

APPENDIX No. 18.

FISHERY PROTECTION.

CORRESPONDENCE RELATING TO THE FISHERIES.

[From Sir W. F. WILLIAMS to the Governor General, Canada; copies also to Lieutenant Governor, New Brunswick; also Secretary of State for Colonies.]

(COPY.)

(No. 40.)

Halifax, 27th March, 1866.

MY LORD,—

I have the honor to enclose for your information a copy of the report of a committee of the House of Assembly upon the protection of the fisheries, which has been unanimously adopted by this House.

My Government are prepared to co-operate with those of the other Provinces interested in this service, and I would suggest for your consideration the desirability of a member of the Canadian Administration meeting a member of this Government at Fredericton, for the purpose of concerting joint action with the Government of New Brunswick, during the present sittings of the Legislature there.

It would be well also to invite the co-operation of the Governments of Prince Edward Island and Newfoundland; and if this proposal should meet the approval of your Lordship, I would be glad if you would communicate as early as convenient with the Lieut. Governor of New Brunswick upon this subject, and advise me of the course decided upon.

I have, &c.

(Signed) W. F. WILLIAMS.

His Excellency the Governor General.

REPORT OF SPECIAL COMMITTEE ON PROTECTION OF FISHERIES.

The Special Committee appointed to consider and report upon the question of the Protection of the Fisheries, have agreed to report as follows:

That your Committee regard the efficient production of the fisheries on the coasts of British America, to be of the most vital importance to the interests not only of these Colonies, but of all subjects of the Crown of Britain, and recommend that the most prompt measures should be taken to secure the cordial co-operation of the British North American Provinces, and the vigorous aid of the Imperial Government, in thoroughly guarding this valuable public domain from intrusion.

For many years some controversy existed as to the exact limits within which the rights allowed by the Convention of 1818 to citizens of the United States of America, to prosecute the fisheries on the coasts of British North America, could be exercised; but all doubt upon that question appears to have been set at rest by the opinions of the highest legal authorities.

In 1841 Mr. Stephenson, the American Minister in London, addressed a strong remonstrance to Her Majesty's Government against the extent to which American citizens were excluded from those fishing grounds; and a Case was prepared by the Law Officers of the Crown in this Province, and transmitted to the Colonial Office, and a report was made thereon by the Queen's Advocate and Her Majesty's Attorney General, dated August, 1841, and which may be found on the 34th page of the Journals of the Assembly of 1843.

This report embodies and reiterates the fact, that by the Convention of 1818, "American citizens are excluded from any right of fishing within three miles of the coasts of British America, and that the prescribed distance of three miles is to be measured from the headlands or extreme points next the sea of the coast, or of the entrance of the bays, and not from the interior of the bays or indentations of the coast."

The Law Advisers of the Crown in England also declared: "We have attentively considered the course of navigation to the Gulf by Cape Breton, and likewise the capacity and situation of the passage of Canso, and of the British dominions on either side, and we are of opinion that, independently of treaty, no foreign country has the right to use or navigate the passage of Canso."

The extent of our rights being thus clearly established, their strict maintenance becomes a matter not only of interest, but of imperative duty. In 1851 a memorandum was agreed to by the Hon. Messrs. Bouret, Howe and Chandler, for the protection of these fisheries, under which it was contemplated that Canada should provide a steamer, or two or more sailing vessels to cruise in the Gulf of St. Lawrence and along the coasts of the Labrador, and Nova Scotia was to continue to employ at least two vessels on the same service, and New Brunswick at least one vessel to be employed in the protection of the fisheries in the Bay of Fundy.

The Colonial Minister in a despatch dated May 27, 1852, stated: "Her Majesty's Ministers are desirous to remove all ground of complaint on the part of the Colonies, in consequence of the encroachments of the fishing vessels of the United States upon those waters, from which they are excluded by the terms of the convention of 1818, and they therefore intend to despatch as soon as possible a small naval force of steamers, or other small vessels to enforce the observance of that Convention."

Under the foregoing arrangements, vessels commissioned by her Majesty's Government, and by the Governor General of Canada, and the Lieutenant Governor of this province, were actively engaged in the protection of the fisheries up to the time when happily the difficulties which arose between British and American interests in relation to the fisheries were set at rest by the Reciprocity Treaty of 1854.

The Government of the United States having seen fit to abrogate that Treaty which had been conducive to the harmony and commercial prosperity of both countries in a marked degree, the necessity is again forced upon the British and Colonial Governments to guard this important industrial resource from unauthorized intrusion.

Your committee would therefore respectively suggest that so soon as the Treaty expires on the 18th inst., proclamation should be issued warning all persons from trespassing on the coast fisheries of British America, that a conference should be held with the honorable the Legislative Council for the purpose of preparing a joint address to her Majesty for Imperial aid in this important service, and that the Governments of Canada, New Brunswick, Newfoundland, and Prince Edward Island, should be requested to co-operate in the protection of the fisheries.

As the abrogation of this Treaty has again brought in force chapter 8, passed in 1836, entitled, "An act relating to the fisheries, and for the prevention of illicit trade in the province of Nova Scotia, and the coasts and harbors thereof;"

by which act power is given to his Excellency to commission vessels to be employed in the protection of our fisheries, your committee recommend the immediate purchase and equipment of a suitable steamer, to be thus commissioned; and they would further recommend that all the vessels commissioned by the various Provincial Governments for the protection of the fisheries, should be so commissioned by the several Governments, as to empower them to act upon any portion of the coasts of British North America.

All of which is respectfully submitted.

CHARLES TUPPER,
W. A. HENRY,
A. G. ARCHIBALD,
WILLIAM ANNAND,
STEWART CAMPBELL,
THOMAS COFFIN,
JOHN LOCKE,
S. MACDONNELL,
HENRY S. JOST,
JOHN TOBIN.

House of Assembly,
Committee Rome, March 5th, 1866.

(Nova Scotia.)

Downing Street, 25th April, 1866.

SIR,—

I have received a despatch from Viscount Monck, dated the 31st March, in which it is stated that his Lordship has communicated to you a copy of an approved minute of the Executive Council of Canada, explaining their views on the course which it would be advisable to adopt with respect to the fisheries, in consequence of the termination of the Reciprocity Treaty with the United States.

I enclose herewith copy of my despatch to Lord Monck, in which I express the full approval of her Majesty's Government of the suggestion that American fishermen should be allowed to fish during the current year in all provincial waters on payment of a moderate license fee, and I trust your advisers will readily concur in an arrangement which motives of forbearance and good policy seem so strongly to recommend for adoption.

I have, &c.,

(Signed) EDWARD CARDWELL.

Lieutenant Governor,
Sir W. F. WILLIAMS, Baronet, K. C. B.

(COPY.)

(Canada.)

Downing Street, 21st April, 1866.

MY LORD,—

I have the honor to acknowledge the receipt of your Lordship's confidential despatch of the 31st of March last, accompanied by a minute of your Executive Council, communicating their views in the course to be adopted with respect to the fisheries in consequence of the termination of the Reciprocity Treaty with the United States.

I recognize in this minute with much pleasure the moderation and forbearance shewn by the Canadian Government.

The suggestion that American fishermen should be allowed to fish during the current year in all provincial waters upon payment of a moderate license fee, meets with the full approval of her Majesty's Government, and I shall inform the Governors of the Lower Provinces that I trust they will readily concur in it.

In anticipation of this result, Sir James Hope will be instructed to act upon it so soon as he shall have been informed that the arrangement is concluded.

I have, &c.,

(Signed) E. CARDWELL.

Governor Viscount MONCK.

*Government House, Montreal,
April 4th, 1866.*

SIR,—

I have the honor to acknowledge the receipt of your despatch No. 40, of March 27th, on the subject of the protection of the fisheries of these colonies, and beg leave to transmit a copy of an approved minute of the Executive Council of Canada on the same subject.

I will not reply to the proposal contained in your despatch until I receive the opinion of yourself and your advisers on the views contained in the accompanying minute.

I have, &c.,

(Signed) MONCK.

Lieut. Governor of Nova Scotia.

The committee of Council have given their best consideration to the despatch from the Secretary of State for the Colonies, dated March, on the subject of the course to be adopted on the termination of the right of American citizens to use the inshore fishing of the British North American Provinces.

The committee desire to assure her Majesty's Government of their earnest wish to avoid any step that would be likely to produce collision with the American fishermen, and consequently difficulty with the United States. They have no disposition to use the apprehension of national differences arising out of the fisheries, as a means of influencing the United States to replace their trade relations with British North America on a satisfactory footing. They believe that the advantages of a free interchange of the productions of the two countries, will ere long become so apparent, as to induce the United States to modify or recede from their present policy. But even if this be not the case, they prefer submitting to all the inconveniences of the present interruption of trade, rather than to seek its restoration by the adoption of a policy which might involve the risks and sacrifices attendant upon war. Her Majesty's Government may therefore feel assured that, so far as Canada is (and it is confidently affirmed the other provinces are) concerned, the question of the fisheries will be dealt with in a spirit of conciliation and liberality, so far as the maintenance of national rights will permit.

The intrinsic value of the fisheries is not very generally known in England, nor the important influence their possession must hereafter exercise on the destinies of British North America. The take of fish by provincial fishermen, irrespective of Newfoundland, now amounts annually in value to from \$4,000,000 to \$5,000,000, employing upwards of 20,000 men and boys, and providing a nursery for hardy seamen, which will, in the future, make British North America

the predominant maritime power on this continent. This trade, even subject to the competition of American fishermen, has had a very rapid growth, and now forms the staple of the export of Nova Scotia and Newfoundland. In Prince Edward Island, New Brunswick, and Nova Scotia, the market for the coarse grains, potatoes and dairy produce (forming the bulk of their agricultural production) has been in the United States; and being now in a great measure closed, it is evident that a change of industry must, to a certain extent, take place. This opportunity is offered in the inexhaustible fisheries on their shores; and it is evident that any additional value which may attach to the catch of fish, will tend to stimulate this industry, and to reconcile the people to the losses which will necessarily attend a change of production.

The United States do not possess on their coast any fisheries of much value, and though they still hold in common with other nations the right of deep sea fishing, still the mackerel and herring fishing is now almost wholly within the three mile coast limit, and the catch of bait is entirely in-shore. The exclusion of American fishermen from the in-shore fishing, will, therefore, give the provinces the entire control of the mackerel and herring fisheries, and a great advantage in the cod fishing—and it cannot be long before the former fishermen will prove unable to compete with the latter, even with the high duties levied by the United States on fish. It is also to be observed that a very large trade in fish now exists between the United States and the foreign West Indies, which a very slight increase on the cost of American caught fish must transfer to the British Provinces.

The committee have only thus far treated the question as affecting the maritime provinces; but it is proper to remark that the most valuable fisheries are in the waters of Canada, and form the principal means of livelihood to the bulk of the population on the St. Lawrence, and the Bay of Chaleurs below Quebec. Canada desires to preserve these fisheries not only for her own people, but in the interests of the maritime colonies, with whom she hopes speedily to be united, and their preservation and development must in the future be an object of the highest interest to the Confederation, as a source of national strength and defence, the more essential from the extended line of sea coast which will have to be protected.

The action of the United States having forced upon the provinces the search for other markets, the control of the supply of fish becomes of immense importance, and if wisely used, this staple of commerce will greatly tend to open new channels of trade, by enabling our merchants to make up assorted cargoes cheaper than can be done by American traders to the same foreign countries.

It has been much questioned whether the concession of in-shore fishing to the United States was not, in a national point of view, a mistake; and, even from its material aspect, much more than an equivalent for any favors given to the provinces by the Reciprocity Treaty. But the very proper anxiety to avoid national complications, has always furnished sufficient reasons for acquiescence in the settlement then made of the question; and from the same cause, the Canadian Government now desire to treat the subject with the utmost discretion.

Upon a failure of the negotiations for a continuance of reciprocal commercial relations with the United States, the Canadian Government felt it necessary at once to issue a proclamation warning the citizens of the United States that their right of in-shore fishing had ceased. This step was considered to be urgent, as the spring fleet of American fishermen was getting ready for sea, and it was considered that it would have been a harsh proceeding to have allowed them to leave their own ports without timely notice, and then have imposed the penalties of law for an offence not intentionally committed. These penalties in New Brunswick and Nova Scotia amount to a confiscation of the vessel and cargo; and the laws imposing them have now revived, having been in abeyance pending the duration of the Reciprocity Treaty. In Canada no special legislation exists on this subject.

It now has become necessary to consider the further steps to be taken, and the committee have given their best consideration to the suggestion in Mr. Cardwell's despatch,—that for the current year *no interference with American fishermen*

should take place,—in view of the hope of a change of policy in the United States on the question of Reciprocal Trade.

The Canadian Government receive this expression of the opinion of her Majesty's Government with the utmost respect. But they doubt whether its adoption would not in the end produce most serious evils. They fear there is no reasonable hope of satisfactory commercial relations being restored with the United States within this year. They think the prospect of attaining this result in the future will be greatly diminished if the United States fishermen continue to exercise the rights given by the late treaty. The withdrawal of their privileges a year hence will create more irritation than now, as having the character of retaliation. The step if taken now is plainly and publicly known to be the consequence of the act of the United States. They, and not Great Britain, have cancelled the agreement, and voluntarily surrendered the right of fishing. The course suggested would certainly be regarded by the American people as evidence of weakness on the part of Great Britain, and of an indisposition to maintain the rights of the colonies; while it would disturb and alarm the provinces. The determination to persist in encroachments, and in resistance to law, would be stronger by the impunity of the past year, and the danger of collision when exclusion becomes necessary would thus be much increased; while the value of the right of fishing, for the purpose of negotiation would be diminished precisely in proportion to the low estimate which the provinces would thus appear to have placed upon it.

The committee would also respectfully submit to her Majesty's Government that any apparent hesitation to assert an undoubted national right will certainly be misconstrued, and be made the ground for other and more serious exactions, till such a point is reached as neither country can recede from, with honor.

The Canadian Government could not consistently, with what they regard as the true interests of the country, consent to leave the rights of Canada to her own fisheries in abeyance, or in doubt. But they feel the importance of enforcing the recognition of this right of sovereignty in such a manner as will deprive the United States of all just ground of complaint, and of avoiding, so far as practicable, those questions which caused past difficulties. They have, therefore, invited the maritime provinces to unite with Canada in the issue to American fishermen, of joint licenses to fish in all provincial waters at a moderate fee,—to form a fund for the maintenance of a joint marine police. Any vessels attempting to fish without license, will either be required to procure the license from the cruising officer, or will be removed from the fishing grounds. The instructions to be given to the officers will be, to avoid harshness or undue zeal; and if causes of difficulty arise, they will, it is thought, be such as to leave the United States Government no ground of complaint.

The system of license will continue for the current year; but it is proposed to notify the fishermen in all cases, that it will not be renewed for the future, being only adopted from a desire to avoid exposing them to unexpected loss, their arrangements having been made, before the expiry of the treaty, for this season's fishing.

The committee trust that her Majesty's Government will approve of the course adopted, and they earnestly recommend that several small vessels of war be added to the North American squadron, and that her Majesty's naval officers be instructed to assist the provincial authorities in the performance of their duties; as it is believed that the presence of such a force would greatly diminish the risk of illegal resistance by the American fishermen, to which they might be tempted if they supposed they had only to deal with the provincial marine police force.

Executive Council, Montreal, 23rd March, 1866.

(No. 37.)

Halifax, Nova Scotia,
10th May, 1866.

SIR,—

In acknowledging the receipt of your confidential despatch of the 25th April, on the subject of the inshore fisheries of the maritime provinces, and enclosing the copy of a letter addressed to his Excellency the Governor General on the proposal of the Canadian Government to issue fishing licenses for the current year to American fishermen, I have the honor most respectfully to transmit the accompanying minute of my Executive Council.

The unanimous decision thus come to by the Council, I need not say, is contrary to the views which you are aware I urged upon it, but after communicating with Sir James Hope I do not apprehend the least danger of collisions, as he has ample means of surveillance and suppression, and moreover gives me a very favorable impression of his coadjutor, Commodore Boggs.

I have, &c.,

(Signed)

W. F. WILLIAMS.

Mr. Secretary CARDWELL.

The Executive Council, having carefully considered the despatch from his Excellency the Governor General of Canada of April 4th, 1866, and the approved minute of the Canadian Government enclosed therein, proposing that fishing licenses should be issued to the fishermen of the United States during the present year, have the honor to offer the following observations thereon :

The Council regret that the Government of Canada, in a matter so vitally affecting the rights and interests of the maritime provinces, should have proposed a policy to the Imperial Government without preconcert with the other colonies to be affected by the proposed arrangement.

The Council, after the most serious deliberation, and with a view to meet the wishes both of the Imperial Government and the Government of Canada, are compelled to state that they are of the opinion that any concession at this moment of the admitted rights of British subjects to the exclusive use of the inshore fisheries of British North America, would be most impolitic and disastrous to the interests of British North America. The privilege of using these fishing grounds has been deliberately abandoned by the Government and Congress of the United States, and abundant notice was given to the people of that country by the official announcement made more than a year ago, which abrogated the Reciprocity Treaty.

If under these circumstances, when the United States are exhausted by a four years' war, and paralyzed by an oppressive debt, any indecision is exhibited in the maintenance of these undoubted and admitted rights, and a temporizing policy substituted, which will be certain to be misconstrued, the Council believe that the prospect of obtaining a fair reciprocity treaty will be diminished ; that the most injurious results will follow, and that the difficulties to be encountered a year hence in dealing with the question will be vastly enhanced.

At the same time the Council entirely concur in the view enunciated by the Right Honorable the Secretary of State for the Colonies, recommending that while firmly maintaining the exclusive right to the fishing grounds, the local governments should exercise all possible forbearance in pressing their rights, and the utmost caution in selecting the cases for enforcing the extreme penalty of confiscation. In this spirit the legislation of this province has already been modified so as to remove any reasonable cause of complaint on the part of the the Government of the United States.

The Council would again submit the advantage which would arise from mutual consultation between members of the governments of these provinces at an early day at some central place, for the purpose of arranging joint and co-operative action upon a question of such deep interest to all.

All of which is respectfully submitted.

(Certified)

JAMES THORNE, C. E. C.

Halifax, 9th May, 1866.

(No. 31.)

Downing Street, 26th May, 1866.

SIR,—

I have received your despatch of the 10th inst., No. 37, transmitting a Minute of the Executive Council of Nova Scotia, to whom you referred the copy of my despatch to the Governor General on the subject of the invitation which his Lordship has sent to the Lieutenant Governors of the maritime provinces to unite with Canada in issuing for this season joint licenses to the fishermen of the United States to fish in the inland waters of the respective provinces

Her Majesty's government learn with great regret the opinion entertained by your government with respect to a policy which her Majesty's government consider extremely calculated to facilitate an arrangement with the United States of a question affecting the foreign relations of this country.

Her Majesty's government trusts that on further consideration, and when the Executive Council are informed that there are *reasonable* grounds for hoping that before next season permanent arrangements may be made with the government of the United States, they will feel themselves at liberty to withdraw their objections to a temporary arrangement for the year which has received the cordial approval of her majesty's government.

I must distinctly inform you that on a matter so intimately connected with the international relations of this country, her Majesty's government will not be disposed to *yield their own opinion* of what it is reasonable to insist on, nor to *enforce* the strict rights of her Majesty's subjects beyond what appears to them to be required by the reason and justice of the case.

I have, &c.,

(Signed)

EDWARD CARDWELL.

Lieut. Governor of Nova Scotia.

Halifax, Nova Scotia,
6th June, 1866.

SIR,—

In acknowledging the receipt of your despatch No. 31, dated 26th May, 1866, on the subject of fishing licences to American fishermen during the current year, I have the honor to inform you that although the absence of some of the members of the Executive Council prevents that body from taking immediate action on the subject of your despatch, yet I am to assure you that the wishes of her Majesty's Government shall be complied with, and I shall have the honor of transmitting that assent by the next mail.

I have, &c.,

(Signed)

W. F. WILLIAMS.

Mr. Secretary CARDWELL.

Minute of Council.

The Executive Council have the honor to offer the following observations upon the despatch of the Right Honorable E. Cardwell, M. P., Secretary of State for the Colonies to his Excellency the Lieutenant Governor, dated 26th May, 1866, relating to the minute of Council disapproving of the policy of issuing licenses to fishermen of the United States as proposed by the Government of Canada :

When this question was on a former occasion submitted for the consideration of the Council, they deemed it an imperative duty as sworn advisers of the Crown in this colony to state the opinions which they unanimously and strongly entertained on a matter of such vital importance to all British subjects, affecting as it did not only the trade and prosperity of British North America, but also the amicable relations of Great Britain and the United States.

The Council entirely concurred in the view expressed in the following extract of the minute of Council of the Canadian Government :

“ They fear there is no reasonable hope of satisfactory commercial relations being restored with the United States within this year. They think the prospect of attaining this result in the future will be greatly diminished if the United States fishermen continue to exercise the rights given by the late treaty. The withdrawal of their privileges a year hence will create more irritation than now, as having the character of retaliation. The step if taken now is plainly and publicly known to be the consequence of the act of the United States. They and not Great Britain have cancelled the agreement, and voluntarily surrendered the right of fishing. The course suggested would certainly be regarded by the American people as an evidence of weakness on the part of Great Britain, and of an indisposition to maintain the rights of the colonies, while it would disturb and alarm the provinces. The determination to persist in encroachments and in resistance to law, would be stronger by the impunity of the past year, and the danger of collision when exclusion becomes necessary would thus be much increased ; while the value of the right of fishing, for the purpose of negotiation, would be diminished precisely in proportion to the low estimate which the provinces would thus appear to have placed upon it.

“ The committee would also respectfully submit to her Majesty's Government that any apparent hesitation to assert an undoubted national right, will certainly be misconstrued, and be made the ground for other and more serious exactions, till such a point is reached as neither country can recede from with honor.”

At the same time the Council not only failed to perceive how the issue of licenses for one year would promote the object in view, but regarded that policy as fraught with greater difficulties and complications than the moderate and temperate enforcement of the exclusion of American fishermen from privileges which they had voluntarily surrendered, and for which the government of the United States was unwilling to give any adequate consideration. The difficulty of carrying out the proposed licensing arrangements, the Council considered obviously greater and more likely to cause unpleasant collisions with American fishermen than the judicious enforcement of the treaty of 1818 ; as in the latter case no foreign fishermen could enter the prohibited waters, while in the former a constant and irritating, and frequently repeated search must be made by the numerous vessels belonging to the various provinces and to her Majesty engaged in compelling the American fishermen to respect the licensing regulations.

The Council feared that the uninterrupted enjoyment of the fishing privileges acquired by the reciprocity treaty would prevent the government and people of the United States from appreciating the loss to themselves, caused by the abrogation of that treaty, while a year hence the withdrawal of these privileges will be our act instead of their own.

It is not, however, necessary now to expand the numerous objections entertained in this province to the proposed Canadian policy. Suffice it to say that the Council entertaining the opinion that policy would be most disastrous in its effects upon British interests, felt it their duty respectfully to submit their opinions for the consideration of her Majesty's Government.

After giving this important question the most careful consideration, the Council regret that they cannot change the opinions at which they had arrived; but they fully appreciate the necessity of meeting the views of her Majesty's Government, so strongly expressed in Mr. Cardwell's despatch of the 26th ultimo, and accordingly withdraw their objections and agree to grant the licenses for this year as desired.

All of which is respectfully submitted.

Halifax, 21st June, 1866.

(No. 3.)

Downing Street, 15th July, 1866.

SIR,—

I have the honor to acknowledge the receipt of your despatch No. 54, of the 21st June, enclosing a minute of your Executive Council, agreeing to the granting of licenses to fishermen of the United States.

I appreciate the readiness which your advisers have shown, to act in accordance with the policy of the Imperial Government on this occasion.

I have, &c.,

(Signed) CARNARVON.

Sir W. F. WILLIAMS, Lieut. Governor, &c., &c.

(COPY.)

Ottawa, 14th June, 1866.

SIR,—

I have the honor to transmit for your information a copy of an approved minute of the Executive Council of Canada, on the subject of the issue of fishing licenses to persons other than British subjects in British North American waters during the present season.

I may add that it is not the intention of the Canadian Government to make any claim on the fund that may be realised from the sale of these licenses, beyond the expense to which this Government may be put in issuing them.

I have the honor to transmit three copies each of the instructions issued to Captain Fortin, in command of the Canadian schooner *Canadienne*, and also of the forms of license which he is authorised to issue on the part of the Government of Canada.

I shall feel much obliged if you will supply me with similar information with respect to any steps in the matter which have been taken by your Government.

I have, &c.,

(Signed) MONCK.

Lieut. Governor of Nova Scotia, New Brunswick,
P. E. Island, and Governor of Newfoundland.

Copy of the Report of a Committee of the Hon. the Executive Council, approved by His Excellency the Governor General in Council on the 18th June, 1866.

On a memorandum dated 16th June, 1866, from the Hon. the Minister of Finance, upon the reference to him of the despatch dated 4th June, from Sir Frederick Bruce to your Excellency, upon the subject of an arrangement with the United States for a reduction of the United States duty on fish, contingent upon the imposition of a tonnage duty on American vessels fishing within provincial waters.

The Minister of Finance recommends that his Excellency Sir Frederick Bruce be informed that Canada would not be prepared to enter into any engagement with the United States, relative to the rights of American fishermen to fish in Canadian waters, if such an arrangement were only connected with the question of duties to be levied by the United States upon provincial caught fish.

That Canada will be prepared to consider the propriety of making concessions of the right of fishing in her waters, in connection with the whole subject of the commercial relations between the two countries, but she could not consent to come under any stipulations with regard to the fisheries, apart from an agreement upon the other points covered by the late reciprocity treaty.

That he further considers it necessary to remark that the tonnage duty of fifty cents per ton, now imposed, has been adopted for this year only, and is not by any means to be regarded as considered by Canada to be equivalent for the right of fishing in her waters.

The committee concur in the views above expressed by the Minister of Finance, and advise that they should be communicated to Sir Frederick Bruce as recommended.

Certified.

(Signed)

WM. H. LEE,
C. E. C.

