fiscal Year.	Total Imports.	Total Free Goods.	Total Dutiable.	Entered for Home Consumption.	Duty collected.
	§	§	§	§	§
1888.....	426,769	396,480	30,289	421,599	3,211
1889.....	488,874	484,623	4,251	488,050	1,087
1890.....	479,362	460,545	9,817	469,639	3,586
1891.....	751,121	736,724	14,397	751,003	3,452
1892.....	925,036	698,104	226,932	753,249	4,191

EXPORTS TO NEWFOUNDLAND.

Fiscal Year.	Total Exports.	Produce of Canada.	Not the Produce of Canada.
	§	§	§
1888.....	1,523,827	1,422,802	101,025
1889.....	1,903,335	1,147,681	155,654
1890.....	1,183,739	982,154	203,585
1891.....	1,497,908	1,312,621	155,287
1892.....	1,750,714	1,533,607	217,107

He pointed out that the trade between Newfoundland and Canada was of no mean importance, and was in the aggregate nearly equal to that carried on between Newfoundland and the United States. He impressed upon the Newfoundland delegates the friendly spirit which had always been evinced by Canada as illustrated by the fact that, although the Customs Act empowered the Canadian government to collect duties on fish imported from Newfoundland, its provisions had been held in suspense, so far as that colony was concerned, with the exception of two or three months, when through the irritation of the Bait Act it had been allowed to go into operation.

Mr. Harvey explained that the amount of Newfoundland fish which appeared as "Entered for home consumption" in the Canadian trade returns, was misleading. Almost the whole of this fish was transhipped from Canadian ports to other countries, and was merely entered at the customs to avoid the cost and trouble of warehousing. As to the duty not having been exacted, though enacted on Newfoundland fish in 1885, the Newfoundland government, at his (Mr. Harvey's) suggestion, immediately on learning of the imposition of duty on Newfoundland fish, inserted a clause in their tariff imposing a heavy differential duty on articles coming from any country, which possessed the right to use Newfoundland fisheries, and still impose a duty on fishery products when exported from the island. This automatic clause caused the merchants and millers of Canada to bring such pressure to bear on their government that the duties were not exacted on Newfoundland fish.

Mr. Bowell pointed out that the Trade and Navigation Returns of Canada did not bear out that statement. These returns showed clearly the quantity of fish imported from Newfoundland and entered for home consumption in Canada, and also the quantity imported from the same colony and subsequently exported. Entries would not be made as indicated by Mr. Harvey. If an entry were made for immediate exportation, it would be so entered in the customs returns. The trade in Newfoundland fish, particularly herring, was of much greater importance than indicated by Mr. Harvey. He then explained how these statistics were kept, contending that they were in the main correct, and that if any errors existed, it would be in the omission by the officials in entering the full quantity imported.

A desultory discussion followed, after which the conference adjourned until Thursday, at 10 o'clock a.m.

W. V. WHITEWAY, *Chairman.*

R. BOND.

A. W. HARVEY.

M. BOWELL,

J. A. CHAPLEAU.

JOHN S. D. THOMPSON.

DOUGLAS STEWART, *Secretary.*

THURSDAY, 10th November, 1892.

Conference resumed at 10 o'clock, all the delegates being present.

THE BOND-BLAINE CONVENTION.

Consideration of the Bond-Blaine convention was continued.

Mr. Bond discussed the points referred to by Sir John Thompson during the previous day's proceedings and dwelt particularly on the suggestion made, that in all

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negotiations affecting the interests of the British North American colonies, all those dependencies should be consulted. He referred to the manner in which Newfoundland interests had been sacrificed or neglected, during the progress of previous negotiations, and traced the various measures adopted by Newfoundland, in her endeavours to secure the right to negotiate for herself with regard to trade and fishery matters. He considered that Sir John Thompson's contention with regard to joint negotiations was fully answered by the fact that, although Canada had participated in various negotiations from time to time, Newfoundland had never been asked or invited to have her interests represented. He traced the various steps taken by Newfoundland to secure a right to be heard in her own interests, and the consent eventually given by the imperial government in 1890, which resulted in the Bond-Blaine convention. These efforts to obtain the right to negotiate, as well as the various steps in connection with the convention under discussion, had, he submitted, been properly and regularly taken, as would appear by the despatches in connection therewith, which were on file in the colonial office. The negotiations for a separate treaty extended over a lengthened period, and it was to be presumed that the Canadian government had been advised of the same by the imperial government.

He proceeded to discuss the points at issue and the contentions of Sir John Thompson with regard to the discriminatory effect on Canada. When negotiating the convention he had distinctly assured Mr. Blaine that no discrimination, would, nor could be attempted by his government as regards Canada. He referred to the lower tariff suggested on flour and pork, and stated that the changes in the tariff could only be consummated by a revision of the Customs Act, which revision must necessarily be subject to the royal assent. He presumed that this assent would not be given if it should be found that the changes involved a discrimination against other British dependencies. This, he considered, was sufficient protection to Canadian interests. He fully concurred in Sir John Thompson's contention that the rights of a colony could not be so well protected by indirect representation as if directly represented during negotiations. In this connection he submitted that Canada had not acted on that principle during the negotiations of 1888. While it was true that Sir James Winter had been consulted with regard to these negotiations, it was equally true that he had never been accorded an opportunity to appear before the plenipotentiaries, and that as a result important interests of Newfoundland were overlooked. Referring to the suggestion that Canada should have been included in any negotiations with Newfoundland, he said Newfoundland had never objected to Canada being included in such. He pointed out that no such objection had been made on the part of Canada to the negotiations until after it had been publicly announced that the negotiations were successful. He closed by distinctly asserting that the convention did not involve any discrimination against Canada, nor did it involve a lowering of the duties exacted, generally, from United States products. With the exception of the articles he had mentioned, flour and pork, his specification of the duties to be exacted on United States products was merely a guarantee that those duties should not be increased during the term of the convention, and he repeated the opinion expressed by his colleagues, that Canada had no right to protest against an arrangement merely on the grounds that it gave to Newfoundland advantages which Canada had repeatedly attempted to obtain in vain. He could not imagine that it would be seriously contended, now that it had been found impossible for Canada to conclude an arrangement with the United States for reciprocal trade, that any injustice was done by the endeavour on the part of Newfoundland to obtain the ratification of the Bond-Blaine convention. In reply to a question put by Sir William Whiteaway, he understood Sir John Thompson to say that if the United States continued to exhibit illwill towards the Dominion, or ventured to carry out the threats of retaliation which had been made, the Dominion government would have to persist in her opposition to the Newfoundland convention. He pointed out the great injustice of such a position, contending that it was tantamount to a declaration that Newfoundland must suffer for acts committed by the United States and for which Newfoundland was in no way responsible. He hoped that he had misunderstood Sir John Thompson's point.

Mr. Chapleau asked the Newfoundland delegates whether they questioned the right of Canada to appeal to the imperial authorities for protection in trade negotiations in which they considered their interests were being prejudiced.

Mr. Harvey would not go so far as to deny the right of Canada to protest, but what he objected to was that she should persist in her protest in view of the explanations and reasonable assurances which had been given.

Mr. Chapleau asked if it was to be understood that the convention did not involve any disadvantage to any of the provinces of British North America, and if the delegates from Newfoundland were prepared to give assurances that under no circumstances should such discrimination be made?

Mr. Bond, "certainly." He thought it should be remembered in considering this question that for many years Canada had obtained from the United States certain concessions under treaty in return for privileges, which Newfoundland alone could furnish. He referred to the bait privileges. Up to last year it was believed by the United States that Canada was able to supply her fishermen with all the bait they required. This idea had been exploded by the enforcement of the Bait Act against Canadian fishermen last year, for it was then clearly demonstrated that Canada had not a sufficiency of bait to meet her own requirements, and that Newfoundland held the key of the position as regards the Canadian, the United States and French bank fishing. He took the position that, if Canada desired in future to obtain concessions from the United States in exchange for privileges which it was now evident that Newfoundland could alone confer, it was another reason why the colony should demand and expect the withdrawal of Canada's protest.

Mr. Bowell pointed out that the provisions of the proposed treaty did not, in his opinion, bear out the interpretation put upon it by Mr. Bond. There was a distinct provision in the convention that flour and other articles, the product of the United States, should be admitted into Newfoundland at a lower rate of duty than that charged upon the same articles when imported from other countries. He could find no provision giving the same advantages to Canada. On the contrary, the Americans had stipulated that in the case of a reduction of duty on these articles when imported from other countries, a like reduction should be made on the articles mentioned in the treaty, when imported from the United States, which seemed to imply that the same difference in duty in favour of the United States should be continued during the existence of the treaty, if ratified. He could not conceive it possible that Great Britain would refuse to give her consent to a tariff act, as suggested by Mr. Bond, passed by the Newfoundland legislature, to give effect to a treaty which had been ratified with her consent, nor would Canada ask her to do so after consenting to the ratification of the treaty. He believed Mr. Blaine intended, when he accepted the wording of that paragraph, that a discrimination against Canada should be secured, and he misunderstood the American character if they would allow any changes to be made in the wording of the proposed treaty, such as had been intimated by Mr. Bond.

Mr. Bond said that granting for the sake of argument Mr. Bowell's contention was correct, it must be remembered that Newfoundland had given the most positive assurances to the imperial government and to Canada of its willingness to take such steps as might be deemed necessary to assure that there would be no discrimination against Canadian products.

Sir William Whiteway repeated his question asked yesterday, whether, in the event of Canadian negotiations with the United States proving futile, Canada would persist in her protest against the Bond-Blaine convention? He thought it eminently desirable that there should be a clear understanding upon this point, and therefore he trusted that there might be a definite reply, for such reply might affect future action.

Sir John Thompson stated that under such circumstances as at present exist, it is probable that the protest will be pressed, but that circumstances might arrive which would induce Canada to withdraw her objections. He referred to the manner in which Mr. Blaine had received the suggestion that the convention should, with some modifications, apply to Canada, and stated that, in the event of such a proposition being

accepted by the United States government, Canada would, he thought, be disposed to relinquish all opposition to the convention.

In an answer to a question by Sir John Thompson, Mr. Bond explained that the term "Newfoundland waters" used in the convention, should have been the "produce of the salt water fisheries of Newfoundland," wheresoever they might be. He had asked for an amendment of Mr. Blaine's draft of the convention to make that plain.

Sir John Thompson said that in that case, the catch of Newfoundland fishermen on the coast of Canadian Labrador and on the Banks would be admitted free by the United States, while the catch of the Canadian fishermen at the same places and in the same waters would be subject to duties. This discrimination in the United States markets against Canadians was a serious matter, and required grave consideration.

Mr. Harvey referred to the discussion which had taken place and the explanations given, and stated that to his mind the question was confined to the following objections on the part of Canada :

- (1.) Canada fears a differential tariff.
- (2.) Bait restrictions.
- (3.) Canada insists that licenses shall be issued stipulating the privileges accorded foreign fishermen.
- (4.) Canada should have her fish free in the United States.

With reference to these he was prepared, with concurrence of the premier of Newfoundland, to give the following assurances :

- (1.) That a satisfactory guarantee will be given by Newfoundland that no differential tariff will be enacted.
- (2.) That the same guarantee will be accorded that the fishermen of Canada shall have, and continue to have the same rights and privileges as the fishermen of Newfoundland.
- (3.) That a system of licenses will be adopted, based on the system in practice under the *modus vivendi*.

There only remained the stipulation that Canada should have her fish free of duty in the United States market, a matter which is entirely out of the power of Newfoundland to give.

With these assurances he asked the Canadian delegates whether they would not consider the propriety of relinquishing their protest against the convention.

Mr. Chappleau pointed out that the alleged concessions mentioned by Mr. Harvey were enjoyed by Canada in common with Newfoundland previous to the irritation arising from the present difficulty.

Mr. Bowell drew attention to the fact that there was no provision in the Newfoundland Customs Act to exempt Canadian fish from duty.

Mr. Harvey stated that Newfoundland had never treated fish taken in Canadian waters as "foreign" fish, notwithstanding that Canada had treated Newfoundland fish as foreign caught, and so taxed it, and by the clause in her tariff of 1885 had made Newfoundland fish exactly the same as United States "foreign" fish.

MODUS VIVENDI LICENSE FEES.

Sir William Whiteway called attention to the fact that Canada had never made application to the government of Newfoundland for a statement of the amount received by that colony for licenses under the *modus vivendi*. He complained of the irregular procedure on the part of the minister of marine of Canada in applying to the honourable Sir James Winter for official information, for which the government of Newfoundland should have been applied to.

He noticed that Sir James Winter had written to the honourable Mr. Tupper to the effect that the government of Newfoundland had refused information as regards these licenses. From inquiries made he had learned that Sir James Winter was in error in making such a statement. The information had not been asked for, much less refused, and this question of the division of license fees might have been settled had application been made direct by the Dominion government to the government of Newfoundland, and friction upon this point avoided.

BAIT QUESTION—JOINT ACTION.

A discussion then ensued as to the proposal on the part of Newfoundland that Canada should aid in protecting the bait fisheries of Newfoundland from depletion.

Sir William Whiteway pointed out that the attempt on the part of Newfoundland to protect her fishing interests against French bounty-fed competition had been greatly hampered:

(1.) By the infringement of the Bait Act by Canadian fishermen, and the want of authority to prosecute offenders in the courts of Canada, and

(2.) By the fact that although the colony prohibited the sale of bait fishes to French fishermen, the latter were able to obtain a large amount of bait from the Canadian fishermen, who brought it, not only by smuggling from the Newfoundland coast, but also from the Magdalen Islands and other parts of the Dominion coasts.

Mr. Chapleau suggested that in view of the fact that Canada was just now endeavouring to secure improved trade relations with France, the time was hardly opportune to place restrictions upon her fishermen.

Mr. Bowell thought this question to be one for serious consideration, and asked the Newfoundland delegates whether action, with a view to suppressing the sale of bait to French fishermen, would be of any particular benefit to Newfoundland.

Mr. Harvey assured the Canadian delegates that any action by the Canadian government in the line suggested, would be of immense benefit to Newfoundland and would be greatly appreciated by her citizens. He desired to remind the Canadian delegates that the question of concurrent action in this matter had been considered by the hon. Mr. Howlan, who, he understood, had reported favourably upon it. The suggestion had also been conveyed to the Canadian government through their high commissioner in London, as was shown in the published despatches. He desired also to add that Newfoundland and Canada had each taken its respective course with regard to the treatment of the United States fishermen, after the expiration of the Washington Treaty, without consultation with the other.

Mr. Bowell said he was surprised to hear that statement, as his recollection was that Newfoundland not only knew what was being done, but concurred in the arrangement, and arranged for a division of the fees collected. He would look into it and bring up the question at a future meeting of the conference.

MODUS VIVENDI LICENSE FEES.

Mr. Bond said there would appear to be some misunderstanding as regards the returns of license fees collected by the respective governments from American fishermen under the *modus vivendi* of 1888. It had been agreed between the governments of Canada and Newfoundland that the fees so collected were to be equally divided. The Newfoundland customs department complained of the non-receipt of such returns, and no division of fees had taken place. He was in a position to furnish the conference with a return of the fees collected by Newfoundland, and asked that the Canadian returns might be laid before the commission.

The question was allowed to stand.

NEWFOUNDLAND ASSURANCES.

Mr. Bowell then asked the Newfoundland delegates to state definitely their attitude with regard to the assurances which had been given by their predecessors that the provisions of the Bait Act should not apply to Canadian fishermen.

Sir William Whiteway stated that while he felt the force of the position, that a succeeding government was obliged to carry out the engagements made by their predecessors, yet it must be remembered that the assurances referred to were not contained in a minute of the executive council of Newfoundland—they were never communicated to the legislature—that there was no record of them—that the promises were made by Sir Robert Thorburn, then premier, by Sir James Winter, then attorney-general, and by Sir Ambrose Shea, who was not a member of the government—that the fact of such

promises having been made was only known to him (Sir William Whiteway) and his colleagues long after they had come into office, and after a different policy had been adopted. How could such a promise override an act and indicate who should or should not be affected by it? Although he made these remarks he admitted the force of the Canadian position, that they had been induced to withdraw opposition to the Bait Act by these promises.

Mr. Bowell said he was glad to hear the assurances given by Sir William, as any other course would destroy the continuity of any government. Without these assurances it is not likely that Canada would have withdrawn her opposition to the sanctioning of the act by her majesty's government, nor is it likely her majesty's sanction would have been given to the act had Canada persisted in opposing it.

Conference adjourned until Friday at 10 o'clock.

W. V. WHITEWAY, <i>Chairman</i> .	M. BOWELL,
R. BOND,	J. A. CHAPLEAU,
A. W. HARVEY,	JOHN S. D. THOMPSON,
	DOUGLAS STEWART, <i>Secretary</i>

HALIFAX, 11th November, 1892.

Conference resumed 10.30 o'clock.

BAIT ACT—JOINT ACTION.

Sir John Thompson continued the consideration of the desire expressed by Newfoundland that Canada should adopt legislation to aid in the enforcement of the Newfoundland Bait Act. He called Sir William Whiteway's attention to the doubt as to the power to adopt legislation against offences committed outside of Canadian territory. He intimated the willingness of the Canadian government to facilitate in any way proceedings for the penalties incurred in connection with bonds. The right to sue on such bonds existed now, but it might be that further facilities could be afforded as to matters of procedure.

Sir William Whiteway expressed great pleasure at the intimation given by Sir John Thompson, admitted the doubt as to the validity of the legislation involving control outside of territorial waters, but said that what Newfoundland really required was the power to prosecute in Canadian courts and to enforce the penalties of fine, imprisonment and confiscation as though the proceedings were being had in the courts of Newfoundland.

DIVERSITY OF ACTION, 1886-8.

Mr. Bowell called attention to a statement made by Mr. Harvey at a previous meeting, that Canada had originated and carried into effect the *modus vivendi* system of fishing licenses without in any way consulting Newfoundland. He pointed out that, on the contrary, before the *modus vivendi* system was adopted, the government of Newfoundland was consulted, as shown by public despatches which he quoted, and that the government of Newfoundland had transmitted several suggestions as to details, some of which were adopted by the Canadian government—notably that with reference to the duration of the licenses.

Mr. Harvey explained that, in making the statement Mr. Bowell referred to, he had reference to the action of the Canadian government, taken at the expiry of the Washington Treaty.

Sir John Thompson pointed out that the concession made by Canada at that time was this:—The Washington treaty having expired during the fishing season, and the president of the United States having given an assurance that he would bring the question of the fisheries, by message, before congress at its next session, recommending a commission to consider the whole subject, the Canadian government had thereupon with-

held the enforcement of the provisions of the treaty of 1818, during the remainder of that season only.

The United States having failed to act on the president's suggestion, the Canadian government made provision for a vigorous enforcement of the provisions of the treaty of 1818. These provisions were enforced in Canadian waters from the beginning of the season of 1886 until the adoption of the *modus vivendi* which accompanied the treaty of February, 1888.

Mr. Harvey stated that the policy pursued by the Newfoundland government between the expiry of the Washington treaty and the adoption of the *modus vivendi* referred to, was one of suspense. No attempt was made by them to enforce the provision of the treaty of 1818, and during the period referred to the United States enjoyed all the privileges in Newfoundland ports and waters, which they had under the fishery articles of the treaty of Washington.

Mr. Chapleau pointed out that this exceptional conduct on the part of the government of Newfoundland, namely, the suspension of the provisions of the treaty of 1818, was really the first instance in which either country had undertaken to deal with fishery matters locally and separately from the other.

He referred to the complaint made by Mr. Harvey, that the interests of Newfoundland had been sacrificed by the treaty of 1871, and expressed surprise that under such circumstances Newfoundland should have continued privileges of the treaty without compensation for three years after its legal expiry.

ST. PIERRE CONSULATE.

Mr. Bowell brought to the attention of the conference the difficulty experienced by the customs department at Ottawa in protecting the gulf ports against smuggling, owing to the facilities afforded by the proximity of St. Pierre as a basis for operations. He asked the Newfoundland delegates whether they did not consider it advisable that a joint application should be made by the two governments to the imperial authorities with a view to the appointment of a British consul at St. Pierre.

Sir William Whiteaway stated that the Newfoundland government had used every possible endeavour to secure the appointment of a consul there, but that their application had not been successful. On behalf of his government, he would state that they would gladly acquiesce in Mr. Bowell's suggestion.

Whereupon it was agreed, that a joint application should be made to the imperial government urging the appointment of a British consul and assistant consul at St. Pierre, the former to be paid by Canada and the latter by Newfoundland.

BAIT ACT.—JOINT ACTION.

Sir William Whiteaway referred to the promise and assurance of his predecessors with reference to the Bait Act, and asked the Canadian delegates to state what action they were prepared to take with a view to the successful enforcement of the act. He pointed out the fact that the successful operation of the act would be alike a benefit to Canada and to Newfoundland, inasmuch as experience had shown that it would reduce the catch of the French fishermen, and thereby leave a larger market open to the fishermen of the British provinces.

Sir John Thompson said they were not prepared to give any further assurance than that Canada would enact legislation to the extent of her power to do so, to enforce penalties of bonds executed under the Bait Act, in order to prevent violation of the act by Canadian fishermen.

Sir William Whiteaway asked if Canada would pass a Bait Act similar to the Newfoundland Act.

Sir John Thompson could not give an answer to that question without submitting the matter to his colleagues.

Mr. Harvey referred to the difficulties attending the enforcement of the act, especially of securing evidence to convict parties who had violated its provisions. He also quoted statistics which showed that the act had been, to a certain extent, success-

ful, having during the term of its operation resulted in reducing the catch by French fishermen to the extent of 50 per cent. He was willing to admit that this was not wholly due to the enforcement of the Bait Act, but was nevertheless largely the result of it. Another good effect, principally attributable to the act, was the fact that the price of Newfoundland fish had gone up from 12 shillings to 15 shillings during the period of its enforcement. The year before the Bait Act was passed, a great deal of fish was sold in Newfoundland at 5 shillings per quintal, and many whole cargoes were thrown overboard in the Mediterranean. He pointed out that the evil effects of the French bounty system were not confined to Newfoundland. That Nova Scotia fishermen also suffer from the policy of granting bounties to French fishermen. As an illustration, Nova Scotia fishermen from the Banks, and French fishermen arriving in Halifax with cargoes, at the same time, would reap very different results.

The Nova Scotia fishermen would probably receive at the rate of \$3.50 per quintal, the French fishermen would receive the same price, and in addition would secure from the French government \$2.40, or in round figures, \$6 per quintal.

Mr. Chapleau inquired whether, as a matter of fact, Nova Scotia fishermen supplied bait to any extent to the French.

Mr. Harvey stated that the supply by Nova Scotia fishermen undoubtedly did much to render nugatory the provisions of the act. Not only was this the case, but American fishermen also, availing themselves of the Canadian licenses, procured cargoes of bait at Cape Breton and the Magdalen Islands, which was supplied to the French thereby enabling French fishermen to evade the Bait Act. If Canada passed no Bait Act to restrain her fishermen from supplying bait taken in Canadian waters to the French at St. Pierre, and had free access to Newfoundland supplies of bait, the consequence would be that the Canadians would supply St. Pierre so far as the supply would suffice from Magdalen Islands and Cape Breton, and the Canadian banking fleet would go to Newfoundland for bait for their own use, and thus largely frustrate the object aimed at by the Newfoundland Bait Act. Nothing would fully secure that object except a Bait Bill applying to bait taken in Canadian waters as well as in Newfoundland waters. In reply to a question put by Sir John Thompson, Mr. Harvey stated the fact that an agent of the Newfoundland government, who visited St. Pierre, had reported that two vessels laden with bait were at that port supplying the French with 2,000 barrels of bait. One of these was an American vessel under license from the Canadian government, the other was a Nova Scotia vessel, both from Magdalen Islands. This was but one instance, but it clearly illustrated the practice which was being carried on to the detriment of Newfoundland. It was not easy to get Newfoundland fishermen to give evidence of the Nova Scotians supplying bait at St. Pierre, because the fact of Newfoundland fishermen being in St. Pierre at the same time was *prima facie* evidence of their having themselves violated the law.

Sir William Whiteway did not dispute the right of Canada to remonstrate against the royal assent being given to any act which she might consider detrimental to her interests. He contended, however, that the protest made by Canada was made under the mistaken supposition that the act would be prejudicial. He referred to the statements set forth by his colleague, Mr. Harvey, and to the assurances and explanations which had been given during the progress of the conference, and asked the Canadian delegates whether, in view of these assurances, they did not consider that they should waive the exaction of the promise made by the late government of Newfoundland, and also withdraw their protest against the completion of the Bond-Blaine convention.

Sir John Thompson called attention to the fact, that the question of the bait supply to Canadian fishermen and that relating to the Bond-Blaine convention were two distinct matters. The grievance of Canada with regard to bait had been temporarily removed, but he would like to be assured as to the action of the government of Newfoundland in the future.

Mr. Bond stated that there was a difficulty in giving any assurance. When the act was under consideration by the assembly, he had asked the question of the government of that day, whether it was intended that the act should apply to Canadian

fishermen. Sir James Winter, then attorney-general, from his place in the house, gave the most distinct and positive assurance that the act was intended to apply to Canadian, as well as French and American fishermen. That was a matter of record. It appeared by correspondence which the Canadian representatives had tabled, that Sir James Winter had also given the imperial and Canadian governments the most positive assurance that the Bait Act should not apply to Canadian fishermen (as had Sir Robert Thorburn, the then premier, who was at the time in London), but there was no evidence that this promise was made with the concurrence of the executive council of Newfoundland. As a matter of fact, there was no minute indicating that the matter had ever been brought before that council. The legislature, which was in session when the assurance was given, was not acquainted of the fact, and the present legislature, with those facts before them, had decided that the undertaking of Sir James Winter and Sir Robert Thorburn was in no way binding upon them as a legislature, and had declared that the act should be enforced against Canadian fishermen. Under these circumstances, it would be appreciated how difficult it was for the delegates to give the assurance asked for.

Sir John Thompson pointed out that the royal assent was given on the assurance that the provisions of the act would not be enforced against Canada, and that the government of Newfoundland could not take the benefit of the royal assent without assuming the obligations attached to it and on which that assent was given. He pointed out reasons why he thought Canadian fishermen should be put on the same footing as those of Newfoundland.

- (1.) The assurance given by Newfoundland in order to secure the royal assent.
- (2.) The spirit of comity which should exist between the colonies.
- (3.) The doubt which existed in view of the opinion of the law officers of the crown as to the right of the government of Newfoundland to impose exceptional treatment on Canadian fishermen.

Sir William Whiteway—Are you willing to carry out any legislation which may be constitutional with a view to assist in carrying out the Bait Act?

Sir John Thompson—We are willing to adopt any legislation which may be constitutional to prevent our fishermen from violating your Bait Act after obtaining your bait.

Sir William Whiteway—Would it be proper to state to what extent legislation would be granted?

Sir John Thompson stated that to do so would involve a careful consideration of the legal question which he had before referred to.

Whereupon it was agreed that the question of the extent to which aid might legally be given should be fully considered by Sir William Whiteway, Sir John Thompson and Mr. Chapleau, with a view to ascertaining what might properly be done.

BOND-BLAINE CONVENTION.

Adverting to the Bond-Blaine convention, Sir William Whiteway asked if the Newfoundland delegates were to understand that all that the Canadian delegates required was that time should be given with a view to some satisfactory arrangement of a similar kind between the United States and Canada, and that in the event of such proving unsuccessful Canada would be prepared to withdraw all opposition to the consummation of the Bond-Blaine convention.

Sir John Thompson stated that Canada could not be expected to waive her right to appeal to her majesty's government against the completion of any convention prejudicial to her interests.

Sir William Whiteway said that the immediate issue would seem to be: "Would the convention be detrimental to Canadian interests?"—and he thought that it had been clearly shown that the convention would not prove detrimental to the interests of Canada, inasmuch as the diversion of the Newfoundland fish trade into a new channel would leave the market formerly supplied by that trade open to be supplied by Canada.

Mr. Chapleau stated that the reason given by Mr. Bond for the negotiation of the convention was, in effect, that no other profitable markets were available. Such being the case, Canadian fishermen would not profit greatly by assuming the privilege of supplying markets which it would, from his statement, appear did not exist.

Mr. Harvey contended that the effect of the convention would be to the advantage of the fishermen of Newfoundland and Canada, and to the disadvantage of the fishermen of the United States. As regards the herring trade especially, Newfoundland fishermen would take the place of American fishermen and supply the American market, thus leaving Canadian fishermen free from the competition which they had hitherto experienced in attempting to cope with the fishermen of Newfoundland.

With reference to cod oil, he contended that the large production of Newfoundland would be directed, to a very great extent, to the American market, where it would replace pogy oil, which is now being used in immense quantities in tanning and other industries. His mercantile experience led him to believe that the withdrawal of this product from the markets of Great Britain would increase the price in those markets at least 10 per cent. This would undoubtedly be to the advantage of Canadian fishermen.

As to codfish, the Newfoundland production would supplant the American catch, inasmuch as the Americans were not able to compete with Newfoundland fishermen on equal terms, and the withdrawal from other markets of a large portion of codfish hitherto supplied by Newfoundland must necessarily raise the price in these markets.

He did not contend that the two countries would be equally benefited, but by way of comparison, he estimated that if Newfoundland should be benefited to an extent equal to 50 per cent, Canada would be benefited to at least 15 per cent. To impress upon the conference the sincerity of this view he cited his opinion as expressed in a confidential memorandum which he had presented to Lord Knutsford, and which had inadvertently obtained publication.

Mr. Bowell expressed the opinion that the effect of the proposed convention would be that Newfoundland would have a monopoly of the American market at the expense of Canada. At present Canada and Newfoundland were competing on equal terms, but under the proposed convention, Newfoundland fish would enter the United States free, while Canada continued to pay a heavy duty. He combated the statement that the whole of the fish trade of Newfoundland would be diverted to the United States. They would still supply other existing markets and have the advantage of free entry to the United States for their surplus products, while Canadians would be handicapped by a heavy tax.

Mr. Harvey appealed to the Canadian delegates to consider whether they were justified in preventing Newfoundland from availing herself of a market which was found to be open to her, simply because it was believed that Canada should participate. He estimated that each year's delay involved a loss to the people of Newfoundland of hundreds of thousands of dollars. The loss to the traders would aggregate annually a very large sum, while the fishermen would suffer to double the extent of the trader.

Sir John Thompson stated that he considered the position to be thus: Canada and Newfoundland now share the American market. By the adoption of the convention, it is proposed that Newfoundland should share it with the United States, and Canada be shut out.

Sir John Thompson stated that, if it be agreeable to the Newfoundland delegates, he and his colleagues would, at the next session of the conference, submit a proposition in writing with reference to the matters under discussion.

Agreed to.

LABRADOR BOUNDARY.

With reference to the Labrador boundary, Mr. Bowell stated that, since the question had been last discussed, he had received a telegram from the privy council office of Ottawa, stating that, although it had been recommended to Council that the map asked for by the government of Newfoundland should be transmitted, the recommendation had not been approved, inasmuch as it was considered that the map was imperfect, and that its formal transmission might therefore be misleading.

Mr. Harvey expressed the opinion that the map referred to was a very satisfactory one, except that he should insist that Melville Bay should be under the exclusive customs control of Newfoundland.

Mr. Chapleau pointed out that the delimitation, as shown on the map referred to, gave a considerable portion of the coast of Melville Bay to Canada, and that the control of the coast would naturally involve the control of the waters adjacent thereto.

Mr. Bowell called attention to the fact that, although the Hudson's Bay post at North-west river might by this delimitation be located in the territory of Newfoundland, yet it was probable that a large portion of the goods landed there would be intended for consumption on the Canadian side of the border.

Sir John Thompson suggested that the Newfoundland government should appoint a geographer to act jointly with the geographer of the department of the interior at Ottawa in tracing up all available data, and to report the results of their examination to their respective governments.

Sir John Thompson's suggestion was agreed to.

PRIVILEGES TO UNITED STATES FISHERMEN.

Sir William Whiteway called attention to a correspondence between the Hon. C. H. Tupper and Sir James S. Winter, dated 2nd and 19th December, 1891, and 2nd and 9th January, 1892, published in the Canadian Blue-book, relative to an alleged permission on the part of the government of Newfoundland to United States fishermen to fish in Newfoundland waters, from which it would appear that Sir James Winter had informed the Hon. Mr. Tupper that "Recent developments had furnished good reason for concluding, not only that such permission has been granted, but that it has been done in such a way as to assist the Americans in defrauding their own revenue, in working injustice (or at least inequality) as between Americans themselves, and an injury to our fishermen."

Sir William Whiteway desired to say that such statement was entirely incorrect.

MODUS VIVENDI LICENSE FEES.

Mr. Chapleau called the attention of Sir William Whiteway to the fact that he was mistaken in supposing that the request for a statement of the amount collected for license fees had not been made to the Newfoundland government.

Among the published despatches was the following:—

"16th October, 1888.

"Hon. M. FENELON, Colonial Secretary, St. John's, Nfld.

"Please send me list of *modus vivendi* licenses issued to date, and say what proportion of the total United States fishing vessels visiting Newfoundland took licenses.

"C. H. TUPPER,

"*Minister of Marine and Fisheries.*"

Mr. Bond submitted a statement of the license fees collected by Newfoundland under the *modus vivendi* arrangement, as follows:—

In 1888, the collections from American fishing vessels amounted to \$8,089.50.

In 1889 collections from American fishing vessels amounted to \$6,740.75.

As to the collections in 1890, he explained that the books of the department, containing the requisite details, had been destroyed in the recent fire, and that he was therefore unable to give the exact amount collected from American fishing vessels. The blue book, however, showed that the aggregate collections for licenses granted to French, Canadian and American fishing vessels during 1890 amounted to \$20,912.99.

Sir William Whiteway was under the impression that he had in his office the information necessary to complete the statement, his recollection being that he obtained it from the customs department previous to the fire.

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It was agreed that the statements as to the collections made by each country for license fees should be officially transmitted to the other, and that the aggregate should be divided equally.

FISH INSPECTION.

Sir John Thompson inquired whether Newfoundland intended to improve her system of fish inspection.

Sir William Whiteway explained that their statute on the subject was based on the Canadian act; that for some time previous to his assuming office in 1889 the act had not been enforced, he understood, by his predecessors, but that his government had appointed an inspector, and taken the necessary steps to enforce the law rigidly.

Conference adjourned until Saturday, at 11 o'clock.

W. V. WHITEWAY, *Chairman*. M. BOWELL,
R. BOND, J. A. CHAPLEAU,
A. W. HARVEY, JOHN S. D. THOMPSON.
DOUGLAS STEWART, *Secretary*.

HALIFAX, 12th November, 1892.

Conference resumed at 3 o'clock (no morning session).

TREATMENT OF FISHERMEN.

Mr. Bowell asked leave to file a statement with reference to the treatment accorded Canadian fishermen by Newfoundland as compared with the treatment of Newfoundland fishermen by Canada. He explained that he did not desire to submit this as a grievance, so much as by way of illustration of the liberality accorded to Newfoundland fishermen by the government of Canada.

Leave having been granted he submitted the following memo. :

*Canadian Treatment of Newfoundland Fishermen.**Newfoundland Treatment of Canadian Fishermen.*

1. Newfoundland fishermen were accorded full privileges of the inshore fisheries concurrently with Canadians.
2. No restrictions whatever were placed upon their operations.
3. They were exempt from light dues.
4. They were exempt from harbour dues.
5. They were exempt from pilotage dues.
6. They were afforded all port privileges.
7. Canada built and maintained free of all charges upon shipping, lights and fog signals on the coast of Newfoundland.
8. Canada did not exact similar duties.
9. 1,500 Newfoundlanders annually operate on the coast of Canadian Labrador without restrictions. (Commander Wakeham, 15th February, 1892.)

- 1 & 2. They were compelled to pay license fees of \$1 per ton, and give bonds before they were allowed to procure bait to carry on their fishing operations: (minutes of council, 24th April, 1890) and subsequently they were refused bait under any circumstances, being refused licenses under the Bait Act (instructions, 1891). They were prevented from catching or purchasing bait. And finally, by a strict interpretation of the term "bait fishes," their traffic in frozen herring for commercial purposes was entirely stopped. (Case "Ocean Belle.")
3. They were compelled to pay light dues. (Minutes of council, 29th May, 1890.)
4. They were compelled to pay harbour dues. (Minutes of council, 29th May, 1890.)
5. They were compelled to pay pilotage dues. (Minutes of council, 29th May, 1890.)
6. Fishing vessels were entirely excluded from any privileges.
7. Newfoundland imposed light dues on Canadian vessels for the lights which had been built and maintained by Canada. (Memo. by Commander Wakeham, 9th Nov., 1892, and report 15th Feb., 1892.)
8. On the coast of Labrador, Newfoundland exacted duties from Canadians on barrels and salt used for their fishing operations, and, in many instances, where the articles were not used through failure of catch, duty was, the following year, levied on the same articles. (Quebec board of trade, 30th October, 1889.)
9. 112 Canadians in nine vessels fished on Newfoundland Labrador, 1891.

Mr. Bowell said he thought it well to call the attention of the Newfoundland delegates to the comparison shown by No. 7 of the précis just submitted, inasmuch as it seemed rather extraordinary that the Newfoundland government should impose light dues on Canadian vessels for lights on their coast which had been erected and were maintained by Canada. In elaboration of this he begged to submit the following extracts from reports made to the department of fisheries by Commander Wakeham of the Canadian fisheries protection service.

The first extract is from a report dated 15th February, 1892, as follows:—

"These vessels had to pay duty on passing the line at Blanc Sablon on the salt and barrels which they had on board for curing their fish. I called on the Newfoundland collector at Blanc Sablon, and he informed me that his orders were to collect duties as usual on all salt and barrels on all Canadian fishing vessels passing to the eastward. For at least ten years back some of our vessels have had to pay these duties. At one time they even made our vessels pay light dues, though all the lights on the west coast and on both sides of the straits were built and are maintained by your department."

The second extract is a memorandum dated 9th November, 1892, as follows:—

"The lights in the straits of Belle Isle and at Rich Point and Cape Ray, on the west coast of Newfoundland were built and are maintained by Canada. It is a fact that Canadian fishing vessels were compelled to pay light dues. I, myself, crossed in 'La Canadienne' to Flowers Cove, and complained to the collector of customs at that port of this practice, which was eventually given up. The government of Newfoundland maintains no light on the coast in question (French shore)."

Mr. Bowell said that, in submitting this data, he did so with a view to elicit from the Newfoundland delegates any explanations or comments which they might desire to make, in order that it might go upon the records before the conference concluded.

Mr. Harvey explained that as regards light dues, the system was universally applied by Newfoundland, being applicable to their own vessels as well as to all others. He referred to the fact that Newfoundland was peculiarly situated on the line of commerce between Canada and Europe, and that her extensive coast made it necessary that she should, for the benefit of commerce generally, maintain an efficient light service. The great cost of erection and maintenance of these lights made it necessary that the system of light dues should be maintained and continued. While it was true that these lights were necessary for the protection of Newfoundland commerce, it was equally true that the benefits accruing to Canadian commerce were ten times greater. He pointed out that the lights erected and maintained on the Newfoundland coast by the Canadian government were on a portion of the coast little frequented by Newfoundland vessels, and were essentially beneficial to Canadian vessels. He deemed it impracticable to adopt any system by which exceptional treatment might be afforded Canadian vessels in the vicinity of Canadian lights, inasmuch as vessels in paying dues contributed to a general fund for the support of lights on the whole coast, and no system could be devised or successfully operated on any other principle.

Mr. Bowell had no doubt that the explanation of Mr. Harvey was correct, as to the causes which led to the exaction from Canadian vessels of lighthouse dues. Still, it was a question which should receive the attention and consideration of the Newfoundland government with a view to relieving such vessels of the tax.

UNION.

Mr. Bowell would, with the consent of the conference (though the subject had not been specially relegated to them by the government of Canada), ask the attention of the delegates present to the greater question involved in the project of the entrance of Newfoundland into the Dominion as a province of Canada. In applying the term "greater question," he did so advisedly, believing that union was the true solution of all the questions and difficulties which had been brought before this conference. He was aware of the diversity of opinion which existed both in Canada and in Newfoundland, as to the practicability and desirability of such a union, but he believed that the great prosperity and success which British North America had achieved under confeder-

tion, would be enlarged to a still greater degree by the unity of action, increased power and prestige which would result from a union of all the British North American provinces. He referred to the vexed questions which the conference had been discussing during the past few days, all of which, he submitted, would disappear as a shadow if the two countries resolved to unite their interests and adopt uniform legislation which would be in the interests of all concerned.

It might be said that this solution, although desirable, was not one for present consideration, but he submitted that it was the general belief in both countries that such a union must sooner or later be consummated. He admitted the diversity of opinion as to its immediate completion, but he felt satisfied that he voiced public feeling in Canada in stating that the matter was only one of time, without any doubt as to what the result would be.

The question was one which concerned not only the contracting parties, but was, in his opinion, of the greatest possible moment to the imperial government. The friction which had existed between Canada and Newfoundland, from time to time, and which seemed almost inevitable to countries competing for the same markets in products nearly identical, led to protests and counter-protests which formed the most vexed questions with which the colonial office had to deal. He considered the union of the British North American dependencies not only of vital importance to the peace and welfare of the people of Canada and Newfoundland, but to a great extent an imperial necessity.

There were many reasons why Canada should treat this subject favourably, and he thought that there were reasons still greater why it should meet with the approval of Newfoundland, as the advantages to be derived equally by both were of themselves of paramount importance. The united action consequent upon such a union would enable us to treat with the United States more advantageously, while the greater Canada which would then be established must necessarily command greater respect, both from the imperial government and other governments with which it might have to deal, commercially or otherwise. He would ask the delegates to consider for a moment the more effective, and less expensive, protective service which would be afforded to the fisheries of both countries if present misunderstandings and competition were removed; and he asked the Newfoundland delegates to consider whether as an important portion of Canada, they would not feel greater strength and confidence in facing the vexed question of alleged French rights on their shores.

As to whether this question should be considered by this conference, was a matter for the delegates to say. For his part, he could not allow the opportunity to pass without bringing it to their attention, and expressing the hope that ere long the British dependencies on this continent which, but a few years ago, were scattered and isolated, but which by degrees had been growing more closely together, would become a happy, prosperous and united power. He did not propose that they should enter into a consideration of the minute details of the terms of union at the present conference. That might be made a subject for future negotiations, should they agree to bring the subject under the notice of their respective governments for action. In the meantime, he believed the present meeting to be a fitting opportunity to consider the subject in a friendly way. It was of sufficient importance to occupy the minds of the best men in both Canada and Newfoundland, and should not, therefore, be lost sight of when considering questions materially affecting the interests of both countries.

Sir William Whiteway was glad that the subject had been mentioned. It was not one of those relegated to the Newfoundland delegates as a part of their mission, but he saw no reason why the representatives of the two countries should not discuss the difficulties and advantages which would accrue to British North America by the completion of the union. His views, personally, on this question were well known. He had always been in favour of confederation, and viewed it as entirely one of terms. If it were considered improper to formally discuss the matter he could see no harm in the question being considered informally, with a view to bringing out the views of the delegates representing the two governments.

Mr. Harvey strongly objected to the question being brought before the conference before the decision of matters, especially referred to it, had been concluded. He said

that the Newfoundland delegates were here with definite instructions to discuss certain questions and that the union of the two countries was not among those questions. If a union was the ultimate destiny of Newfoundland, as many believed, he was of the impression that it would not be a practical question for many years to come. In other words, confederation was a question of the future: the delegates were here to deal with present issues. The questions which they had come here to discuss were matters deeply affecting the present interests of the island, and he thought it would be a great mistake to take up the moot question of a union, at least before definite decisions had been come to as to what could, or could not, be done regarding those questions which had been relegated for the consideration of the conference.

Sir John Thompson said that in so far as the Canadian delegates were concerned, they were here to discuss any questions pending between the two countries. It had been suggested in the press of Canada, and he thought that it was generally understood by the public, that union would form one of the questions for the consideration of the conference. He could not conceive any reason why it should not be dealt with as a solution of all pending difficulties, and in his opinion no more pertinent question could possibly engage the attention of the conference. As to the subjects which should be considered at this meeting, the Canadian delegates had no intimation that the question of the Bond-Blaine convention, which had absorbed such a large portion of the time of the conference, was one which would come up, any more than this question. He did not object to the consideration of the convention, however, and did not wish it to be supposed that the reference to union had been made in order to evade a conclusion on any other question.

In like manner he could not conceive why Mr. Harvey should object to the discussion of a question which involved such great interests when considered in connection with the future of British North America.

Mr. Chapleau thought that the question of union might be of paramount importance, and that even admitting Mr. Harvey's statement that the instructions to the Newfoundland delegates did not include this matter specifically, yet he could conceive the question coming before the conference as a solution of the questions directly under discussion. In that connection he would ask Sir William Whiteway whether the imperial government had lately shown any disposition to settle the French shore difficulty, which he conceived to be the greatest difficulty in the way of considering the question of union.

Sir William Whiteway thought that the imperial government had every disposition to arrange an amicable solution of the dispute, but that the French government had not evidenced such a disposition in that direction as he would desire. The question involved not only the French rights on the coast, but also the more aggravating fact that the French and others used St. Pierre and Miquelon as a basis of operations for smuggling and fishing, and not as a place of shelter only for French vessels fishing on the Banks.

PROPOSAL "A."

Mr. Bowell, on behalf of the Canadian delegates, handed in a formal proposal. (See Appendix 5.)

Conference adjourned until Monday, at 3 o'clock.

W. V. WHITEWAY, *Chairman*.
R. BOND,
A. W. HARVEY,

M. BOWELL,
J. A. CHAPLEAU,
JOHN S. D. THOMPSON.
DOUGLAS STEWART, *Secretary*.

Conference resumed at 3 o'clock.

HALIFAX, 14th November, 1892.

PROPOSAL "B."

Sir William Whiteway, on behalf of the Newfoundland delegates, handed in counter-proposal "B." (See Appendix 6.)

PROPOSAL "C."

Mr. Bowell, on behalf of the Canadian delegates, handed in counter-proposal "C." (See Appendix 7.)

LIGHTHOUSES.

Mr. Bond handed in a statement showing the amount paid by Newfoundland for the maintenance of lights for year 1892, as follows:—

NEWFOUNDLAND LIGHTS.

Estimate for Maintenance for the year 1892.

Gull Island, Cape John	\$1,840
Long Point, Twillingate	1,250
Twillingate Wharf Light	120
Cann Island, Seldom-come-by	700
Offer Wadham Island	3,400
Penguin Island	800
Cabot Island, Bonavista Bay	1,500
Puffin Island, Greenspond	900
Little Denier	800
Cape Bonavista	2,000
Green Island, Catalina	2,000
Fort Point, Trinity	220
Hants Harbour, Trinity Bay	220
Baccalieu Island	3,900
Carbonear Island	800
Harbour Grace Island	1,450
Harbour Grace Beacon	450
Bay Roberts (Green) Point	230
Brigus, North Head	650
Cape St. Francis	3,500
Fort Amherst	1,800
St. John's Leading Lights	300
Cape Spear	2,700
Ferryland Head	1,700
Buoy, Powles' Trepassey	300
Cape Pine	2,000
Point La Haye, St. Mary's	250
Cape St. Mary's	2,100
Point Verde, Placentia	750
Dodding Head, Burin	1,500
Allan Island, Lamaline	250
Grand Bank	200
Brunette Island, Fortune Bay	1,650
Garnish, Fortune Bay	200
Belloram, Fortune Bay	300
Rocky Point, Harbour Breton	220
Pass Island, Hermitage Bay	850
Gaultois, Hermitage Bay	220
Boar Island, Burgeo	700
Ireland Island, La Poile Bay	800
Rose Blanche Point	800
Channel Head, Port au Basque	650
Sandy Point, Bay St. George	400
Mechanician, salary and travelling expenses	900
Contingencies	400
Alteration in lamps (seal to kerosene oil)	2,000
	<hr/>
	\$50,670

RICHARD H. O'DWYER,
Receiver-General.

LICENSE FEES.

Mr. Bond also handed in the following return of Canadian vessels which had been supplied with licenses to take bait during 1890, and desired to say that the receiver-general had intimated to him that owing to the customs books being destroyed in the late fire he could not vouch for the absolute correctness of the returns:—

RETURN of Canadian Vessels which have been supplied with licenses to take bait, 1890.

Place.	Number of Vessels.	Tonnage.	Number of Crew.	Number of Visits made during season.
Cape Broyle.....	31	3,128	552	58
Burin.....	2	240	38	2
Trepassey.....	8	778	128	65
Sandy Point.....	4	399	59	4
Channel.....	1	95	12	1
Rose Blanche.....	1	18	4	1
St. Jacques.....	9	889	160	9
Belloram.....	11	1,091	184	13
St. Mary's.....	2	547	35	2
St. Lawrence.....	3	287	53	3
Heart's Content.....	1	98	16	1
Portugal Cove.....	3	346	52	3
Placentia.....	4	410	64	4
Carbonear.....	31	2,979	506	59
Holyrood.....	8	733	136	8
Ferryland.....	4	391	66	6
	123	12,429	2,065	239

MODUS VIVENDI LICENSE FEES.

Mr. Bowell handed in the following memorandum with regard to the *modus vivendi* license fees, and stated that he did so in order that the precise facts, so far as the action of Canada is concerned, might appear on the records of the proceedings of this conference:

MEMORANDUM.

The mutual recognition of licenses issued to the United States fishing vessels by the respective governments of Newfoundland and Canada was recommended, as well as an equal division of the fees respectively collected.

The government of Newfoundland suggested that all annual licenses should expire on the 31st December in each year.

Canada agreed to the suggestion of the Newfoundland government, and the governor of Newfoundland acquainted the governor-general of Canada that his government would recognize the validity of all Canadian licenses. (Minute of council, 15th Sept., 1888.)

As the information of the issue of licenses reached the department of fisheries, copies of the licenses were forwarded to the colonial secretary of Newfoundland, and a request was made that a list of licenses issued by Newfoundland should be furnished in return.

The fisheries department continued sending this information to the Newfoundland government well on into the season of 1889, but the request for reciprocal information not having been complied with, the practice was discontinued.

The minister of marine and fisheries on the 16th October, 1888, telegraphed the colonial secretary of Newfoundland in the following words:—

"Please send me list of *modus vivendi* licenses issued to date and say what proportion of total United States fishing vessels visiting Newfoundland took licenses." This request has not yet been complied with.

Finally, in 1891, the high commissioner for Canada cabled the minister of marine and fisheries to ask Sir James Winter for the number of such licenses issued for different years.

The following reply was received:—

"Unable to procure information you ask immediately. Government forbid officials furnish."

The *modus vivendi* licenses issued by the Canadian government were as follows:—

Year.	No. of Vessels.	Tonnage.	Fees collected.
			\$ cts.
1888.....	36	2,554	3,831 00
1889.....	78	6,393	9,589 50
1890.....	119	9,641	14,461 50
1891.....	98	7,399	11,098 50

The reciprocal issue of licenses by Newfoundland, however, continued only during the years 1888 and 1889.

In 1890, Newfoundland exacted from Canadian fishing vessels license fees, the total amount of which is only known to that government, but the department of marine and fisheries is in possession of detailed information that fees were paid by 45 Canadian fishing vessels aggregating \$5,780.38. Other vessels are known to have paid similar fees but definite information is not yet available.

REFUND OF FEES.

Sir William Whiteway drew attention to the subject of the suits now pending in the courts of Newfoundland, to enforce a refund of the license fees paid by Canadian vessels. He said that while it was intimated in the formal proposal of the Canadian government ("C") that that government had not power to withdraw these suits, it seemed to be clearly shown in the despatches published that these suits were completely under their control, either as regards prosecution, suspension or withdrawal. From reports and letters of the minister of marine, it appeared that these claims were collected by the Canadian Government through the medium of a public notice. He would beg to call attention to the following:—

"DEPARTMENT OF FISHERIES,

"OTTAWA, 22nd January, 1892.

"The Collector of Customs at _____,

"SIR,—The honourable the minister of marine and fisheries being advised that the exaction by the Newfoundland government from Canadian fishermen, of fees for licenses to purchase bait during the year 1890 was illegal, intends to take steps to recover them for the fishermen.

"I inclose you herewith a supply of forms which are to be filled up with the necessary information to enable action for recovery of the fees.

"You will please distribute these forms among any parties, who to your knowledge may have paid such fees, or to deliver to parties applying to you for them in accordance with the notice published in the newspapers.

"I am, sir, your obedient servant,

"S. P. BAUSET,

"Acting Deputy-Minister of Fisheries."

"NOTICE TO BANK FISHERMEN.

"DEPARTMENT OF FISHERIES,

"OTTAWA, 25th January, 1892.

"The undersigned has been advised that the exaction of license fees from Canadian fishermen by the government of Newfoundland during the fishing season of 1890 was illegal, and he intends to take such proceedings as are available to obtain redress on their behalf. For this purpose he respectfully requests that the owners or masters of all fishing vessels from whom license fees have been collected would place themselves in immediate communication with the nearest collector of customs and give him such full particulars of the matter as they can.

"CHARLES H. TUPPER,
"Minister of Marine and Fisheries."

"OTTAWA, 27th January, 1892.

"Sir,—I herewith send you a form for the purpose of obtaining a statement of the amount of the fees, etc., you paid to the Newfoundland government during the year 1890, for licenses to purchase bait, &c., for your fishing vessel, and I have to request you to be good enough to fill up this form and sign the authority printed on the back of the same.

"The honourable the minister of marine and fisheries being advised that the exaction of fees in question was illegal, intends to take steps to recover them back for the fishermen.

"I am, sir, your obedient servant,

"S. P. BAUSET.

"Acting Deputy-Minister of Fisheries."

It was, therefore, evident that the suits were not in consequence of the complaints of the fishermen, but as a result of the invitation issued by the department.

Sir John Thompson explained that the government held themselves responsible for the procedure. Very great pressure had been brought to bear upon the government by the injured fishermen (as would appear by reference to the documents now on the table), both through the medium of direct communication, repeated telegrams, and the indirect pressure brought to bear through the members for their respective constituencies. While Sir William Whiteway was quite correct in his statement that the Dominion government had complete control of the suits now pending, it was equally correct that the withdrawal of these suits would not cancel the individual right of the injured fishermen to enter suits on their own behalf.

Mr. Chapleau, in support of the remarks of Sir John Thompson, quoted from the report of Lieut. Gordon, of the 3rd December, 1890, asking that the government of Canada should take up the case of the fishermen, in the following words:—

"The man is only a poor fisherman, and is not able to take the necessary legal steps to defend his own rights or recover damages, and as he apparently endeavoured in every particular to comply with the local laws, his case is one which, I think, the government may fairly take up in the general interests of our fishermen, for this is not an isolated case, and there is a very strong feeling among the fishermen on our coasts that Newfoundlanders have every privilege on our shores, whilst, when they visit Newfoundland, they are regarded as foreigners and treated in a directly hostile manner."

He also quoted an opinion expressed by the council of the Montreal board of trade, as follows:—

"That the council is of opinion that all retaliatory legislation against Newfoundland should be withdrawn and that diplomacy should be trusted to arrange other matters in dispute, and further, that the government should be sustained in its opposition to a

treaty giving rights and privileges to a foreign power on this continent in the British North American inshore fisheries, which jointly with Newfoundland belong to the Dominion of Canada by birthright and immemorial usage."

The Halifax board of trade had adopted the following resolution on the subject:—

"That whereas the Halifax board of trade is deeply sensible of the grave injury to trade that results from the hostile legislative enactment between the governments of Newfoundland and Canada, and of the great loss and inconvenience that are inflicted on both countries by the present position of affairs, be it resolved: (1.) That the Halifax board of trade urge upon the government of Canada by special memorial the desirability of arranging, if possible, a *modus vivendi* under the terms of which the hostile tariffs and enactments of both countries should be held in abeyance until sufficient time is given to enable diplomatic conferences to adjust the whole difficulty.

(2.) "That the Halifax board of trade is of opinion that the Bond convention between the governments of Newfoundland and the United States would affect Canadian fishing interests most injuriously, in that the produce of the Canadian fisheries would compete in the American markets with the produce of the Newfoundland fisheries at an enormous disadvantage, represented by the severe duties exacted from produce of Canadian fisheries, from which the produce of Newfoundland fisheries would be exempt. And that the Halifax board of trade deem it desirable that the Canadian government should use every effort to prevent the Bond convention from being carried into effect.

(3.) "That the Halifax board of trade should also memorialize the Canadian government to urge on the Newfoundland government the withdrawal of the Bait Act directed against Canadian fishing vessels, on the grounds that its enforcement is a violation of the pledge given by the government of Newfoundland; is opposed to the comity that should exist between colonies under the British flag; and is not a fair return for the port privileges which Newfoundland fishing vessels enjoy without restriction on the Canadian and Labrador coasts and their free admission to Canada's inshore fisheries."

Mr. Bowell stated that the grievance connected with the imposition of these license fees was intensified by the discrimination in favour of American vessels. He quoted from the *Royal Gazette* of Newfoundland a proclamation over the signature of the colonial secretary, containing instructions for magistrates, customs officers, etc., in relation to the Bait Act, of which the following is an extract:—

"No license shall be granted except to Newfoundland and United States fishing vessels, and before granting such license the customs officer or magistrate shall require to have produced to him the ship's register, in the case of Newfoundland vessels, and in the case of United States vessels the clearance papers from the American customs."

Mr. Bond explained that in treating American vessels thus considerately they felt that they were treating with a friendly power, who had expressed a willingness to grant them certain concessions pending the ratification of the convention, which was in abeyance through no fault of the American government, and considered it unwise to impose a tax on American vessels.

Mr. Bowell replied that it was very much to be regretted that the government of Newfoundland should have looked upon Canada (composed as it is of British provinces) as an unfriendly power, which was the only inference that could be drawn from the remark which had fallen from Mr. Bond. On behalf of the Canadian government he desired to disclaim any feeling of hostility or unfriendliness towards Newfoundland. On the contrary, the desire of Canada was to maintain the most friendly relations, both commercially and politically, with that colony, as was evidenced by the official papers now before the conference. In regard to the remarks of Sir William Whiteway, he (Mr. Bowell) could not understand why objection should be taken by the Newfoundland delegates to the proposal of the Canadian delegates to refer the question of the right on the part of the government of Newfoundland to collect license fees from the Canadian fishermen to a court of competent jurisdiction. If the Newfoundland government had the legal right to collect this tax why should it object to have that right affirmed by a tribunal competent to give a decision? If no such right existed it could scarcely be supposed that the government would desire to retain money illegally taken from Can-

adian fishermen. The question of testing in a court of law the rights of a subject against the crown was of constant occurrence, and if the Canadian fishermen had been illegally taxed by the Newfoundland government surely it was not asking too much that these toilers on the sea should have the privilege at least of taking their case into court, in order to have their grievances redressed—if grievances really existed. To deny this right would be anti-British, and he could not but express surprise at the position taken upon this question by the Newfoundland delegates. If they were legally right, they had nothing to fear; if wrong, the money taken from the fishermen as license fees was illegally taken, and should be refunded. A government could not afford to be less considerate of the rights of a subject than would an individual in a private transaction, in which the right to property is involved, hence he hoped the Newfoundland delegates would reconsider the position they had assumed on this question.

“OCEAN BELLE.”

Sir John Thompson suggested that it might be well to consider some of the claims which had been brought to the attention of the cabinet for alleged ill-treatment of Canadian vessels by Newfoundland officers. He referred especially to the case of the schooner “Ocean Belle,” owned by John Allen & Sons, of Halifax. Captain Wrayton, the master of this schooner, filed a statement of which the following is an extract:—

“Left Halifax, N.S., 21st January, 1891, for Fortune Bay, Newfoundland, to procure a cargo of frozen herring; arrived at St. Jacques on 29th following. Entered vessel at custom-house, paid duties and received coastwise clearance from collector Clinton. Asked him for instructions and if any further papers were necessary for me to procure herring. He answered me: ‘There is nothing to prevent your securing your load of frozen herring; you can do so, so far as I am concerned. I have no instructions to the contrary.’

“Left St. Jacques on the 4th of February; sailed to Belloram and other places about the bay in search of herring, but secured none until the 16th of March, when we took on board 175 barrels. On the 20th March we took another lot of 60 barrels. At midnight on the 23rd of March we returned to Belloram. On the 25th purchased from one Patrick Farrell 260 barrels of fresh herring. Just as the purchase was concluded the steamer “Greyhound,” employed by the government of Newfoundland, steamed into Belloram, with Philip Hubert, collector of customs at Hartar Breton, on board, who at once sent a policeman on board my vessel and demanded the removal of the hatches. I protested against disturbing the hatches, the weather being soft, but finally had to comply with his demand. I was then asked to go on board the “Greyhound,” when collector Hubert informed me I could take no more herring, at the same time forbidding Farrell delivering me any of the lot I had secured from him, and placed a policeman on board to prevent his doing so.

“On the following morning (26th) collector Clinton arrived from Bay L’Argent (telegraph station) and I at once went with him on board the “Greyhound,” when a consultation was held to decide what to do with the herring I had already on board. They decided to take a bond from me to land the fish at Halifax, N.S., at the same time stating their instructions were to allow no Canadian vessels to secure fresh herring. I asked them to put their refusal in writing. This they refused to do.

“During the 26th, the wind changed to north-north-east, and the weather turned intensely cold. Tried to secure herring again from Farrell, but policeman prevented him from handling them.

“On the morning of the 27th (the steamer “Fiona,” also employed in the Newfoundland government service, and having on board commissioner Sullivan, not having arrived as expected) I sailed for the bay, the east. On the way down secured a lot of 25 barrels of herring, spread them on ice for freezing, and engaged 250 barrels more from one Jeremiah Petit; had about 100 barrels in boats to spread on ice when steamer “Fiona” arrived and commissioner Sullivan boarded my vessel, asking me what I was doing here. Told him I was trying to freeze balance of my cargo if allowed to do so. He then asked me if collector Hubert had not forbidden me taking herring; I replied he had, but that

he had refused to put his order in writing, or give or show his authority for the course he was taking. Commissioner Sullivan then demanded the hatches removed, looked at the fish and ordered the hatches replaced: at the same time forbidding me taking another fish. I then demanded of him a written notice that I should secure no herring. This he positively refused to give, and was some time in doubt whether he would allow me to take what herring I had already on board. Finally, I was allowed to take vessel to St. Jacques with the first catch of herring. Before leaving, Mr. Sullivan ordered the men in charge of the 100 barrels of herring to throw them overboard, which was done in the presence of myself and crew. The night following was intensely cold. I had then to go on board the "Fiona," when I was compelled to take a most binding oath that the herring I had on board would not be used for bait in Nova Scotia."

"HATTIE."

In this connection,

Mr. Bowell referred to the statement of Henry Dicks, owner of the schooner "Hattie," of Charlottetown, from which it appeared that Mr. Dicks had taken out a fishing bounty license under the provisions of a statute of Canada.

He states: "That on the 5th day of July he entered the port of Channel, Newfoundland, reported at customs, paid the usual light dues, and made entry of fishing supplies, consisting of 130 empty herring barrels and $4\frac{1}{2}$ tons of salt.

"That a duty was exacted from him on his supplies amounting to \$16.70.

"That upon protesting against the payment of such duty Mr. Dicks was detained four days, but in order to obtain a clearance to proceed to the fishing grounds he eventually paid the duty, though the barrels and salt had not been landed.

"That having cleared from the port of Channel on the 10th July, for coastwise fishing, having on board the aforesaid fishing supplies, usual stores, and a seine, preventive officer Richard Furcau, in the service of the Newfoundland government, came on board (the 7th August) when he was seven miles from Burnt island, and seized his vessel for alleged violation of the law in hauling herring with a seine.

"That he afterwards proceeded to Channel, and was granted a license on the 11th August to continue fishing, on giving bonds for \$2,000, that the fish were for food and exportation.

"That having resumed charge of his vessel an officer again came on board, and would not allow the petitioner to resume fishing. Shortly after the petitioner discovered that his seine had been 'tripped' and that the herring were lost by the interference of the preventive officer.

"That on the 13th August the petitioner paid \$18, or \$1 a ton to the customs officer, getting a receipt therefor; but the seizing officer refused to allow the ship to go.

"The petitioner was arrested and on the 20th August was tried for an infringement of the Bait Act and a fine of \$6 was imposed. The petitioner being unable to afford an appeal, this fine was paid.

"The herring season was then over, the crew had become demoralized, the petitioner had sustained very serious loss, and being an ordinary fisherman, he was unable to seek redress for the interference which resulted in the loss of his fish from the seine, as well as that of the fishing season. He claims the sum of \$2,000 damages."

Mr. Bond stated, in connection with the cases referred to by Sir John Thompson and Mr. Bowell, that he did not, at the moment, remember the circumstances connected with them, nor the reasons which induced the Newfoundland government to consider themselves justified in refusing to entertain them. In such matters the government was, of course, guided by the reports of the officers intrusted with the enforcement of the Bait Act, and on his return to Newfoundland he would be glad to look into the matter.

In reply to Sir John Thompson, he stated that the Newfoundland government would be quite willing to consider any renewed representations which might be forwarded by the Canadian government, and would be glad to forward copies of any reports which may have formed the basis of the past action on the part of the Newfoundland government.

CUSTOMS EXACTIONS.

Mr. Bowell called attention to a number of grievances which had been reported to the Canadian government with reference to the practice said to prevail among Newfoundland customs officials, of charging and collecting upon goods (in some cases even on salt and barrels) which had never been landed on Newfoundland territory.

Mr. Chapleau said that Captain Wakeham of the fisheries protection service, had made a special report regarding these matters. In the report of the 15th February last, Captain Wakeham had called attention to the cases of the following, viz. :—

"Garland"	Petite Rivière.
"Magic"	Lunenburg
"Vigesco"	Halifax.
"Valiant"	LaHave.
"Ella Maud"	Shelburne.
"Mayflower"	LaHave.
"Vanilla"	do
"Bessie A."	do
"Jewel"	Lunenburg.

These vessels had to pay duty on passing the line at Blanc Sablon, on the salt and barrels which they had on board for curing and packing their fish. For many years Canadian fishermen having taken no fish, had to pay these duties on the same barrels and salt the following year. In this way the duty had sometimes been paid three times on the same articles, although these articles were carried for fishing operations only—were not intended for trade and were never landed.

Captain Wakeham had also reported that on the secondary shore fisheries where goods were landed and sold, Canada has, during the past two years, collected duties on dutiable articles, but the salt, nets, hooks and lines, etc., used in fishing operations were admitted free.

Sir William Whiteway stated that he had been informed that the practice of collecting duties upon goods which had not been landed was in vogue during the administration of his immediate predecessors; but on his assuming office, the matter was brought to the notice of the government, and orders were issued immediately to have it discontinued, and customs officials were instructed not to collect duties on goods intended to be used in carrying on the fishing when not landed.

THE PROPOSALS.

Adverting to the proposal and counter-proposals which had been formally submitted.

Mr. Harvey recapitulated the points at issue as he understood them, and stated that in view of the fact that the Newfoundland delegates had agreed to guarantee to remedy the objections made by the Canadian government against the Bait Act, and the discrimination which they feared would be exacted by Newfoundland through the provisions of the Bond-Blaine convention, he expressed deep regret that the Canadian delegates had not seen fit to adopt the counter-proposal (B) submitted by Sir William Whiteway.

Mr. Bond pressed upon the Canadian delegates the advisability of considering whether the counter-proposal, just referred to by Mr. Harvey, should not be reconsidered with a view to its adoption if possible.

Mr. Chapleau said the Canadian delegates had assumed that the assurances given by their Newfoundland colleagues,—that the objections taken by Canada to the Bond-Blaine convention, as regards the Bait Act of Newfoundland, and the possibility of discriminating against Canadian exports to Newfoundland under that convention, were removed by the concession to Canadian fishermen and vessels, of the same rights to procure bait, as are conceded to Newfoundland fishermen, and under the same conditions and restrictions, and that no discriminations would be made against Canadian exports to Newfoundland, provided the Canadian government would undertake to have legislation enacted by the Canadian parliament, giving effect to the Newfoundland Bait Act, and

preventing violations of the same by Canadian fishermen and vessels, and provided also that the fishery products of Newfoundland, and the packages containing the same, would be admitted free of duty into Canada. With that view, the Canadian delegates agreed that such legislation would be recommended to the Canadian parliament, and that the freedom of duty to Newfoundland fishery products, and the packages containing them, would be granted by Canada.

The Canadian delegates further declared that they were ready to submit to their colleagues of the cabinet at Ottawa, the reasons and arguments proffered by the Newfoundland delegates tending to remove the objections made by Canada to the Bond-Blaine convention on the ground that such convention would be greatly detrimental to the fishery interests of Canadian fishermen, and that they would do this with the view of bringing the relations of the two colonies to the most harmonious character consistent with the interests of both countries.

The Canadian delegates, in furtherance of the mutual desire expressed by both parties to come to an amicable agreement and settlement regarding the difficulties now existing between the dominion of Canada and Newfoundland, asked that the *modus vivendi* between the two colonies be extended until the 1st August next, so as to allow the renewal of negotiations with the United States for the admission of Canadian fishery products into the American markets on terms satisfactory to Canada and Newfoundland.

The Canadian delegates must express their deep regret that their offer has not found favour with the Newfoundland delegates, and that their sincere desire to bring about a friendly issue to the controversy between the two colonies has been frustrated by the persistent demand that a complete surrender of the rights of Canada to object to a convention which she thinks detrimental to her interests and to the general interests of the future union of all the British North American possessions should be stipulated by the Canadian delegates in recommending to their colleagues of the Canadian government to withdraw their protest against the Bond-Blaine convention, in the case of a refusal by the United States to grant to Canada the same, or adequate advantages as those which were stipulated in the Chamberlain-Bayard Treaty of 1888.

UNION.

Mr. Bowell expressed his regret that the delegates from Newfoundland had not seen their way clear to a friendly consideration of the much more important subject of union, which might be a solution of all the questions now agitating the two countries. It appeared, however, that Mr. Harvey had objections to even discuss the subject until all others in dispute had been settled.

Sir John Thompson, reverting to the former discussion upon this subject, was still strongly of opinion that, although the question of union might not be finally disposed of at this conference, what had taken place should be made a part of the record. Though the subject of union was not specially mentioned in the order in council of Canada, it was understood that all matters affecting trade relations with Newfoundland might be discussed, and any proposition tending to a solution of the existing difficulties, not only might, but should be considered. He must, therefore, insist that what had been said should be recorded in the proceedings of the conference, otherwise there would not be a correct record of what had taken place.

Mr. Harvey expressed himself strongly against any consideration of the question of union, until a definite answer had been given by the Canadian delegates with reference to the proposals now before the conference. He re-affirmed his statement made at a previous meeting, that the conference should first dispose of the questions which had been placed before it. He called attention to the origin of the conference, in the suggestion of Lord Knutsford, at the time when there was a cessation of trade and commerce between the two colonies) that a conference should be arranged to consider the points in difference between the two governments, and that, pending the meeting of the conference, all hostile proceedings should cease. This was agreed to, the truce was proclaimed, and this is the way the conference and the matters in dispute should be, in his

opinion, brought to an agreement or a direct issue; after which, if time permitted, he would be glad to listen to any expression of opinion which the Canadian delegates might desire to make, as to the terms upon which the union might, at some time in the future, take place. This union must be dependent on circumstances which may arise in the future.

Mr. Bond quite concurred in the opinion of Mr. Harvey that it was of paramount importance that the questions directly relegated to the conference should be first disposed of. At the same time he could not conceive of any objection to consider any proposal submitted by the Canadian representatives as a solution of present difficulties. If Mr. Bowell seriously brought forward the question of union, he was quite prepared to hear what he had to say. He used the word seriously, advisedly, because on Saturday, when the matter was first introduced by Mr. Bowell, it had been suggested that the discussion should not be recorded as part of the minutes of this conference, and he was of opinion that any proposal seriously made should form part of the records together with the opinion expressed thereon. He did not agree with his friend Mr. Harvey that the Newfoundland representatives had no authority or right to consider the question. He submitted that their duty was to consider all questions of difference between the two colonies, and proposals as to a solution of such differences, and he desired to refer to the minutes of council signed by his excellency the governor of Newfoundland (appendix 4), which was their authority so to do.

Mr. Harvey again protested against the consideration of this question, until the conference should come to some decision upon the questions which had been relegated to it, and which had formed the subject of discussion during the past few days.

Sir John Thompson, in reply to Mr. Harvey, said that the Canadian delegates could, of course, only discuss the questions which the Newfoundland delegates were willing to discuss, and must discuss them in the order desired by the Newfoundland delegates. He considered, however, that the question of union was one of the greatest pending between Canada and Newfoundland, and therefore within the authority of the delegates to discuss. In any case, he pressed that what had been said on this subject on Saturday and to-day should appear on the record, if any record of the discussion was intended to be preserved and made public. The expectation of the public in Canada was that the question of union would be brought forward, and if the delegates, on their return, should be asked whether that question was taken up, they could not be expected to deny the fact. If the record was silent on that subject, they would be obliged to contradict the record.

Sir William Whiteway expressed the opinion that the consideration of the question of union, if proposed as a solution of existing difficulties, was a proper one for the consideration of the conference.

Mr. Bowell said he could not help remarking, and he would do so, he hoped, not in an offensive manner, that Mr. Harvey had been conjuring up phantoms for the purpose of knocking them down, which he admitted had been very well done. It must be remembered, that he (Mr. Bowell) had not even suggested delay in the settlement of the questions now before them for consideration. All that he had done was to ask the consideration of the greater question in a manner that might lead to a final settlement of all questions of dispute between them.

Sir William Whiteway, on behalf of the Newfoundland delegates, handed in counter-proposal "D." (See appendix 8.)

Conference adjourned until Tuesday, at 3 o'clock.

W. V. WHITEWAY, *Chairman.*
R. BOND.
A. W. HARVEY.

M. BOWELL.
J. A. CHAPLEAU.
JOHN S. D. THOMPSON.
DOUGLAS STEWART, *Secretary.*

HALIFAX, 15th November, 1892.

Conference resumed at 3 o'clock, all the delegates being present.
Mr. Bowell handed in proposal "E." (See appendix 9.)

It was agreed that the delegates should recommend to their respective governments that the rate of postage between the two countries be reduced to three cents per ounce, and that newspapers, when sent from the office of publication, be transmitted free.

It was moved by Mr. Bond, seconded by Mr. Chapleau, and *Resolved*, that the Canadian and Newfoundland delegates desire to record their high appreciation of the kindness of the provincial government of Nova Scotia, in placing at their disposal the legislative council chamber, during their deliberations in Halifax; and that this expression of their gratification be conveyed to the said government through the Hon. W. S. Fielding, premier.

It was agreed that no statement of the business of the conference should be made public until the delegates report to their respective governments.

Conference concluded.

W. V. WHITEWAY, *Chairman*.

R. BOND.

A. W. HARVEY.

M. BOWELL,

J. A. CHAPLEAU.

JOHN S. D. THOMPSON.

DOUGLAS STEWART, *Secretary*.

APPENDIX 1.

Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 23rd September, 1892.

The committee of the privy council have had before them a telegram from the administrator of the government of Newfoundland to your excellency, dated the 15th September, 1892, hereto attached.

The committee advise that your excellency be moved to inform the administrator by telegraph, that a deputation from the Canadian government can meet a delegation from the government of Newfoundland at Halifax to discuss the fishery question and other questions between Newfoundland and the Dominion any time after the tenth day of October next.

The committee further advise that the government of Newfoundland be invited to name a day subsequent to the 10th October, on which it would be convenient for their delegates to meet a Canadian delegation.

JOHN J. MCGEE,

Clerk of the Privy Council.

Administrator, Newfoundland, to Lord Stanley of Preston.

(Telegram.)

ST. JOHN'S, NEWFOUNDLAND, 15th September, 1892.

Am requested by my responsible advisers to inquire of your lordship earliest possible date at which it will be convenient for a deputation of Canadian government to meet delegation from this colony to discuss fishery question and other questions of difference between the two governments.

ADMINISTRATOR.

APPENDIX 2.

Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 23rd September, 1892.

The committee of the privy council beg to recommend to your excellency that the minister of militia and defence, the minister of customs, and the minister of marine and fisheries be appointed a deputation to meet and confer with certain delegates from the government of Newfoundland upon the fishery question and other questions between the two governments.

JOHN J. MCGEE,

Clerk of the Privy Council.

APPENDIX 3.

REPORT of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor-General in Council on the 29th October, 1892.

The committee of the privy council beg to recommend to your excellency that the minister of justice be appointed a member of the deputation to meet and confer with certain delegates from the government of Newfoundland upon the fishery question and other questions between the two governments, in the room of the minister of marine and fisheries, who is obliged to proceed to England on official business.

JOHN J. MCGEE,
Clerk of the Privy Council.

APPENDIX 4.

CERTIFIED COPY of Minutes of the Honourable Executive Council, approved by His Excellency the Governor on the 27th October, 1892.

On consideration of the question of a delegation to Halifax, Nova Scotia, to confer with delegates from the government of the dominion of Canada upon the question of the fisheries and other matters of difference between the two governments, it was resolved that the Hon. Sir W. V. Whiteway, K. C. M. G., premier, the Hon. Robert Bond, colonial secretary, and the Hon. A. W. Harvey do proceed as delegates from this colony to Halifax, on the 2nd proximo.

T. O'BRIEN, *Lieut.-Col.,*
Governor.

"A"—APPENDIX 5.

The Canadian representatives, having stated their objections to the Bond-Blaine convention, and the representatives of Newfoundland, having assured the former of their desire to remove all such objections, in so far as it may be in the power of the government and legislature of Newfoundland to do so, and having declared that the ratification of that convention is a matter of the utmost importance to the colony of Newfoundland, the Canadian representatives desire to express their gratification at the assurance before mentioned.

They are unable to state, without consultation with their colleagues of the cabinet, that the protest of Canada against the ratification of the convention would not be continued, even though it should be found impossible to secure for Canada admission of Canadian fishery products to the markets of the United States, on terms like those granted to Newfoundland under the convention.

The Canadian representatives, therefore, suggest that, for the present, that question be left in abeyance, and that in the meantime, an agreement be made as follows:—

That her majesty's government shall not be asked by Newfoundland to ratify the convention until a reasonable time shall have elapsed to give Canada a further opportunity to ascertain whether the United States will consent to put the fishery products of Canada and of Newfoundland on the same footing, or grant equivalent concessions to Canadian products.

That it be understood to be the intention that Newfoundland will put Canadian fishermen and vessels on equal footing with Newfoundland fishermen and vessels from time to time as to supplies of bait, and other matters, and that no discrimination will be made against exports from Canada to Newfoundland. These two provisions to be secured at least for the time during which the convention shall be in operation, if it should be ratified.

That, in the meantime, *i.e.*, during the period allowed for negotiations on the part of Canada, the fishermen and vessels of Canada shall have bait and other facilities, on the same footing as those of Newfoundland, and that no duties shall be imposed in Canada on the fishery products of Newfoundland in their fresh, salted, dried or cured state, including fish oils, and no discriminating duties in Newfoundland on exports from Canada.

That Canada will adopt such legislation as may be within the competence of her parliament against infractions of the laws of Newfoundland respecting bait, by Canadian fishermen and vessels who may obtain supplies of bait in Newfoundland.

"B"—APPENDIX 6.

The Newfoundland delegates, having carefully considered the paper submitted by the Canadian delegates, regret that notwithstanding the fact that the Newfoundland delegates have expressed their willingness to recommend to their government the removal of the objections raised by Canada, *viz.* differential duties—access to bait—license under 1818 treaty—to the Bond-Blaine convention, the Canadian delegates hesitate to undertake on behalf of their colleagues, the withdrawal of the protest, even after time has been allowed for the conduct and termination of further negotiations with the United States on the part of Canada.

If the Canadian delegates will, however, undertake to recommend to their colleagues the withdrawal of the protest under the foregoing circumstances, if the Canada-United States negotiations have not been concluded by 1st June, 1893, the Newfoundland delegates will cordially assent to the proposal as submitted.

In case this meets with the approval of the Canadian delegates, the reports to the respective governments should embrace provisions regarding the consulate at St. Pierre—an agreement for the delimitation of Labrador boundary, and that the suits now being prosecuted in the Newfoundland courts regarding license fees, should be withdrawn.

The Newfoundland delegates would also suggest that the verbiage of the two first paragraphs on the second page of the paper submitted, should read somewhat as follows:—

(1.) That it be understood to be the intention that Newfoundland shall put Canadian fishermen and vessels on the same footing, and that Canada shall put Newfoundland fishermen and vessels on the same footing as regards their respective fisheries as the respective fishermen and vessels were upon prior to the year 1890. That no discrimination will be made by Canada or Newfoundland upon the exports from each of the colonies to the other, and that fishery products and packages containing the same shall be free upon entry into each colony from the other. These two provisions to be secured to each colony during the operation of the convention, should it be ratified.

(2.) That, in the meantime, *i.e.*, during the period allowed for negotiations, the provisions contained in the next last preceding paragraph shall be in operation between the two colonies.

"C"—APPENDIX 7.

The Canadian delegates beg to offer the following suggestion to the delegates from Newfoundland on the counter-proposal just handed in by the latter to the former.

Without discussing for the present the completeness of the statement of Canada's objections to the Bond-Blaine convention, but coming at once to the request that the Canadian delegates shall recommend to their colleagues the withdrawal of the protest made by the Canadian government, they request the Newfoundland delegates to consider the effects of such a promise. In negotiations like the present, which are *ad referendum*, a promise to recommend would be considered by the Canadian government as an obligation assumed on their behalf by three of their colleagues, and that government would, in consequence, not consider themselves free to deal with the whole question on its

merits. The Canadian delegates can, therefore, only undertake to submit the whole question to their colleagues, and to assure the delegates from Newfoundland that the representations that they have made will be considered by the Canadian government with an anxious desire that the relations of the two countries shall be of the most harmonious character, consistent with the interests of both countries.

The Canadian representatives acquiesce in the proposal to make representations to her majesty's government with reference to a consulate at St. Pierre, and to delimit the Labrador boundary, whenever the Newfoundland government is prepared to do so—an examination of the question being in the meantime made by geographical experts. As regards the suits now pending in the Newfoundland courts for the recovery of license fees, the Canadian government is hardly in a position to withdraw them. They are suits by and on behalf of persons who claim a refund of license fees, etc., and action of the character suggested in the counter-proposal would not bind the claimants to surrender their rights. The Canadian government, however, would undertake, if it be considered desirable, to secure a suspension of these suits for the period referred to in the next following paragraph, as allowed for negotiations. They would prefer that an agreement should be come to for a reference of the question of the liability of the Newfoundland government for claims of that class, to some legal tribunal, such as the judicial committee of the privy council, the supreme court of Canada, or the supreme court of Newfoundland; with the right to appeal to the judicial committee if either of the two latter courts should be the court resorted to.

They submit that the period allowed for the negotiations referred to in the proposal and the counter-proposal should be the 1st of August next.

In other respects, they respectfully invite the Newfoundland delegates to reconsider the terms of the proposal made by the Canadian delegates at Saturday's meeting.

"D"—APPENDIX 8.

The Canadian representatives having expressed their willingness to adopt such legislation as may be within the competence of their parliament, against infraction of the laws of Newfoundland respecting bait by Canadian fishermen, and vessels who may obtain supplies of bait in Newfoundland, the Newfoundland representatives undertake to recommend to their cabinet that Canadian fishermen and vessels shall be put on equal footing with Newfoundland fishermen and vessels as to supplies of bait and that no discrimination will be made against imports from Canada, provided all the produce of the Newfoundland fisheries and packages in which the same is contained shall be admitted to Canadian ports free of duty, and also that the fishermen of Newfoundland are admitted to equal privileges with Canadian fishermen in Canadian waters; the mutual concession to continue in force until the first day of June next. Should the Bond-Blaine convention in the meantime receive the ratification of her majesty's government, or the Canadian government, on or before that date, withdraw their protest against the ratification of the same by her majesty's government, then the said privilege shall continue to exist. The Newfoundland representatives had hoped that after the assurances given, viz., that such guarantee as the government of the Dominion of Canada shall deem satisfactory will be given by the government of Newfoundland that no differential tariff will be exacted against the produce of the Dominion of Canada; that the Canadian fishermen will be admitted to equal rights and privileges with the fishermen of Newfoundland, and that a system of licenses shall be adopted as a recognition of the continuity of the treaty of 1818; which meant the removal of every objection within the powers of the colony to remove, the Canadian representatives would have undertaken the withdrawal of the protest, or at least to recommend to their colleagues the withdrawal of the same after a reasonable time had been allowed to afford Canada a further opportunity to ascertain whether the United States would consent to put the fishery products of Canada and of Newfoundland on the same footing, or grant equivalent concessions to Canadian products.

The Newfoundland delegates fail to see that in asking the Canadian representatives in these negotiations which are *ad referendum* to recommend to their government the withdrawal of the protest, their freedom of action would be contracted or influenced beyond the expression of an opinion by the Canadian representatives, and they regret that the Canadian representatives decline to accede to their request in this behalf.

In the absence of such an undertaking, the Newfoundland delegates are unable to give a promise to the effect that her majesty's government will not be asked by the government of Newfoundland to ratify the convention aforesaid, more especially as such ratification is considered to be of vital importance to the trade and commerce of the colony.

The Newfoundland representatives presumed that in proposing the withdrawal of the suits respecting the license fees, their request would not have been deemed unreasonable, but would have met with a ready acquiescence, and they fail to perceive any concession on the part of the Canadian representatives in a proposal to refer the matter to a judicial tribunal, which is the utmost that can be done under the most antagonistic circumstances. They would, therefore, most respectfully ask a reconsideration of this subject by the Canadian representatives, a modification of their proposal.

“E”—APPENDIX 9.

The Canadian delegates will submit to their government the reply handed to them by the Newfoundland delegates last evening.

In the meantime, however, they respectfully assert that the stipulations which that reply designates as “mutual concessions” can hardly be regarded as such, for the following among other reasons:

(1.) The right of Canadian fishermen to buy bait in Newfoundland on equal footing with Newfoundland fishermen had already been secured, as a condition on which the Bait Act received the royal assent, and the law officers of England have, it seems, advised her majesty's government, that it is illegal for the government of Newfoundland to adopt any other course.

(2.) Equal rights of fishing in the waters of the two countries could not be regarded as a concession to Canada by Canadian fishermen. They are of opinion that the fisheries of Newfoundland waters are not so productive as to afford them lucrative employment, while the fisheries in Canadian waters are far otherwise. The fishermen of Canada in using the deep sea fisheries (which are open to the world) desire to enjoy the right to procure bait in Newfoundland. The fisheries of Canada have always been open to Newfoundland fishermen on the same terms as to Canadians. Both have always had the same terms in the markets to which the produce of the fisheries was carried. If, however, the convention between the United States and Newfoundland should give the Newfoundland fishermen a preference over Canadian fishermen in the markets of the United States by stipulation for free fish for Newfoundland, while Canadian caught fish would remain subject to duty, the disadvantage to Canadian fishermen would be seriously enhanced if Newfoundland fishermen could pursue the fisheries in Canadian waters. Canadian fish would then indeed have a free market, but only when caught by Newfoundland fishermen.

(3.) The offer that, in the event of Canada submitting to have the convention go into force, discriminating duties would not be imposed on her exports to Newfoundland, is merely an offer to do that which the government of that colony and the delegates have avowed their intention in making the convention. Canada has never imposed discriminating duties on imports from Newfoundland, and although Newfoundland for a time did so against Canada, it has been assumed that she did so under a feeling of irritation and that a policy so contrary to the principles which should govern the relations between two dependencies of the empire would not be adhered to.

As regards the desire and expectation of the Newfoundland delegates, that the suits should be absolutely withdrawn, it must be remembered that these suits were

brought to recover sums of money which were obtained by the Newfoundland government from persons in Canada, without (it is contended) the authority of the law. The Canadian delegates submit that the proposal for a reference of the controversy to some competent authority should be satisfactory, and that the Canadian government should not be asked to pay their people the money which has thus been obtained by Newfoundland. This would be the result of their undertaking to have the suits withdrawn, as the individual claimants could not be expected to abandon their rights, and neither the parliament nor government of Canada could take away those rights.

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