

work and to act hand in hand with the Germans, and by their influence with the natives to facilitate their rule, frankly accepting the new order of things. I added that they were not a trading society, and purely occupied themselves with their mission work. I was also able to inform him that orders had actually been sent to all British authorities on the coast to co-operate with German officers, and to be careful to throw no difficulties in their way.

The Prince then again referred to our supposed desire to cramp their energies at Angra Pequena. He said that the coast was barren and of no value except as it gave access to the interior. He produced a map and showed me the Kalahari Desert, and said that he was informed that it was erroneously described as desert; that there are elephants there, trees, grass, and water.

I told him that we were within our rights in taking over the Kalahari District, which merges into Bechuanaland; but that behind the coast-line of Angra Pequena was a waterless tract some thirty miles broad, but behind that again was a better country, and that Lord Granville had said that there was no desire to interfere with Damaraland or Namaqualand behind the coast-line, and that there could be no objection, from our point of view, to Germany going into the interior, even as far as the 20th degree of longitude, which I pointed out to him on his map, and beyond which westward we did not propose to go.

I told him that, encouraged by the conversation I had had with Dr. Busch, I had ventured to sketch out to him a plan, which was purely my own, made without the knowledge of Lord Granville, which I thought might form a basis on which our mutual relations in the Australasian waters might be satisfactorily adjusted. Dr. Busch told me ten days ago that he (the Prince) wished to discuss the matter with me himself, and I should be glad to hear his opinion on the subject.

Prince Bismarck said that when it was first suggested to him he was disposed to think well of it, as he preferred a group of islands all to himself to being mixed up with other people on the mainland; that he had consulted the association interested in that trade. He learned from them that the islands (the New Britain Group) were of little value, but that the north coast was especially valuable. That his system was to follow trade, not to precede it; and when he found that German houses were established in a country under no foreign jurisdiction, to afford them the protection of the German flag. That some months past he had been urged to annex the north coast of New Guinea; that he had not precisely ordered the flag to be hoisted on this occasion, but that he had generally replied to the request for protection that, where German trade was established in a place where there is no foreign jurisdiction, he would afford support; and that, in consequence, the flag had been hoisted on the north coast of New Guinea, and on hearing from us that we had taken the south coast he considered that the action could not be open to any objection whatever.

I replied that I could not expect him to take my opinion on the relative value of these places, but, as a matter of fact, I could state that no German establishments were on the mainland, while several were on the islands, where, as I learn from his White Book, there is only one English trader. As regards the north and south coasts, I could only say that this was not the view I took of it, and I asked to be allowed to tell him frankly how it struck me. I said that I was not a diplomatist, and I trusted to the kindness with which he had received me to forgive me if I said anything which a trained diplomatist would put differently. I told him that the result of his hoisting the flag on New Guinea would have a deplorable effect in Australia; that we had announced to him our intention to declare a protectorate up to a certain point in New Guinea; and that I considered that we were entitled to rest assured that, pending our negotiations with him, Germany would not take possession of the most important portion of the territory in question. I told him that on the 19th September Mr. Scott wrote a note to Dr. Busch announcing that Her Majesty's Government intended to establish a protectorate over the coast, together with the contiguous islands, with the exception of that portion of the coast between the 145th degree of longitude and the eastern Dutch boundary. On the 9th October Mr. Scott, in consequence of certain representations made in London by Baron von Plessen, wrote that, as an act of courtesy, Her Majesty's Government would, for the moment, limit the immediate declaration to the south coast and islands, it being understood that this was done without prejudice to any territorial question beyond that limit, adding that any question as to districts lying beyond the limit actually taken should be dealt with, in the opinion of Her Majesty's Government, diplomatically rather than be referred to the South Sea Committee as suggested by Baron von Plessen. Having thus, from a feeling of courtesy, temporarily withdrawn from assuming the protectorate we had formally announced our intention of taking, we could never suppose that Germany would herself annex a portion of the territory in question without waiting for its suggested treatment, whether by means of the Committee or by the ordinary diplomatic procedure.

Prince Bismarck told me that this correspondence was new to him; that he had no recollection of seeing it; and that he had understood that he was free to take the north shore, when we had limited our protectorate to the south side.

I told him this was not the case. I gave him the dates of Mr. Scott's two notes, and begged him to read them.

He then said that we had immense possessions in that part of the world; that we already had more land than we could colonize for years to come; that our navy was strong enough to protect those possessions; and that it was not worthy of us to grudge Germany a settlement on the coast of New Guinea, separated from Australia by the islands and the south shore which we had taken.

I said that the population of our possessions in Australasia was now counted in millions; and it was their fixed idea, however idle he might think it, that a foreign establishment on the mainland of New Guinea would be a source of danger. I said that Germany is interested in conciliating Australasian opinion, as she is developing her trade there, and is about to establish steam lines of communication.

H.S.H. replied by asking if I really believed in this supposed strong feeling in Australia.