

report of the 12th January you state that the Under-Secretary of State informed you "that the British Government had no intention of annexing fresh territories or burdening itself with additional colonies, as Lord Derby had quite recently told the Australians."

Recent experience leads us to conclude that Lord Derby merely intended to avoid the acquisition of fresh Crown colonies, without at all interfering with the colonial expansion of British colonies having responsible Governments. Lord Derby by no means disapproved unconditionally of intended annexations by Australia. He merely denied that these colonies were authorized to annex fresh territories without the consent of the Home authorities. He stated that this consent would be withheld unless the colonies contributed towards the cost. The Australian Colonies having declared their willingness in this, their policy of annexation must be looked upon as authorized by Lord Derby. In this sense we understand the declarations made by Mr. Ashley in the House of Commons on the 7th instant.

It cannot be a matter of indifference to us when we find that regions of the South Sea, within which German commercial enterprise had hitherto free scope for development, are all at once declared to be natural domains of Australia, and if, with a view to a proposed occupation, all acquisitions made there by others are declared to be null and void. It is consequently necessary to take timely steps against a realization of such unlimited claims. We hope that this may be attained by means of a friendly understanding, and we therefore desire to come to some arrangement with the English Government with reference to the general principles in accordance with which subjects of either country are to be dealt with, as also with reference to a delimitation of the territories which either of us may desire to place under its protection.

The enclosed memorandum contains the facts of the case, as well as instructions on the way in which this question is to be dealt with. I beg you to discuss this question without delay with Lord Granville, in a friendly spirit, no doubt, but without admitting a foreign control over our existing commercial relations. Your Excellency will, at the same time, let it be understood that we cannot separate the responsibilities of the Colonial Governments from those of the Imperial Government.

Enclosure.—*Memorandum.*

THE English Government has virtually sent no reply to the confidential note of Baron Plessen to Lord Granville, of September last year. We have all the more claim to such a reply as the English Government specially asked our consent to the publication of that note (see No. 14). The report of the Western Pacific Commission, to which that note is appended, was before the English Government as long ago as the 16th October last year. The publication of that report in March last year could not be looked upon as a reply to our question, in how far the English Government would be guided by the recommendations of that Commission. We first learnt from the *Kölnische Zeitung* (No. 169, of the 19th June last) that a resolution in that respect was already arrived at in February. The way in which this question was dealt with by Lord E. Fitzmaurice, the Under-Secretary of State, in the House of Commons, on the 17th March, afforded us once more an opportunity of urging, in a letter dated the 17th March, the importance which we attached to a clear understanding.

Lord Granville's note of the 9th June of this year, sent together with the report of the 17th June (see No. 14), avoids the general question altogether, and confines itself to the communication that the labour-vessel "Stanley,"\* which had destroyed a German factory on New Ireland, was alleged to be lost. When about to direct attention to the fact that this loss would not settle the question, we learnt from the German Consul-General at Sydney that the Queensland Government had awarded £550 to the German firm which had been the sufferers, and that the guilty parties were to be tried in Fiji. The British Ambassador at Berlin, in notes dated the 15th May and the 27th June last, merely communicated, in accordance with his instructions, a few documents on alleged acts of violence on the part of a German labour-vessel in New Britain, and informed us that the Government of Queensland had prohibited the recruiting of labourers in New Britain, New Ireland, and adjacent islands for Queensland plantations, and that the Governor of Fiji had been instructed by the Colonial Office to extend this prohibition to Fiji. These English communications contain not a single expression showing a recognition of the importance of our interests in the South Sea on the part of the English Government, or a desire to comply with our request for an understanding. It is to be feared that negotiations with us will drag along until, through the action of the colonial Governments, accomplished facts shall have brought about a situation unfavourable to us.

The Blue Books on New Guinea and the independent islands, forwarded by the German Minister in London, show that the movement for the annexation of these independent territories in Australia resulted from an article in the *Allgemeine Zeitung*, of November, 1882, in which New Guinea had been referred to as a possible German colony. The Australians unhesitatingly declared that not only New Guinea, but also all other independent territories in the South Sea, were natural dependencies of their colonies. The alarm which arose upon this in German commercial circles was somewhat allayed when the English Government, about the middle of last year, disavowed the annexation of New Guinea by a Police Magistrate of Thursday Island, and declared this act to be null and void. The speeches of Mr. Gladstone, Lord Granville, and Lord Derby (see *Times* of the 3rd July of last year) expressed a distinct disapproval of the arbitrary action of the colonies.

The Blue Book on New Guinea of July last year (of the 24th of the same month) prints despatches of Lord Derby's of the 11th July and the 31st August of last year (see Nos. 21 and 39), which led to the reasonable hope that England would treat this question with moderation. According to a report of the German Ambassador, of the 12th January of this year, Sir Julian

\* Reference to the "Stanley" in No. 16.—*Translator.*