

operations extend over many of the islands, and there will certainly be several others. By what process could these Companies be prevented from trading? The slightest attempt to do so would show how the question ever comes back to the same point; to the exercise, namely, of rights of "sovereignty and dominion." But in the second place, we feel sure that your Lordship will allow that, in any scheme for giving a chartered Company exclusive rights of trade, the interests and the wishes of Australasia could not be left out of consideration. Now, the exclusive right to trade could not exist for a moment in the islands without some right to govern; and the Governments of Australasia could not be expected to acquiesce in any right of government being transferred from the Imperial authority to any other authority than their own.

Moreover, even if anything could be said for the palliatives which have been suggested as being applicable to the smaller groups of islands, it is certain that they would be utterly useless in the case of New Guinea. Sir Arthur Gordon has himself pointed out the only means by which the question of New Guinea can ever be settled. His opinion on this subject has long been familiar to your Lordship, but it is only now that it has become known. "I am irresistibly compelled," he said, "to adopt a conclusion, which I should have wished to avoid, and which I was at first inclined to think might be avoided, namely, that the annexation by Great Britain of at least certain portions of New Guinea will speedily become inevitable, even if the necessity for such a step has not already arisen . . . Could I see any other way of dealing satisfactorily with such a state of things, I would recommend a resort to it; but I must with regret admit that after the most careful consideration, I am unable to perceive any mode of meeting these difficulties except by annexation; for it appears to me necessary that territorial jurisdiction should be assumed by Great Britain, to enable us to deal with offences committed by foreigners associated with British settlers, or with those committed by natives, and unless such jurisdiction over them be assumed, I question the practicability of exercising it with the smallest degree of efficiency over British subjects themselves; and I must confess, therefore, that I see no middle course between annexation and the abandonment of all control over the acts of British subjects in New Guinea, involving a practical acquiescence in the establishment there of a reign of lawless violence and anarchy. This latter is a course which we cannot creditably adopt, and which, indeed, were we disposed to take it, we should after a time be forced to abandon. A greater or less degree of annexation, consequently, appears to be inevitable. Should there be any other method, unknown to me but known to Her Majesty's Government, by which such cases could be met, I need not say I should prefer its adoption."

It is true that this opinion was given by the High Commissioner at a time when there was much excitement over the reported existence of rich gold-fields in New Guinea, and when an expectation existed of a great influx of miners taking place there, which was never fulfilled. But though gold-mining on a large scale has not yet come to aggravate the evils described by the High Commissioner, other events have happened whose impelling force has not been less towards the same solution than would have been the presence of a large body of miners. To these we shall refer later on.

Trade.

We have endeavoured to trace the events which have gradually but surely been pressing with ever increasing force for a new policy on the Western Pacific question. We now turn from these to a matter just as pressing, namely, the constantly growing trade of all that region.

At the end of 1881 Commodore Wilson collected from the various Customs officers some valuable returns of the commerce between the Australasian Colonies and the Western Pacific Islands; from these we have taken out the following evidence of what the trade amounted to in the ten years from 1871 to 1880:—

Colony.	Vessels.	Tonnage.	Value.		
			Imports.	Exports.	Total.
			£	£	£
New South Wales	1,305	395,391	2,147,858	2,726,227	4,874,085
Victoria.....	187	67,725	162,095	110,647	272,742
Queensland	320	47,390	2,899	83,800	86,699
New Zealand	908	349,681	705,223	548,187	1,253,410
	2,720	860,187	3,018,075	3,468,861	6,486,936

The Commodore did not merely point out how large was, even at that time, the value of this trade: he said significantly that "as yet the sources of trade may be said to be in their infancy." He might have added that these Customs returns only included, of course, the British trade, and took no account of foreign traders: if the French, German, and American trade could have been added, the total would have amounted to a much larger sum than 6½ millions. It is needless for us to point out that the greater part of the produce of the Western Pacific only passes through Australia, and really comes to England. That this produce will greatly increase is beyond doubt. The whole trade, indeed, of the Pacific is destined to undergo a great change whenever the Panama Canal is made. It is then that will be seen the foresight of France in establishing herself at Tahiti and the Marquesas: and the Navigators, with the splendid harbour on Tutuila Island, will come into a new importance, while the Fiji group will become the nearest colony of England in the Pacific.

The pearl-shell and *bêche de mer* fisheries alone amount to nearly a million sterling annually. The growth of sugar plantations is equally remarkable. Probably £1,000,000 has been spent in Queensland alone in creating sugar estates where only a few years ago there was nothing but the wilderness: the actual produce of these estates is already 19,000 tons, and in three years will probably be 50,000 tons. The great importance of this to Australasia will at once be seen from the fact that in the single year 1881 sugar to the value of close on £2,700,000 was imported into Australia and New Zealand, of which the import from Mauritius exceeded £1,500,000. It is quite certain there will be a great extension of the growth of sugar in Queensland and Fiji, and in it a constantly larger amount of Polynesian labour is sure to be employed. Now the necessity of further regulations for the labour trade and traffic in firearms, by foreigners as well as our own people, is one of the things that have been most strongly pressed upon Her Majesty's Government by the highest Imperial officers, and by every authority of importance in the Colonies concerned.

Foreign