

1887.
NEW ZEALAND.

FEDERATION AND ANNEXATION.

NEW GUINEA PROTECTORATE

(FURTHER CORRESPONDENCE RELATING TO THE).

[In Continuation of A.—4, 1886.]

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The PREMIER, Queensland, to the PREMIER, New Zealand.

MR. DOUGLAS, Special Commissioner for New Guinea is here, but does not propose to go further south at present, unless specially desired. After conferring with him, I hope to be able to make a definite proposition with respect to future administration of New Guinea. May I hope to see you in Melbourne shortly; very anxious to meet you.

16th March, 1886.

S. W. GRIFFITH.

No. 2.

The PREMIER to the PREMIER, Queensland.

We think your colony should administer New Guinea. Regret I am unable at present to visit Australia.

17th March, 1886.

ROBERT STOUT.

No. 3.

The SPECIAL COMMISSIONER, British New Guinea, to the GOVERNOR, New Zealand.

SIR,—

Brisbane, Queensland, 29th March, 1886.

I have the honour to enclose herewith copy of a memorandum which I have addressed to the Governor of Queensland on the subject of the British Protectorate in New Guinea.

I am anxious to secure your Excellency's attention to the matters therein referred to with as little delay as possible, and for this purpose Mr. Griffith, the Prime Minister of Queensland, has undertaken to place himself in communication with your Government.

I have, &c.,

JOHN DOUGLAS.

His Excellency the Governor of New Zealand.

Enclosure.

MEMORANDUM by the SPECIAL COMMISSIONER for the PROTECTED TERRITORY of BRITISH NEW GUINEA.

THE untimely death of Sir Peter Scratchley has sadly retarded the progress of negotiations in connection with British New Guinea, and has deprived us of the valuable conclusions he had doubtless arrived at after his residence on the coasts of the Protectorate during the months of August, September, October, and November. It is necessary now to commence almost *de novo*. The late Special Commissioner had submitted to the Australian Governments an estimate of probable expenditure in British New Guinea for the next few years. This was practically accepted both by Her Majesty's Government and by the Governments of the Australasian Colonies as a basis of action. I think that in detail this estimate would admit of considerable amplification, and especially so as regards the administration of justice, for which apparently no provision was made. Still, it is a fair outline of an estimate on which to build, and was evidently accepted as such by Her Majesty's Government, when, on the 14th August last, the following telegram was sent to the Governor of New Zealand and to the other Governors of the Australian Colonies: "Her Majesty's Government willing to proclaim Queen's sovereignty and to contribute to cost of New Guinea if colonies agree to following arrangement: Colonies to contribute £15,000 per annum and

provide any further expenditure they may approve. Imperial contribution will be the gift of suitable ship, costing, when delivered at New Guinea, not less than £18,000. This offer made in full confidence that your Government will as soon as possible obtain from Legislature Act to secure permanent annual proportion. On proclamation of sovereignty Scratchley would have full legislative powers and control over all nationalities."

I am not as yet in possession of the replies which have been addressed to the Secretary of State. I believe, however, that Queensland has intimated that her proportionate quota has been provided for by Act of Parliament. From the other colonies I understand that no definite acceptance has been received.

After conferring with Mr. Griffith, the Prime Minister of Queensland, I arrived at the conclusion that he is prepared to take the initiative in the negotiations which it will be necessary to renew.

My duties will shortly place me beyond the operation of telegraphic communication, and, indeed, outside the area of ordinary correspondence. It will be well, therefore, that I should now endeavour to express my own opinions as to the requirements of the future government of British New Guinea. I assume, in the first place, that, as among the Australasian Governments, Queensland is the most interested in the proper administration of affairs in British New Guinea, so that Government the chief responsibility will attach in following up the negotiations with Her Majesty's Government. In the absence of more defined powers in their federal capacity the Australasian Colonies must still be dealt with separately in this matter. If, however, a substantial agreement could be arrived at between Her Majesty's Government and the Government of Queensland, a considerable advance will have been made towards a solution of the problem. Queensland being primarily responsible, I assume that the contributions in aid from the other Australasian Colonies would be a matter of easy arrangement.

The annexation of New Guinea was first suggested by Queensland. This led up to the proclamation of the Protectorate. It is evident, and Her Majesty's Government have clearly admitted this, that Her Majesty's sovereignty must follow. In order that this may be effected it will be necessary in the first instance to supply the framework of a Civil list, upon which to build up the structure of an ordered Government. Queensland may, with perfect propriety and without incurring any serious financial liability, accept the sole responsibility of guaranteeing the whole of the sum required. I assume at once that it may, for such a purpose, be necessary to make an annual appropriation of £20,000, and that this appropriation should be secured for five years. The capital amount thus represented, namely, £100,000, might be secured to Queensland as a first charge on the territorial revenues of British New Guinea. In the meantime a *modus vivendi* would have been established. Queensland would, under these circumstances, very justly claim to be consulted in the framing of the estimates, and in seeing that the money was appropriated in accordance with such estimates.

As regards administration and legislation, Queensland would also justly claim to shape the general direction of policy, and to define the principles under which the Government of the new State was to be conducted. Just as Her Majesty's Government directs the affairs of the Empire, so the Government of Queensland, acting on behalf of the Australasian Governments, would supervise the Government of New Guinea.

But the Government of New Guinea must, for some years at least, be primitive and paternal, dependent much on personal influence. Native customs must be recognized; native rights must be respected. This, in any agreement made with Her Majesty's Government, should be clearly defined, and should be a fundamental article in the Constitution of the new State, when the Queen's sovereignty is confirmed. There are other provisions which might find a place in the proposed Constitution. Mr. Griffith, however, who is so familiar with constitutional law, and with the Queensland code, will have no difficulty in taking security that the wishes of the Queensland Parliament in this respect are enforced.

These leading principles having been defined, and embodied in the proposed Constitution for British New Guinea, I do not think that any attempt should be made to exercise any minute control over the administration. Ordinances would be passed by the Governor in Council for British New Guinea, acting under instructions, and within the prescribed limits of the Constitution. The ordinances of the Local Council should be subject to the assent of the Government of Queensland, as they certainly would be subject to the assent of Her Majesty; and, if it was thought necessary, they might also be submitted for the approval of the Federal Council. Ample security might thus be obtained that no ordinances would become effective which would come into conflict with the community of Australian interests. With these guarantees the Parliament of Queensland would willingly, I believe, sanction the expenditure proposed in order to secure a well-ordered Government in British New Guinea. The security would be ample, and would rank as a simple business transaction.

I have thus indicated in brief outline what it seems to me may be done. I recapitulate the points:—

- (1.) Queensland, on behalf of the Australasian Colonies, to supply a guarantee for expenditure by an annual appropriation, under Act of Parliament, of £20,000.
- (2.) This appropriation to extend over five years; the capital amount of indebtedness thus created to be secured as a first charge against the territorial revenue of the new State.
- (3.) The Constitution, as embodied in the proclamation of Her Majesty's sovereignty, to contain such a reservation of native rights, and such a recitation of fundamental articles, as may be agreed upon by Her Majesty's Government acting with the Government of Queensland on behalf of the Australasian States.
- (4.) Queensland to be consulted in the framing of estimates as scheduled, and to undertake the audit of the expenditure.

- (5.) Queensland further to be consulted in all appointments made under such appropriations, and to have the option of dissenting from any local ordinances.
- (6.) A co-ordinate power of dissent to appertain to Her Majesty's Government as representing Imperial interests.

I have not here referred to a recommendation I have made elsewhere (*vide* report on Thursday Island) as to a readjustment of the maritime boundary of Queensland. The Islands of Torres Straits might, I think, be attached to New Guinea. The responsibilities connected with them are more likely to be adequately met in that way; and I think that the whole subject may be dealt with when the proposed Constitution for British New Guinea is being discussed.

Brisbane, 24th March, 1886.

JOHN DOUGLAS.

Sub-Enclosure.

THE ISLANDS OF THE STRAITS.—Extract from the Report addressed to the Hon. the Colonial Secretary by the Government Resident, Thursday Island, and referred to in Memorandum on New Guinea.

THESE might well form the subject of a separate report. They were at one time the resort of questionable characters, over whom no authority could be exercised. The inclusion of them within the territorial jurisdiction of Queensland has been beneficial to them in one respect. They are no longer infested by the most predacious kind of beach-combers. They are worthy, however, of much more attention than has hitherto been bestowed on them.

Murray, Darnley, and Stephen are, each of them, lovely islands, possessing many advantages both of soil and climate. They are fertile and healthy. There are other islands also, such as Banks Island and Jervis Island, which are interesting, though not so fertile as the first-named islands. Saibai also, close to the mainland of New Guinea, though low and swampy, is inhabited by an enterprising tribe, who have lately laid aside their savage usages, and promise to be most useful allies in the civilization of their neighbours. The people of Saibai have to a great extent been christianised. The old skull-hunters are now in a minority, and the young people are most anxious to live by agriculture or by some respectable and peaceful avocation. The island belongs naturally to New Guinea, and now that the Protectorate has been proclaimed it ought to be handed over to New Guinea. This, however, would require to be arranged with Her Majesty's Britannic Government, and confirmed by an Act of the Queensland Parliament. Indeed, a readjustment of the present maritime boundary of Queensland in these seas is now rendered desirable. I hardly like to suggest a readjustment which would involve a transfer to New Guinea of all the islands in the Straits, because I know that young States, quite as much as old States, are particularly sensitive as to their territorial possessions.

It might be supposed also that I had some personal interest in the readjustment from the fact that I have been appointed Special Commissioner for New Guinea. Nevertheless, I am convinced that the arrangement would be a good one for all concerned.

The islands are excellent stepping-stones to New Guinea. Most of them are perfectly healthy—New Guinea is not—nor do I think that the Government or the people of Queensland attach any particular importance to the possession of the islands, including even the Prince of Wales Group. They regard them, if I am not mistaken, rather as sources of probable future expenditure than as sources of revenue. It must be admitted also that this is a region in which the native or coloured races will, in all human probability, preponderate. Such a condition of society is not in accordance with the genius of the people of Queensland. It is possible that you may be able to recognize these indications of the order of Providence, and to induce others of our countrymen to accept the higher principles of natural adjustment which rise superior to the temporary expedients of a passing emergency. The territorial definitions of the present are not binding on futurity if more convenient arrangements for the purposes of government can be made. The union of the different States of Australia, which will gradually be accomplished, points to territorial readjustments in the interests of the people themselves. I can scarcely doubt that you entertain these views yourself, and that the realization of them, so far as it is possible in connection with your administration of affairs, is merely a question of time and opportunity. If, therefore, after an examination of the position, you should arrive at the conclusion that the insular dependencies of Queensland in this vicinity could advantageously be transferred to the New Guinea Protectorate, I feel convinced that a considerable advance will then have been made to the settlement and the good government of the new province. It might, indeed, be a condition of the readjustment that the Protectorate should be associated with, and for a time at least be dependent on, the Administration of Queensland. Some harmony of action might thus be secured which would prove advantageous to both. The chief interest which Queensland will have in the occupation and civilization of New Guinea must be that which is founded on commercial relationships. The merchants and storekeepers of Townsville, Cooktown, and Thursday Island will buy from the natives whatever marketable commodities they can produce, and there is every reason to believe that this production will not be inconsiderable when they have learned the value of regular industry. In like manner our merchants and traders will sell to the natives the numerous articles of commerce which are recognized with us as being the necessities and the luxuries of life. The various breeds of animals which have been domesticated here will be domesticated there; and all this, in addition to the probability of mineral discoveries being made, will lead to profitable interchanges, by which the people of Australia, and especially the inhabitants of Northern Queensland, will profit. I conclude, therefore, that whatever contributes to the civilization of the natives of New Guinea, and to the occupation of it by European settlers having respect to the right of the natives, will be advantageous both to them and to us.

For these reasons, and for others which might be urged, I am satisfied that the more intimate the relationship of the two countries can be made the more profitable and useful will be the connection. To the enterprising and acclimatized pioneers of Northern Queensland I look chiefly for

the material which will be most useful in the early stages of the occupation of New Guinea; the island inhabitants of the Straits may also be made largely to contribute to this end. My proposition is that the islands of Torres Straits, including the Prince of Wales Group, should be transferred to the New Guinea Protectorate. If this suggestion should be adopted it will be nothing more than a readjustment of administrative responsibility, by which the inhabitants on both sides of the Straits would benefit, and by which their interests in common will be advanced. I feel sure that I shall not appeal to you in vain for a correct estimate of the position; and, if you are disposed to deal with it, either in the form in which it presents itself to me or in any other, I hope that you will, at your early convenience, address Her Majesty's Government on the subject.

Thursday Island, 1st July, 1880.

I have, &c.,

JOHN DOUGLAS.

No. 4.

The PREMIER, Queensland to the PREMIER, New Zealand.

SIR,—

Colonial Secretary's Office, Brisbane, 30th March, 1886.

I have the honour to enclose for the consideration of your Government a memorandum, in which my colleagues concur upon the question of the future administration of the affairs of British New Guinea.

In the event of the proposals now made commending themselves to the Governments of the other colonies, with or without modification, it will be necessary to submit the scheme for the consideration of Her Majesty's Government, when, if it meet with their approval also, the sanction of the Legislature of this colony must be sought for the Permanent Appropriation Act, which forms an essential part of the proposal.

Having regard to the time that has already elapsed, and to the extreme desirability of bringing this question of the future administration of the territory to some definite issue without further delay, I venture to ask from you the favour of a reply at your earliest convenience, in order that the necessary preliminary negotiations may be completed in time to enable the Government of this colony to deal with the matter during the ensuing session of Parliament.

In order to facilitate future negotiations, and to enable them to be conducted, if necessary, by telegraph, I propose to send a copy of the memorandum to the Agent-General for Queensland in London.

I have addressed a similar communication to the Governments of each of the other Australasian Colonies.

I have, &c.,

The Hon. the Premier of New Zealand.

S. W. GRIFFITH.

Enclosure.

(Memorandum.)

Colonial Secretary's Office, Brisbane, 30th March, 1886.

THERE can be no doubt that the present position of affairs with reference to the British Protectorate in New Guinea is eminently unsatisfactory, and, having regard to the time that has elapsed since the proclamation of the Protectorate, and to the action already taken by the German Government with respect to the German territory in that island, some definite proposal seems to be called for on the part of the Australasian Colonies.

2. Lord Derby's despatch of the 9th May, 1884, after referring to the resolutions adopted by the Sydney Convention of 1883, proceeded to state that Her Majesty's Government were disposed to think that there should be a High Commissioner or a Deputy-Commissioner, with large powers of independent action stationed in or near the eastern coasts of New Guinea, and that he should be furnished with a steamship and with a staff sufficient to enable him to exercise protection in the name of the Queen over those shores; that the cost of this arrangement could not be accurately estimated; but that if one or more colonies would secure to Her Majesty's Government the payment of the sum of £15,000 during the year ending June, 1885, they would be prepared to take immediate steps for establishing the High Commissioner's jurisdiction. Very shortly after the receipt of this despatch the required guarantee was given by all the colonies, and the Legislature of Queensland passed an Act making permanent appropriation of the proportion to be borne by that colony.

3. On the 15th October, 1884, Lord Augustus Loftus was informed by telegram that Her Majesty's Government had decided to assume the Protectorate over a portion of the southern shores of New Guinea and some of the adjacent islands, and shortly afterwards Commodore Erskine was instructed to take, and did take, the necessary steps to give effect to this decision. In a circular despatch of the same date Lord Derby stated that he hoped very shortly to address to the Governors of the colonies a further communication in regard to the measures which would have to be taken to render the Protectorate effective.

4. On the 31st October, 1884, a further telegram was despatched to Lord Augustus Loftus stating that Her Majesty had approved of the appointment of the late General Sir Peter Scratchley as Special Commissioner for the Protectorate; that Her Majesty's Government thought it desirable that the contributing colonies should appoint members of a Council of Advice in Australia to assist him; that the Admiralty recommended the purchase of a steamer in England for the Commissioner, at an estimated cost of £16,000 or £18,000; and that the £15,000 guarantee would apparently have to be considerably increased; and the colonies were asked to say whether they would agree to be represented in the proposed Council, and whether they would double their contribution for the purposes indicated.

5. The colonies, however, deferred any definite expression of opinion upon these proposals until the receipt of further information as to the intentions of Her Majesty's Government.

6. Up to this time it had, I believe, been understood by all the colonies that the undertaking "to defray in proportion to population such share of the cost of giving effect to the resolutions of the Convention as Her Majesty's Government, having regard to the relative importance of Imperial and colonial interests, might deem fair and reasonable," had been accepted in the same sense in which it was offered, and that Her Majesty's Government would, upon the guarantee of the colonies to make such payment as might be asked, undertake to do all that was necessary to give effect to the action determined upon. It was therefore, I think, a source of some surprise when, upon receipt of the circular despatch of the 19th November, 1884, announcing General Scratchley's appointment, and transmitting his instructions, it was discovered incidentally that the colonies were expected to defray the whole cost of the Protectorate. No information, however, was given on the important subject of the future administration of its Government.

7. The colonies were subsequently informed of an extension of the boundaries of the Protectorate, and of Her Majesty's intention to annex the territory included in it to the British Empire; and on the 14th August, 1885, Colonel Stanley telegraphed to the Governors of the colonies as follows: "Her Majesty's Government willing to proclaim Queen's sovereignty and to contribute to cost of New Guinea if colonies agree to following arrangement: Colonies to contribute £15,000 per annum, and provide any further expenditure they may approve. Imperial contribution will be the gift of suitable ship, costing, delivered at New Guinea, not less than £18,000. This offer made in full confidence that your Government will as soon as possible obtain from Legislature Act to secure permanently annual proportion. On proclamation of sovereignty Scratchley would have full legislative powers and control over all nationalities." No further information has, up to the present time, been afforded as to the manner in which it is proposed that the Government of the territory should be administered.

8. With the exception of Queensland, which has already passed an Act for the permanent appropriation of its contribution, none of the colonies have taken action upon the invitation to do so. The Colony of South Australia has formally withdrawn from the joint guarantee, and I infer that, under existing circumstances, and in the absence of any more definite and satisfactory proposals from Her Majesty's Government, the other colonies are not likely to take the action suggested, especially as the telegram which I have just quoted appears to indicate that, with the exception of the first cost of a ship, the colonies are expected to bear the whole expense of government, but are to have no voice in its administration. In the absence, however, of a formal and binding guarantee, Her Majesty's Government do not appear disposed to advise Her Majesty to assume sovereignty over the Protectorate. It is clear, nevertheless, that until the territory is annexed to the British dominions no provision can be made for the maintenance of law and order, or indeed for any real government.

9. If the existing state of things in Australasia admitted of the establishment of a Joint Council of Advice, such as that suggested in Lord Derby's telegram of the 31st October, 1884, I should be much disposed to advise the constitution of such a Council, and the appointment of an Administrator of British New Guinea, with instructions to be guided by the advice of the Council. I apprehend, however, that this scheme is, for the present at least, not practicable, and may be left out of consideration. The annexation of British New Guinea to Queensland is also, I apprehend, out of the question. Nor, for many reasons, do I think it desirable.

10. Her Majesty's Law Advisers in Great Britain have, I understand, formally advised that the territory when annexed must be taken to have been acquired by settlement and not by conquest or cession, and that the provisions of the Imperial Acts 6 and 7 Vict., c. 13, and 23 and 24 Vict., c. 121, by which it is provided that, in colonies acquired by settlement, powers of legislation may be exercised by the Queen by Order in Council, or by three or more persons within the colony to whom the Queen has delegated such powers, are consequently applicable.

11. The essential elements of the position appear, then, to be these: It is necessary that the territory should be annexed to the British Empire; but Her Majesty will not be advised to assume sovereignty until the colonies, or some of them, undertake to bear the whole cost of administration, except perhaps some small initial contribution. On the other hand, the colonies are unwilling to give such an undertaking without a clear understanding as to the future government of the territory, or unless they have a substantial control over the expenditure of the money contributed by them. And such control cannot at present be exercised by them collectively.

12. These considerations seem to point to the conclusion that, under existing circumstances, one of the colonies should, on behalf of all, undertake to provide the necessary funds for defraying the expenses of administration, and should be intrusted with the necessary authority to supervise the expenditure and see that the administration is conducted on principles which meet with their general approval.

13. With respect to the probable cost of Government, I have reason to believe that a considerable revenue might even now be raised in British New Guinea from import duties, licenses to cut timber, and other similar sources, and that, at any rate, after the first year or two, a sum much less than £15,000 would have to be annually contributed by the guaranteeing colonies. The expenses of administration need not, I think, be heavy. The untimely and lamented death of Sir Peter Scratchley has deprived us of the advantage of his experience, and of the information gained by him on his visit to the various parts of the Protectorate; but further consideration has led me to the conclusion that the maintenance of a costly steamer, upon which, under his proposals of the 1st April, 1885, a very large proportion of the annual contribution of £15,000 would have been expended, is not necessary; and that a good sailing schooner, with a small steamer stationed at or near Torres Straits (which might be also used for the purposes of the Queensland Government at Thursday Island, that Government bearing part of the expense), would be sufficient for immediate requirements. I doubt also whether the salary of £2,500 for the Administrator is not excessive.

Reductions in these items would leave, with the anticipated revenue, which should be chiefly collected through the Customhouse, a considerable margin for the payment of a judicial officer and one or two Resident Magistrates and other officials. The burden that the colonies would be called upon to undertake would therefore be light; and would, probably, continually diminish, until in a few years the settlement became self-supporting. It is not improbable, however, that Her Majesty's Government might be willing to make some substantial contribution towards the initial expenses.

14. I apprehend that, if one of the colonies is to be intrusted with the primary responsibility of providing the necessary funds and the function of supervising their expenditure, the choice would naturally fall upon Queensland, which, from its geographical position, is most conveniently situated for the purpose.

15. The question would then arise, how far should the administration of British New Guinea be subject to the direction of the Government of Queensland? The same objections which would be held to render it inexpedient to annex the territory to Queensland would probably be also deemed to extend to exclude a complete dependence upon the Government of this colony. And it is likely that Her Majesty's Government would stipulate for the establishment and maintenance of proper safeguards for the protection of the interests of the native races. In my judgment such a stipulation would be both satisfactory and desirable. Some general rules might also be laid down as to the prohibition of the purchase of land, except from the Government, and of trade with the natives in arms, ammunition, explosives, and intoxicants. I have reason to believe that the German Government have agreed to enforce the latter prohibition in their territory in New Guinea.

16. I therefore suggest the following conditions as a basis for the administration of British New Guinea in the immediate future :—

- (1.) That the Colony of Queensland should undertake by a permanent Appropriation Act to defray the cost of the administration of the Government to an extent not exceeding £15,000 per annum for a term of, say, ten years, subject to the following conditions :—
- (2.) That the other colonies should undertake (by similar permanent Appropriation Acts, if practicable, or by resolutions of their respective Parliaments) to repay to Queensland, for the same or such shorter period as may be agreed upon, a proportionate part of the amount which Queensland is called upon to pay under her undertaking; each colony contributing either a fixed proportion of the total of £15,000 or an amount proportionate to its population as estimated on the 31st December preceding the year of contribution (except in the case of Fiji, whose contributions should be on the basis previously agreed upon), and Queensland herself bearing a proportionate share. If desired, however, I do not think that Queensland would object to bear a somewhat larger share of the cost than would be payable on the basis of her population. But it should be remembered that the general supervision proposed would entail, indirectly, considerable expense.
- (3.) That the Imperial Government should be requested to make a reasonable contribution (by way of loan or otherwise) to defray some of the initial capital cost of the necessary Government buildings, &c.; such contribution, if made by way of loan, to be a charge upon and repaid from the revenue of the new colony when practicable.
- (4.) That, for any expenditure of money by Queensland beyond its agreed proportion, Queensland should have a first charge on the surplus revenue of the new colony.
- (5.) That, upon the proposed guarantee being given by Queensland, Her Majesty should assume sovereignty over the Protectorate.
- (6.) That an Administrator of the Government should be appointed, with that title, at a salary to be determined by agreement between Her Majesty's Government and the Government of Queensland, to whom with two or more other persons should be delegated legislative powers under the Acts above cited.
- (7.) That no purchase of land should be allowed to be made by private persons, except from the Government or purchasers from it.
- (8.) That no deportation of natives should be allowed either from one part of the colony to another, or to places beyond the colony, except under ordinances sanctioned by Her Majesty's Imperial Government.
- (9.) That trading with the natives in arms, ammunition, explosives, and intoxicants should be prohibited, except under ordinances passed with the like sanction.
- (10.) That the foregoing three articles should be made part of the Constitution of the colony, preferably by Orders in Council made contemporaneously with the assumption of sovereignty, or else by ordinances to be passed immediately afterwards by the Legislative Council under instructions from Her Majesty's Imperial Government; and that standing instructions should be given to the Governor of Queensland and to the Administrator of British New Guinea to observe the conditions of these articles.
- (11.) That an estimate of probable revenue and proposed expenditure for each year should be submitted by the Administrator to the Governor of Queensland for approval before being submitted to the Legislative Council of British New Guinea.
- (12.) That all accounts of receipts and expenditure should be audited by officers of the Queensland Government.
- (13.) That the Administrator, in the exercise of his legislative and administrative functions, should (subject, of course, to Her Majesty's power of disallowance of proposed laws) be subject to the instructions of the Governor of Queensland.
- (14.) That the Governor of Queensland should be directed to consult his Executive Council upon all matters relating to British New Guinea, and be guided by their advice within the limits of his instructions.

- (15.) That the Government of Queensland should consult the Governments of the other contributing colonies in all matters other than those of ordinary administration, and report to them all action taken.

17. I infer from the address delivered to the Agents-General by Colonel Stanley on his resignation of the office of Secretary of State for the colonies, and I have otherwise reason to believe, that a scheme substantially to the foregoing effect would have met with his approval; and I shall be glad if it should, with such modifications as may suggest themselves upon further consideration, commend itself to the colonies generally, and should prove a practical solution of the present difficulty.

S. W. GRIFFITH.

No. 5.

The SPECIAL COMMISSIONER, British New Guinea, to the ADMINISTRATOR of the GOVERNMENT, Queensland.

SIR,—

Queensland Club, Brisbane, 21st April, 1886.

Admiral Tryon has invited Mr. Griffith to meet Mr. Gillies and Sir Patrick Jennings at Sydney, on the 26th instant, in order to discuss a project of naval defence for the united Colonies of Australasia. This meeting will also afford an opportunity for the further discussion of the New Guinea question; and it appears to be most desirable that some decision on it should be arrived at which will admit of the whole case being submitted to Her Majesty's Government.

2. I had the honour of addressing Sir Anthony Musgrave in a memorandum on this subject No. 3. bearing date the 24th March. Since then, Mr. Griffith, on the part of the Government of Queensland, has submitted a memorandum to the Australasian Governments, which has summarized the No. 4. whole position in a manner so explicit that it may be readily grasped in all its bearings.

3. I am anxious, however, to direct the attention of your Excellency to one or two points in connection with Mr. Griffith's memorandum and my own which ought, I think, to be further discussed before a final decision is arrived at.

4. With that suggestion which is contained in the twelfth paragraph of Mr. Griffith's memorandum I cordially agree. It seems to be most expedient that one of the Australian Colonies should, on behalf of all of them, become responsible for the whole amount required to meet the expenses of administration in British New Guinea, and it appears to be most fitting that Queensland should be the colony so responsible. I cannot, however, come to the conclusion which Mr. Griffith has arrived at, when he assumes that much less than £15,000 will suffice for the annual contributions to be supplied by the Australasian Governments, if a real attempt is to be made to apply an efficient administration. I have been enabled, it is true, by the considerate assistance of your Government, to make provisional arrangements for the service of the Protectorate, by the chartering of the schooner "Clara;" and the small steamer which is likely to be stationed in Torres Straits, on the Thursday Island establishment, will do something to secure supervision in the western portion of the Protectorate; but the coast-line of British New Guinea cannot be estimated at less than a thousand miles, without including the outlying islands of the Trobriand, Woodlark, D'Entrecasteaux, and Louisiade groups. It seems to me to be essential, for the purposes of any efficient supervision over this area, that a steam-vessel should be at the disposal of the Special Commissioner or the future Administrator. Her Majesty's ships of war, no doubt, patrol the coast at certain times, and it is possible that this service will be ultimately undertaken by these ships of war, which may be maintained at the cost of the Australian States; but I cannot come to the conclusion that the services of a steam-vessel at the disposal of the Commissioner can be dispensed with, and I cannot, therefore, regard the expenditure as unnecessary.

5. Nor do I think that the salary of the future Administrator, which has been named at £2,500 per annum, is excessive if he is to be placed on a par in position with the other Australian Governors. His responsibilities will be great. He ought to be a man of experience, versed in affairs. The demands made upon his judgment will certainly not be less than any made upon Her Majesty's representatives in Australia, and he will have to perform his duties with the certainty of having to incur considerable risks. If it were intended to station a Police Magistrate or a Resident on some point on the coast at Bampton Island, Port Moresby, or East Cape, then I think that a salary of £1,000 a year might suffice, but I do not understand that this is what is contemplated.

6. So far, then, from the amount of the £15,000 a year which has been spoken of being more than sufficient for the contemplated purposes, I cannot myself regard it as sufficient if sovereignty is to be proclaimed. In the estimates framed by the late Special Commissioner no provision was made for the administration of justice, for the cost of the survey of land—a most essential and primary condition for settlement; nor has any suitable provision been made for the payment of a Health Officer or a Medical Superintendent.

7. At the lowest estimate of probable expenditure on the lines contemplated, I cannot name a sum less than £20,000 per annum as required for the essentials of a well-ordered Government in British New Guinea for the first five years. Nor can I venture to anticipate that the revenue, either from dues collected or from land sold, would in the first few years meet the expenditure.

8. It is, nevertheless, most essential that, when Sovereignty is proclaimed, some stability and continuity should be attached to the administration. For this reason I regard it as most desirable that the Governments of Australasia, acting in combination with Her Majesty's Government, should advance a specific sum, to be expended over a series of years (say five), on an estimate of annual expenditure not exceeding £20,000, the capital sum thus advanced to be secured on the revenues of New Guinea when collected. I regard such an advance as one made on ample security; and in dealing with this matter in the Australian Parliaments it should be treated strictly as an advance covering a liability. I take the liberty of pressing upon your Excellency's attention the utter

futility of causing the future administration of New Guinea to be made dependent on sums of money to be annually voted by half a dozen Parliaments.

9. It seems certainly to be most necessary that the conditions on which the Constitution of the new province is to be founded should be specified in the organic instrument under which Her Majesty may be advised to confer jurisdiction, and in this respect I have nothing to add to Mr. Griffith's remarks. These principles, however, having been agreed on, and stamped on the Constitution, I cannot think that there would be much advantage in a detailed control in administration exercised by the Government of Queensland, unless, indeed, it should be proposed to effect a territorial incorporation. This, I apprehend, is not contemplated, and Mr. Griffith has said that, in his opinion, it would not be desirable.

10. It is essential, as Sir Peter Scratchley has remarked in one of his later memoranda, that British New Guinea should become part of the Anglo-Australian political system. For this reason the principles of its Constitution should be in accord with those laid down by the associated colonies or States of Australasia. Its future legislation, subject as it must be to Her Majesty's assent, might also be submitted for the sanction of the Federal Council when fully constituted. But I cannot bring myself to think that the estimates of expenditure should be subject to the annual adjustment of the Queensland Executive, or indeed of any combination of Australasian Executives. Such subjection might, and probably would, paralyse the action of the New Guinea Executive. At the same time it must be admitted that the Queensland Executive might be of the greatest use as the exponent of the Federal Council. It might also materially assist in the administration of justice, and in the auditing of accounts, so as to secure an expenditure in accordance with the scheduled estimates. For the first few years this would be necessary, and I am confident that the Government of Queensland may be depended on to give the aid which in these respects the infant States of New Guinea will so much require. I wish, however, earnestly to draw the attention of your Excellency's Government to the fact that financial stability and continuity are of the utmost importance. A scheduled estimate should be agreed on. The money thus advanced should be applicable, in that form, for a period of not less than five years, and the whole amount thus advanced should be secured on the future revenues of British New Guinea. Sir Peter Scratchley, I observe, expressed an opinion that it seemed to be doubtful if the country could be made self-supporting. I owe every respect to General Scratchley's conclusions. I am bound to say, however, that I entertain a different opinion. I assume that European settlement will go on hand in hand with the gradual attraction of the native races to industrial pursuits. Land will be acquired by the Government from the natives, and will be sold. I have seen at Thursday Island how a revenue grows up, under conditions not very different from those which prevail in New Guinea. I have some confidence, therefore, in concluding that, under judicious management, a revenue may be obtained for all the essential purposes of government. But I readily admit that, for the first few years, there must be some expenditure in advance, and I have already stated what I think the minimum of that expenditure should be.

11. Allow me, in conclusion, to draw your Excellency's attention once more to the meeting of the Prime Ministers of New South Wales, Victoria, and Queensland, which, it is expected, will shortly take place in Sydney. It is, of course, exceedingly desirable that there should be concerted action on the part of the Australian Governments on this question. They are in honour bound to maintain Her Majesty's Government in the future government of New Guinea, and I regret extremely to observe that the Province of South Australia has, for the present, notified a discontinuance of payments on account. From communications, however, which I have had with Lord Carrington's Government in New South Wales, and with Sir Henry Loch's Government in Victoria, I feel confident that no defection need be feared from them, and I anticipate their hearty co-operation with your Excellency's Government.

12. I assume, for the moment, that the three colonies I have named would be willing, each of them on behalf of the whole Australian group, to guarantee an advance of £25,000, being at the rate of £5,000 a year each for five years. This would amount to a capital sum of £75,000. On such a sum of money being guaranteed I cannot doubt that Her Majesty's Government would accept its share of the responsibility, and would probably be willing to guarantee a similar amount, by way of advance, to be secured in like manner on the accruing revenue. This would provide the Government of New Guinea with the means, and not more than the sufficient means, for an efficient start in life. I assume that a steam-vessel must be obtained, and that a small sailing-vessel with several whaleboats will be required for the use of the New Guinea Government. Houses also will have to be built for the agents—native and European—which it will be necessary to domicile on the coast. It may be desirable also to erect some jetties. Having regard, therefore, to such outlay as this on capital account, as well as to the annual expenditure, I do not regard an amount of £150,000, expended over five years, as by any means excessive for the purposes of establishing a rudimentary form of government, having effect over the wide area which has been added to Her Majesty's dominions.

13. I will presume to add that it becomes a duty incumbent on Her Majesty's subjects in Australia to devise the means for giving effect to a project of government which is of most momentous importance to hundreds of thousands of human beings of whom as yet we know so little.

14. I confidently anticipate, therefore, that the hearty interest which has hitherto been shown by your Excellency's Government in this matter will be shortly followed up by some definite propositions to be submitted to Her Majesty's Government; and I shall deem it a favour if your Excellency will inform me of the nature of the propositions when an understanding has been arrived at.

I have, &c.,

JOHN DOUGLAS,

Her Majesty's Special Commissioner for British New Guinea.

His Excellency Sir Arthur Palmer, K.C.M.G., &c.

No. 6.

The PREMIER, Queensland, to the PREMIER, New Zealand.

SIR,—

Colonial Secretary's Office, Brisbane, 3rd May, 1886.

Since addressing to you my letter of the 30th March, enclosing a memorandum on the No. 4. subject of the future administration of the affairs of British New Guinea, I have received a letter from Mr. Downer, the leader of the Government of South Australia, declining, on behalf of the Government of that colony, to be a party to any further agreement for contributing to the cost of the Government of New Guinea. I have not yet received a formal reply from any of the Governments of the other Australasian Colonies.

Being in Sydney on the 27th and 28th April for the purpose of conferring with Admiral Tryon, Sir P. A. Jennings, and Mr. Gillies upon the Admiral's despatch of the 24th December on the subject of the naval defences of Australasia, I took the opportunity of also discussing with the Premiers of New South Wales and Victoria the question of New Guinea. The proposals contained in my memorandum of the 30th March were fully considered, and, in view of the pressing importance of the matter, and the desirability of arriving at a satisfactory conclusion sufficiently early to enable any necessary legislative action to be taken by the colonies during the session of the present year, it was thought desirable to enter into a provisional agreement between the three colonies sufficiently definite to allow of a final proposal being made to the Imperial Government by the Government of Queensland without further delay.

The terms agreed to are embodied in the enclosed memorandum, in which I trust your Government will concur, and a copy of which I propose to forward at once to His Excellency the Administrator of the Government for transmission to the Secretary of State for the Colonies.

I hope that, under the circumstances, your Government will not see any objection to this immediate action being taken (which, indeed, the tenor of your telegrams of the 17th and 19th March led me to think would be fully concurred in by you). No. 2, and A.-4, 1886, No. 21.

You will observe that in the main the proposals contained in my memorandum of the 30th March have been adopted. The basis of population has, however, been departed from in determining the amount of contributions of the respective colonies (as was indeed inevitable upon the withdrawal of South Australia from the matter), and Queensland has undertaken to bear an equal share with New South Wales and Victoria. I apprehend that the other contributing colonies will not take exception to this course. No. 4.

With respect to the amount of contribution to be made by New Zealand—which, I trust, will be still willing to share in the cost of administration—I would suggest that it might be more convenient if, instead of directly basing the amount of contribution upon population, a fixed proportion were named of the whole amount of £15,000 which Queensland may be called upon to pay under Article 1 of the draft proposals of the 28th April, the amount being such as to agree approximately with that which would be payable on the population basis.

I have, &c.,

The Hon. the Premier of New Zealand.

S. W. GRIFFITH.

Enclosure.

DRAFT PROPOSALS for the Future Administration of British New Guinea, agreed to by the Governments of the Colonies of New South Wales, Queensland, and Victoria, at Sydney, on the 28th April, 1886.

1. THE Colony of Queensland to undertake, by a permanent Appropriation Act, to defray the cost of the administration of the Government of British New Guinea to an extent not exceeding £15,000 per annum for the term of five years, subject to the following conditions:—

2. The Colonies of New South Wales and Victoria to undertake, by similar permanent Appropriation Acts, to bear equally with Queensland any amount which the latter colony may be called upon to pay under Article 1, so that each colony shall be liable for one-third of the whole expenditure to an extent not exceeding £5,000.

3. Any contribution made by the Governments of any of the other Australasian Colonies to be applied in reduction of the amount which the colonies may be called upon to pay under Articles 1 and 2.

4. Any revenue raised by the Government of New Guinea to be similarly applied in reduction of the amount which the colonies may be called upon to pay under Articles 1 and 2, unless in the event of a larger annual expenditure than £15,000 being agreed to, as provided in Article 16, in which case the excess is to be provided from the revenue.

5. The Imperial Government to make a reasonable contribution (by way of loan or otherwise) towards the cost of efficiently starting the Government, and the necessary Government buildings, &c.

6. Upon the proposed guarantee being given by Queensland, Her Majesty to assume sovereignty over the Protectorate.

7. An Administrator of the Government to be appointed with that title, to whom, with two or more other persons, legislative powers are to be delegated under the Imperial Acts 6 and 7 Vict., c. 13 and 23, and 24 Vict., c. 121.

8. The colonies, recognizing the necessity for a small Civil list, propose the following as probably sufficient for the first initiation of the Government: Administrator, £1,500; Private Secretary, £300; Judicial Officer, £1,000; Secretary to Government, £500.

9. No purchase of land to be allowed to be made by private persons, except from the Government or purchasers from it.

10. No deportation of natives to be allowed either from one part of the colony to another, or to places beyond the colony, except under ordinances reserved for Her Majesty's assent and assented to by Her Majesty.

11. Trading with the natives in arms, ammunition, explosives, and intoxicants to be prohibited, except under ordinances reserved and assented to in like manner.

12. No differential duties to be imposed in favour of any of the guaranteeing colonies, or any other colony or country.

13. The foregoing four articles to be made part of the Constitution of the colony; preferably by Orders in Council made contemporaneously with the assumption of sovereignty, or else by ordinances to be passed immediately afterwards under instructions to the Administrator from Her Majesty's Imperial Government. Standing instructions to be given to the Governor of Queensland and to the Administrator of British New Guinea to observe the conditions of these articles.

14. An appeal to lie to the Supreme Court of Queensland, at Brisbane, in all civil cases involving an amount of over £100, and in all criminal cases involving a punishment greater than three months' imprisonment.

15. An estimate of revenue and expenditure to be submitted by the Administrator to the Governor of Queensland, and approved by him before the passing of any appropriation ordinance. The Governor of Queensland to have power to disallow any item of proposed expenditure.

16. Any appropriation beyond the amount of £15,000 for any one year to be agreed to by each of the three guaranteeing colonies.

17. All accounts of receipts and expenditure to be audited by officers of the Queensland Government.

18. The Administrator, in the exercise of his legislative and administrative functions, to be subject to the instructions of the Governor of Queensland (subject of course to Her Majesty's power of disallowance of proposed laws).

19. The Governor of Queensland to be directed to consult his Executive Council upon all matters relating to British New Guinea.

20. The Government of Queensland to consult the Governments of the other contributing colonies in all matters other than those of ordinary administration, and to report to them all action taken.

21. An annual report to be furnished by the Administrator to the Governor of Queensland of the proceedings of the Government (legislative and administrative), and copies of such report, together with any observations which the Governor of Queensland may think fit to make thereon, to be forwarded to the Secretary of State and to each of the contributing colonies.

No. 7.

MINISTERS to the GOVERNOR.

(Memorandum.)

Premier's Office, Wellington, 17th May, 1886.

No. 5.

MINISTERS have the honour to return to the Governor the letter from the Special Commissioner of British New Guinea which His Excellency referred to them.

A.—4c*, 1885, No. 129.

2. The additional contributions they promised to make to the cost of annexing New Guinea were to commence on the 1st June, 1886, as will be seen by reference to their memorandum to His Excellency of the 7th July, 1885, which was transmitted to the late Sir Peter Scratchley.

3. Ministers are of opinion that New Guinea should be annexed to and governed by Queensland. They suggested this in the memorandum referred to, and if New Guinea be incorporated with Queensland they will recommend Parliament to continue the contribution for the time mentioned in the memorandum.

ROBERT STOUT.

No. 8.

The PREMIER, New Zealand, to the PREMIER, Queensland.

SIR,—

Premier's Office, Wellington, 17th May, 1886.

No. 4.

I have the honour to acknowledge the receipt of your letter of the 30th March last, with memorandum of same date enclosed, concerning New Guinea.

No. 7.

A.—4c*, 1885, No. 129.

I forward herewith copy of a memorandum I have just addressed to the Governor on the subject, as also a former one of date the 7th July, 1885, which was handed to the late Sir Peter Scratchley when he was here. You will observe that in the memorandum last mentioned we referred to New Guinea being governed by Queensland. I may say we did so as openly as we thought it was right to do without feeling sure of your feelings on the subject. It gives us great pleasure to find you are willing to undertake the responsibility. If any representations we can make will be of use in enabling you to obtain your wish they are heartily at your service.

We will recommend to Parliament to make the same contribution, in case of your taking charge of New Guinea, as we proposed in the memorandum already referred to, but we do not feel that this colony is justified in going beyond the limit therein stated.

I have, &c.,

The Hon. the Premier, Queensland.

ROBERT STOUT.

No. 9.

The PREMIER, New Zealand, to the PREMIER, Victoria.

SIR,—

Premier's Office, Wellington, 18th May, 1886.

No. 8.

I have the honour to forward for your information copy of a letter which I have addressed to the Premier of Queensland on the subject of the administration of New Guinea.

I have, &c.,

The Hon. the Premier, Victoria.

ROBERT STOUT.

No. 10.

MINISTERS to the GOVERNOR.

(Memorandum.)

Premier's Office, Wellington, 1st June, 1886.

THE Premier has the honour to return to His Excellency the letter from the Special Commissioner No. 3. for the protected territory of New Guinea, dated the 29th March last, relative to its future administration.

The Premier begs to state that Ministers have no observations to offer on the letter, their decision having been already conveyed to His Excellency by Memorandum No. 15, 1886, of No. 7. the 17th ultimo. The correspondence with the Queensland Government which His Excellency asks for is herewith forwarded, and the Premier ventures to suggest that a copy of his letter of the No. 8. 17th May, should be forwarded to the Special Commissioner.

ROBERT STOUT.

No. 11.

The SPECIAL COMMISSIONER, British New Guinea, to Sir W. F. D. JERVOIS, G.C.M.G., C.B.
SIR,—

Cooktown, Northern Queensland, 1st June, 1886.

I have the honour to request that the contribution of the Government of New Zealand towards the expenses of the Protectorate of New Guinea for the year ending the 30th June, 1886, may be paid into the account of the Special Commissioner at the Queensland National Bank, Brisbane, or that the amount may be made available to me in any way which may best meet your convenience.

2. The contribution agreed upon between your Excellency's Government and the late Special Commissioner was, I find, £2,668 18s. 9d., and this amount, as due for the financial year ending June, 1885, was then duly paid. I presume that the proportionate amount then agreed to on the principle of population will hold good for this year.

3. I have received the contributions due for the current financial year from the whole of the Australian Colonies, except New Zealand, on the same proportionate principle, and I conclude, therefore, that there will be no objection to its application in the case of your Government.

I have, &c.,

JOHN DOUGLAS,

Special Commissioner.

His Excellency the Governor of New Zealand, &c.

No. 12.

The PREMIER, Victoria, to the PREMIER, New Zealand.

SIR,—

Premier's Office, Melbourne, 8th June, 1886.

I have the honour to acknowledge, with thanks, the receipt of your letter of the 18th No. 9. ultimo, enclosing a copy of your communication of the 17th idem, addressed to the Hon. the Premier of Queensland on the subject of the Government of British New Guinea.

I have, &c.,

D. GILLIES,

Premier.

The Hon. the Premier, Wellington, New Zealand.

No. 13.

The PREMIER, Queensland, to the PREMIER, New Zealand.

SIR,—

Colonial Secretary's Office, Brisbane, 12th June, 1886.

I have the honour to acknowledge the receipt of your letter of the 17th ultimo respecting No. 8. the future administration of the Government of Her Majesty's protected territory in New Guinea.

I have, &c.,

S. W. GRIFFITH.

The Hon. the Premier of New Zealand, Wellington.

No. 14.

MINISTERS to the GOVERNOR.

(Memorandum.)

Premier's Office, Wellington, 28th June, 1886.

THE Premier has the honour to return the letter from the Special Commissioner of the New Guinea No. 11. Protectorate, dated the 1st June, with an intimation that, prior to its receipt by His Excellency, instructions had been given to pay the amount of the New Zealand contribution into the Queensland Bank.

The Premier would remark that the Commissioner has fallen into an error respecting the period which this, the second contribution made by this colony, is to cover. He assumes that it is for the year ending on the 30th June, 1886, whereas he will see, if he will refer to the Premier's memorandum of the 7th July, 1885, that it is really for the year commencing on the 1st June, 1886. A.—4c*, 1885, No.

ROBERT STOUT. 129.

No. 15.

The SPECIAL COMMISSIONER, British New Guinea, to Sir W. F. D. JERVOIS, G.C.M.G., C.B.
SIR,—

"Governor Cairns," Thursday Island, 9th August, 1886.

I have the honour to acknowledge the receipt of your letter of the 30th June, in reply to mine of the 1st idem, informing me that, prior to my application, instructions had been given to pay the proportionate amount of the New Zealand contribution to the Protectorate of New Guinea (£2,668 18s. 9d.) into the Queensland National Bank.

2. By the same post, and owing to delays consequent on my absence in New Guinea, I also received your letter of the 4th June, covering a memorandum of Sir Robert Stout's, in which I am happy to observe that the New Zealand Government expresses itself as willing to support the propositions made by the Government of Queensland in reference to the future contributions towards the Government of the Protectorate.

No. 14.

3. In reference to that portion of your letter of the 30th June in which you draw my attention to a remark made in a memorandum addressed to your Excellency by Sir Robert Stout, and dated the 28th June, to the effect that I had fallen into an error in supposing that the contribution now paid was for the year ending June, 1886, and not, as he contends, for the year commencing the 1st June, 1886, I am bound to say that I fail to understand Sir Robert Stout's interpretation of the period on account of which the payment is due.

4. Let me recapitulate the facts as I find them. In a circular despatch of Lord Derby's addressed to the Australasian Colonies, and dated the 9th May, 1884, his Lordship stated (paragraph 7) that if one or more of the colonies would secure to Her Majesty's Government a sum of, say, £15,000 for the year ending the 1st June, 1885, they would be prepared to establish jurisdiction in New Guinea. The New Zealand Parliament was then in dissolution, and it was intimated that no definite reply could then be given; but the other Australian Colonies accepted the proposition, and, during the ensuing session, as I find in your Excellency's despatch of the 6th December, 1884, addressed to Lord Derby, a resolution was passed by the New Zealand Parliament to the effect that "This colony is willing to pay, in proportion to its population, a share of the sum of £15,000 proposed by the Imperial Government." This proposal seems unquestionably to refer to the year ending June, 1885. Sir Julius Vogel, commenting on it, certainly seems to have accepted it in that light.

5. Following up the inquiry, I find that the late Special Commissioner, in a letter addressed to you on the 5th April, 1885, applied for the payment of a proportionate amount of the £15,000 a year which had been promised. His application is stated to be "for the year ending 1st June, 1885," and a similar application, in identical terms, was made to the other Australasian Colonies. On the 1st June, 1885, I find that the payment was made by the New Zealand Government into the bank, and I can come to no other conclusion than this: that the first payment was for "the year ending 1st June, 1885." It follows, I think, that the second payment of the annual contribution must be for "the year ending June, 1886," which was the period on account of which I applied.

6. I hope your Excellency will understand that it is not my wish to quibble in any way as to the exact period on account of which the payment has been made, and, especially so, as the Government of New Zealand has expressed a generous intention of continuing its contributions towards the maintenance of an administration in which it is not intimately concerned. It is my duty, however, to refer to the grounds on which I made this application. I cannot admit that I am in error, and, if I am, it is an error into which all the other contributing colonies have fallen, for they have accepted the interpretation attached to the period named by me, and stipulated for by Her Majesty's Secretary of State.

I have, &c.,

His Excellency Sir W. F. D. Jervois, G.C.M.G., C.B., &c.

JOHN DOUGLAS.

No. 16.

MINISTERS to the GOVERNOR.

(Memorandum).

Premier's Office, Wellington, 15th September, 1886.

No. 15.

MINISTERS have the honour to return the letter from the Special Commissioner for British New Guinea, dated the 9th August last, on the subject of the New Zealand contribution to the Protectorate.

Ministers do not agree with the views expressed by the Commissioner. The first payment made by New Zealand was mainly contributed because of the Colonies of Victoria and Queensland having guaranteed it, and not because Ministers were satisfied that the territories should be protected instead of annexed. Ministers declined to take further action until they had an opportunity of conferring with Sir Peter Scratchley. When that gentleman visited New Zealand they came to an understanding with him, with which he appeared quite satisfied, and it is embodied in the memorandum of the 7th July, 1885. It is therein made clear that Ministers considered that the Protectorate, as it is called, should be either varied by the territory being made a Crown colony, or by its being annexed to Queensland, and that the Imperial Government should provide a steamer if its officers required one. Sir Peter Scratchley quite understood that, as he had a large sum in hand, New Zealand's contribution was to be for the year commencing the 1st June, 1886, and, if continued, should be for the two following years.

A.—4c*, 1885, No. 129.

Ministers feel constrained to remark that some £30,000 of colonial money has been expended without, so far as they are aware, the territory being annexed, the knowledge of the country materially increased, the natives benefited, commerce or settlement encouraged, or a stable Government formed.

Ministers do not see any reason to depart from the views already expressed in the memorandum of the 7th July, 1885, and reiterated in this memorandum.

JULIUS VOGEL.

(In absence of the Premier.)

No. 17.

The SPECIAL COMMISSIONER, British New Guinea, to Sir W. F. D. JERVOIS, G.C.M.G., C.B.
 Sir,— Cooktown, 20th October, 1886.

I have the honour to acknowledge the receipt of your letter of the 20th ultimo, enclosing Not printed. a memorandum from Sir Julius Vogel on behalf of your Ministers, and referring to previous No. 16. correspondence.

2. I am still not without hopes that your Ministers may reconsider the position of the New Zealand Government as to the period for which the payments on account of the protectorate have been made.

3. It cannot, I think, be contended that the first payment was for any other period than the year ending the 1st of June, 1885. The whole correspondence bears this out. In your Excellency's telegram of the 17th November, 1884, as well as in your despatch of the 7th of December of that year, the New Zealand Government clearly pledges itself definitely to its contributions towards the current financial year, ending the 1st of June, 1885, in accordance with Lord Derby's despatch of the 9th of May, 1884, and it also intimates, in reply to an application, that, while accepting this responsibility, it cannot increase the amount it guarantees. In accordance with these engagements the money appears to have been paid punctually on the 1st of June, 1885.

4. In reference to Sir Robert Stout's subsequent minute, dated the 7th of July, 1885, which has A.—4c*, 1885, been forwarded to Her Majesty's Secretary of State as expressing the opinions of the New Zealand No. 129. Government, it is perfectly true that the year commencing the 1st of June, 1886, is mentioned as the date from which the New Zealand Government will be prepared to pay its subsequent contributions annually for a period of three years. Ministers, however, also express their willingness to substitute an earlier date if it should be necessary. I cannot say that it is absolutely necessary, but it would be much more convenient, and the New Zealand payments would then be made to accord with the other payments which have been made by the contributing colonies. I must also beg to draw your Excellency's attention to the fact that, as the New Zealand Government only pledges itself to a contribution extending over three years, it cannot make any very material difference to it whether the payments commence or end on the 1st of June, 1886. It will, nevertheless, confuse my accounts, and distort the New Zealand contributions, if your Ministers do not authorize me to pass the entry at the earlier date.

5. In reference to that portion of Sir Julius Vogel's minute of the 15th ultimo which traverses No. 16. the action of Her Majesty's Government in connection with New Guinea, I cannot venture either to justify or explain the policy which he criticises. My slight acquaintance with New Guinea and with those neighbouring shores has, however, led me to the conclusion that the annexation of an area such as that included in the protectorate, involving as it does the application of British law to an extensive, unknown, and inhabited country, as well as to several large groups of islands, is a matter of greater magnitude and of greater difficulty than is generally supposed. The permanent responsibilities connected with its absolute annexation are most serious, and I am quite sure that Sir Julius Vogel would be the first to admit, if he had an opportunity of applying his great practical experience to the government of New Guinea, that Her Majesty's Government may well hesitate to act precipitately, when, as yet, they have no guarantee that the responsibilities of the Australasian Colonies will extend beyond the limited period specified.

I have, &c.,

His Excellency Sir W. F. Drummond Jervois, G.C.M.G., &c.

JOHN DOUGLAS.

No. 18.

The AGENT-GENERAL to the PREMIER.

Sir,— 7, Westminster Chambers, London, S.W., 13th December, 1886.

Two days ago a Reuter's telegram, dated Brisbane, 10th December, appeared in the newspapers here, describing a message just then received by the Governor of Queensland from the Secretary of State, relating to the future administration of New Guinea. This morning it has been thought necessary by the Colonial Office to publish the actual text of the message.

I annex both messages as they appeared in the *Times*.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

Enclosures.

[Extract from the *Times*, Saturday, 11th December, 1886.]

NEW GUINEA.

Brisbane, 10th December.

THE Queensland Government has received communication from Sir A. Palmer, Acting-Governor of Queensland, of a telegram despatched by the Colonial Office on the question of the future administration of New Guinea. The telegram states that the establishment of British sovereignty in New Guinea would probably involve a heavy expenditure, estimated to exceed £150,000 per annum. It is pointed out that the advantages of annexation and settlement are disproportionate to the expense, but that if the colonies still desire to establish British sovereignty in the island it will be necessary to reconsider the financial arrangements. The Colonial Office proposes that England shall contribute to a small extent to defray the expenses of the administration, the colonies securing an annual sum by a permanent Act passed for the purpose in their respective Legislatures. The telegram concludes by stating that the Colonial Office cannot consider the details of Sir Samuel Griffith's scheme until the financial difficulty be removed. This decision on the part of the Imperial Government has been received with disappointment throughout the colony.

[Extract from the *Times*, Monday, 13th December, 1886.]

AUSTRALIA AND NEW GUINEA.

THE following is the text of the telegram from the Colonial Office respecting New Guinea communicated to some of the Australian Colonies on the 3rd instant: "3rd December.—Your telegram 27th November received. Her Majesty's Government have very carefully considered New Guinea correspondence, and desire to state frankly their opinions on colonial proposals. Establishment of sovereignty over British New Guinea involves possibility of very heavy expenditure, with prospect of small revenue, and is not necessary for defence of Australia from foreign aggression. That object adequately secured by protectorate. Sovereignty might be proclaimed at certain limited spots, as at Gold Coast, but £15,000 a year insufficient for even that arrangement. Gold Coast and Lagos expenditure £150,000 a year, and New Guinea might cost more. Annexation and settlement of New Guinea no advantage to this country, and we doubt advantage to Australian Colonies commensurate with cost to them. If, however, annexation and settlement still desired, principles of proposed financial arrangements would have to be reconsidered. Present proposals contemplate small colonial contribution for five years, this country being responsible for all further and future charges. We could not proceed except on converse principle—namely, this country giving small initial contribution, as offered last year, and colonies securing sufficient annual sum by permanent Act not limited to five years. Many points in Griffith's proposals good, but we cannot consider details until financial difficulty removed. Repeat to Victoria and New South Wales."

No. 19.

THE SPECIAL COMMISSIONER, British New Guinea, to Sir W. F. D. JERVOIS, G.C.M.G., C.B.
SIR,— Cooktown, 15th December, 1886.

Referring to previous correspondence relating to the protectorate of British New Guinea, and in accordance with the proportionate adjustment of payments hitherto adopted, I have the honour to request that the quota of contribution due by your Government for the year ending June, 1887—namely, £2,668 18s. 9d.—may be paid into the Queensland National Bank to the credit of Her Majesty's Special Commissioner for the protected territory of British New Guinea.

I hope shortly to be able to furnish your Excellency with a report containing a full statement of account, together with such information as I have been able to obtain regarding the present condition and future prospects of the protectorate.

I leave this on the 17th for the south, and my address for a few weeks will be to the care of His Excellency the Administrator of the Government at Brisbane.

His Excellency the Governor of New Zealand, &c.

I have, &c.,
JOHN DOUGLAS.

No. 20.

MINISTERS to the GOVERNOR.

Memorandum for His Excellency.

Nos. 17 and 19. THE Premier has the honour to return to His Excellency the letters from the Special Commissioner for British New Guinea, dated the 20th October and 15th December last, relative to the New Zealand contribution towards the administration of affairs.

Ministers must respectfully decline to reconsider the question as to the period for which the last payment was made, as suggested by Mr. Douglas, even although, as pointed out, they expressed their willingness to substitute an earlier date "if necessary," because, from his own showing, Mr. Douglas cannot say that it is absolutely necessary. Moreover, Ministers are bound by Parliament, which has sanctioned the payment in question as for the year ending the 30th June, 1887, and they do not consider circumstances have arisen which would warrant their asking Parliament to alter the terms of the memorandum to His Excellency of the 7th July, 1885.

Referring to the last paragraph of Mr. Douglas's letter of the 20th October, Ministers think it unnecessary to enter into any further discussion as to the action of Her Majesty's Government in connection with New Guinea.

The Premier has further the honour to submit that the only reply necessary to the Special Commissioner's letter of the 15th December is to the effect that the New Zealand quota of the contribution to the protectorate for the period mentioned has already been paid.

Dunedin, 21st January, 1887.

ROBERT STOUT.

A.—4c*, 1885,
No. 129.
No. 17.

No. 19.

[Approximate Cost of Paper.—Preparation, nil; printing (1,400 copies), £9 2s. 6d.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1887.