

13. But as I am still inclined to believe that the Colonial Governments are alive to the expediency of bearing, in certain cases, a share of those burdens which cannot fairly be thrown entirely upon the revenue of Great Britain, it may be well that I should take this opportunity of again explaining the part which, in my opinion, it would be reasonable, in any similar case in future, for them to bear in an undertaking into which they may desire the Imperial Government to enter.

14. It may again hereafter be deemed a matter of great importance to a colony or group of colonies that the protection or sovereignty of the Crown should be extended to a place adjacent to those colonies, either because British subjects have settled or are likely to settle there, or because there is a trade with colonial ports needing protection or development, or in order to anticipate the occupation of the country by any foreign Power.

15. Taking, in illustration of this principle, the case of Fiji, or that of New Guinea (over a portion of which Her Majesty's Government have been invited, for reasons which are more or less worthy of consideration, to advise that the Crown should assume jurisdiction), it must be obvious that the future of these islands is of the most direct and material importance to the colonies of Australasia; while it would be impossible for a very large proportion of the taxpayers of this country to understand on what principle they should bear—whilst the colonies immediately concerned should be exempted from—the burden of any expenditure that may be incurred in connection with such places.

16. In the corresponding case of a Crown colony, there would be no doubt as to the course to be pursued. If the Government of such a colony should recommend the intervention of this country and the expenditure of money in a neighbouring territory, among the first questions to be considered would be what amount the colony could and ought to expend on such objects, as in fact has recently happened in the Malay Peninsula. There, in order to promote British enterprise and extend relations in the Malay territories adjacent to the Straits Settlements, the Government of those settlements has granted a subsidy for a telegraph line beyond its frontiers, and has made itself responsible, in the first instance, for the salaries of residents at the Courts of the Native princes. The progress of the Australasian colonies is so rapid that one can hardly venture at any particular date to calculate what their aggregate revenues may be; but it has been lately said that they amount to some £14,000,000 per annum. I cannot doubt that colonies which possess such magnificent resources, and which have shown not only an enlightened liberality in their internal government, but, on occasional emergency, a remarkable eagerness to contribute to Imperial needs, will be desirous to join in establishing some system under which they may share in the cost of any policy which they may hereafter propose as essential to their interests and those of the Empire generally; and I request you, in communicating this despatch to your Ministers, to intimate to them, that while I am obliged by the consideration which they have given to my suggestion in reference to a contribution towards the deficiency of revenue in Fiji, and have no desire to press it further on them, I shall be glad if they will consider whether as regards the Colony of New Zealand alone, or, better still, in my opinion, should this appear convenient, in concert with the other Governments of Australasia, whether the time has not arrived for the adoption of some general principle (such as has in fact been already tested, though on a very small scale, in the case of the joint contributions towards the settlement of Cape York), under which each colony more immediately concerned shall bear its reasonable proportion of the expense attending any policy which it may advocate or approve.

I have, &c.,

CARNARVON.

Governor the Most Hon. the Marquis of Normanby,
K.C.M.G., &c., &c.
