

to hoist the German flag in the Archipelago of New Britain and on the north coast of New Guinea, outside the sphere of Dutch and English interests, wherever German settlements exist or are in course of establishment. At the same time, Herren von Hansemann and Von Bleichröder were informed that their petition would be complied with whenever they could show that their territorial claims did not conflict with the well-acquired rights of other nations.

On the 31st August the Chancellor accepted Lord Granville's proposal to appoint Commissioners for settling and defining the respective spheres of interests of England and Germany in the South Sea, and suggested Levuka as the place of meeting; but Mr. Lister, who was not well informed in the question, could make no answer as to this. Meanwhile, on the 19th September, Mr. Scott, Chargé d'Affaires here, intimated to the German Government that the negotiations which had meanwhile taken place between the British Government and its colonies had resulted in a resolution of the latter to "proclaim and exercise the Queen's protection on all the coasts of New Guinea not occupied by Holland, with the exception of that portion of the north coast lying between 145° east longitude and the eastern frontier of the Dutch possessions. The British protectorate will also apply to the small islands immediately adjacent to that part of the coast placed under British protection. The British western frontier on the north coast has been fixed at longitude 145°, in order to include the Malay coast natives, whose request for British protection has been one of the chief reasons for inducing the Government to assume the protectorate of that part of New Guinea."

To this Dr. Busch replied (to Baron von Plessen) that the above communication had been received with surprise by his Government, which reserved its opinion. Meanwhile, on the 9th of October, Mr. Scott was again instructed by Lord Granville to declare that, in consequence of the representation of Baron von Plessen, Her Majesty's Government had resolved to restrict the British protectorate in New Guinea to the southern coast, including the adjacent islands, instead of proclaiming it as at first intended, but always without prejudice to any territorial questions outside of these limits. At the same time Mr. Scott expressed the satisfaction of his Government at now being in complete and friendly accord with Germany on the subject of New Guinea. A day or two later Dr. Busch agreed to the proposal of Lord Granville that London, instead of Levuka, should be selected as the meeting-place of the Commissaries appointed to define the other fields of English and German interests in the South Sea; and that they should submit their decisions to their respective Governments for further and final consideration.

Meanwhile the German Consul at Sydney reported the proclamation on the 18th November at Port Moresby of a British protectorate over that portion of the south coast of New Guinea extending from 141° east longitude to East Cape, with all the contiguous islands; while on the 17th December the German flag was hoisted on the north coast, as well as on the Island of New Britain. In announcing this fact to Lord Granville, Count Münster was told to say that both these acts of annexation on the part of England and Germany would not prejudice the deliberations of the South Sea Delimitation Commission.

The next stage in all this "strange, eventful history" is denoted by a despatch of the 29th December last from Prince Bismarck to Count Münster, detailing an interview which he had had with Mr. Meade, who, on the part of the Colonial Office, came here in connection with the West African Conference, and who took advantage of his presence in Berlin to confer with Dr. Busch on the subject of the various colonial questions pending between England and Germany. Professing to be acting on his own private initiative, but assuring both Dr. Busch and the Chancellor of the probability that any agreements which he might make would receive the assent of his Government, Mr. Meade made the following proposal:—

England to have the exclusive protectorate over all New Guinea, apart from the Dutch portion of it, but including the Louisiades and all other islands situated from twenty to twenty-five nautical miles from the coast. In return, England would recognize German sovereignty over New Britain, New Ireland, the Duke of York's, and other adjacent islands. All other islands of the South Sea, especially Samoa and Tonga, at present under no recognized rule, to be neutralized by international agreement. The New Hebrides to be handed over to France—note that. In West Africa England would cede to Germany the islands lying around Angra Pequena, but without Walvisch Bay, subject to the satisfaction of private English interests. Germany, on the other hand, to undertake to give England the first offer of Bageidah, and other tracts under the protection of the Empire on the Gold Coast, in the event of Germany ever wishing to get rid of these possessions.

But Prince Bismarck could not be induced to accept these conditions, nor would he admit the justice of Mr. Meade's reproach of inconsistency in that the Imperial Government had annexed the north coast of New Guinea, although it had promised England not to alter the territorial *status quo* in the South Sea until the Commission of Delimitation (of the sphere of national interests) had finished its labours. As the result of his conversation with Mr. Meade, the Chancellor gathered the conviction that the aims of the Colonial Office were at variance with the repeated assurance of good will towards the colonial aspirations of Germany on the part of Lord Granville.

His Lordship, however, according to Count Münster, writing on the 5th January, regretted that the Chancellor had found Mr. Meade's proposals unacceptable—a proof that Mr. Meade had made them on more than his own private initiative. Lord Granville told the German Ambassador that the question of New Guinea had been discussed by the Cabinet, saying that the excitement on the subject in Australia was great, and that in consequence the relations between the colonies and the Mother-country had lately become very strained. In reply to questions from Australia, Lord Derby had been authorized to say that the German occupation had been effected without the previous knowledge of the British Government, but that the whole question was now the subject of negotiations between the two Cabinets.

Five days afterwards, on the 5th January last, Prince Bismarck began a despatch to Count Münster with a scornful sneer at Lord Granville. The regret of his Lordship that the Chancellor