

their object to give to the colony the opportunity of assisting Great Britain in this great national work. IX.—Navigator Islands.

2. Her Majesty's Government had considered your despatch and the memorandum with the attention due to yourself and your Ministers, and had prepared an answer to it, but in present circumstances they think it better to postpone sending it.

3. With reference, however, to the passage in the memorandum, "it is stated on apparently competent authority that the Imperial Government at length entertain the idea of annexing the Fiji group," I have to observe that Her Majesty's Government have given no authority to any one to intimate, on their behalf, any intention to annex those islands.

4. Upon the question of the protection of New Zealand interests in the Navigator Islands, I have to refer you to my despatch of the 18th of November, No. 79. See No. 7.

Governor the Right Hon. Sir James Fergusson, Bart.

I have, &c.

KIMBERLEY.

### No. 10.

Governor Sir JAMES FERGUSSON to the Right Hon. the Earl of CARNARVON.

(No. 37.)

MY LORD,—

Government House, Wellington, New Zealand, 24th June, 1874.

I have to transmit to your Lordship a copy of a memorandum which has been addressed to me by the Premier on behalf of the Ministry, explanatory of the proposal made to Her Majesty's Government in my Despatch No. 65, of 1st August, 1873, that, in the event of Her Majesty's Government not being prepared to undertake any direct responsibilities with respect to the Navigator Islands, the Government of New Zealand should be permitted to make such arrangements with the chiefs of those islands as would protect New Zealand interests: which proposal the Earl of Kimberley considered to be too undefined to enable Her Majesty's Government to form an opinion thereupon.

2. I have so fully described what I believe to be the sentiments of the Government and of the public of New Zealand upon this subject, and upon the large questions connected with it, that I do not think your Lordship will expect me to make any remarks upon the present communication.

I have, &c.

The Right Hon. the Earl of Carnarvon.

JAMES FERGUSSON.

### Enclosure.

#### MEMORANDUM for HIS EXCELLENCY.

THE Premier has the honour to call His Excellency's attention to a despatch from Lord Kimberley (No. 79, 18th November, 1873), in answer to one from His Excellency (No. 65, 1st August, 1873), communicating, as stated by Lord Kimberley, the wish of Ministers "that the Imperial Government should at once take steps to prevent the Navigator Islands from falling into foreign hands, or should allow the New Zealand Government to make such arrangements with the chiefs of the islands as will protect New Zealand interests." Lord Kimberley adds, "As the nature of arrangements which the New Zealand Government desires to make with the chiefs of the Navigator Islands is not stated, Her Majesty's Government are unable to form an opinion upon this application;" but he concludes by stating, "They would not, however, be disposed to sanction any steps which would lay this country under obligations to interfere in the affairs of these islands."

2. The conclusion arrived at by Lord Kimberley appeared so definite that it was not at the time considered necessary to enter into explanations as to the arrangements the New Zealand Government desired to make with the chiefs of the Navigator Islands. It has, however, been pointed out to the Premier that silence on this point might cause the correspondence to appear broken; and, since the question of the future of the South Sea Islands has been taken up in another form, it is well that the point referred to by his Lordship should not be lost sight of.

3. The arrangements which the New Zealand Government desired to make with the chiefs depended upon the countenance which the Imperial Government were prepared to give, or the extent of liberty they were disposed to allow.

4. It would answer no purpose to state the details of the contemplated arrangements, nor, indeed, would it be possible to do so. But, generally, it may be said that the New Zealand Government desired to prevent the United States of America obtaining an actual ascendancy in the Navigator Islands. There can be no question that very powerful efforts were made to induce the United States to enter into arrangements which would virtually have amounted to a protectorate of the group. These efforts have not been so much pushed since the vessels of the San Francisco service have gone by way of Kandavau; but there is no reason to suppose that the matter will be dropped.

5. The Government of New Zealand were anxious, as the Premier has stated, to prevent the United States obtaining an ascendancy. The Government were also anxious to make such arrangements with the chiefs as would induce them, in the event of Great Britain declining the protectorate of the islands, not to offer their allegiance to another nation. It is well known that the German residents in the group have pressed their Government to take possession of the islands; and it is equally well known that the French have recently shown a desire to extend their dominions in Polynesia.

6. The value of the Navigator Islands, on account of their resources and their geographical position, as well as from the fact that they are supposed to be outside the ordinary hurricane track of the South Pacific, is very great; and it would be very little short of disastrous to the future of New Zealand if a foreign Power should obtain sway in the Navigator group.

7. The Premier expresses most strongly the opinion of Ministers, that it is desirable His Excellency should urge Her Majesty's Government to reconsider their decision, and to arrange for the annexation of these islands.

8. If Her Majesty's Government should be not willing to do so, Ministers—while recognizing the very great difficulty of New Zealand making any arrangement with the chiefs in the absence of the power which the Imperial Government possess—still consider it desirable that liberty to make arrangements should be given to the colony, if only with a view of staving off for a few years the entrance of a foreign Power into the group. During the interval, Her Majesty's Government might, as in the case of Fiji, see reason to recall their first refusal.]

9. The arrangements which the New Zealand Government might make would be in the direction of shipping facilities, arrangements concerning Customs duties, use of ports, and perhaps the admission of chiefs' sons to Native schools in New Zealand.

10. Some of these points may be more fully stated, as follows:—

(a.) To make arrangements for securing to shipping from New Zealand the free use of all the ports in the islands,