No. 2.

The Right Hon. the Earl of Derby to Governor Sir A. E. Kennedy, G.C.M.G. C.B. Downing Street, March 8, 1883.

I have the honour to transmit to you a copy of a letter from the Agent-General for Queensland, enclosing a telegram from Sir Thomas McIlwraith, instructing him to urge Her Majesty's Government to annex New Guinea to Queensland, and stating that the colony would bear the expense of government, and would take formal possession on receipt of authority from the Imperial Government.

2. On the day after the receipt of this letter I had an interview with Mr. Archer, who gave further explanations of what he understood to be the views and objects of the Queensland Government in making this important proposal. Mr. Archer stated that it was to be distinctly understood that the Queensland Government did not desire to throw upon this country either the expense or the direct responsibility attendant upon the course proposed to be taken, but requested only such powers and authorities as would enable them to preserve order and repress abuses. He laid stress on two points: First, the number of British subjects and other Europeans scattered along the coasts of New Guinea, who are practically under no jurisdiction or control, and who enjoy immunity from the consequences of all outrages and offences they may commit; and, secondly, the serious inconvenience and danger which would be caused not only to Queensland but to the other Australian Colonies if any Foreign Power were to take possession of that portion of New Guinea which is not claimed by the Netherlands Government, and is in immediate proximity to Queensland. He also drew my particular attention to the continued increase of Colonial and other British traffic through Torres Straits, and the probability that the greater part of the commerce between Australasia and the far East would before long take this route.

3. In answer to a question which I put to him on the subject, he stated that in his opinion it would not be sufficient to establish an effective jurisdiction over British subjects in New Guinea, inasmuch as foreigners and ships hoisting a foreign flag would not be subject to such jurisdiction, and there would still be, as now, no Power responsible for and capable of enforcing peace and good

order generally.

4. I pointed out to him that before so grave a step could be considered it would be necessary to be assured that public opinion in the colony would approve the annexation, and that the Legislature would adopt the necessary resolutions, and that there would be no danger of any proposal hereafter to reverse the action now recommended.

5. Mr. Archer expressed himself as decidedly of opinion that the Government would receive such strong and general support in this matter as to prove that the colony fully approved the annexation, and that there need be no apprehension of any attempt being hereafter made to throw off the

obligations and responsibilities when once assumed.

6. I inquired whether it might not be apprehended that the occupation of the island in the manner proposed would lead to difficulties with the natives, and Mr. Archer replied that he did not anticipate any such consequence, as he believed that there is no intention of interfering with them, at least for the present, except in those places on the coast where they are already in contact with whites.

7. I then informed Mr. Archer that the subject is one of the greatest importance, as to which a decision could not be formed without very full and careful consideration, and that I presumed that before long I should receive through you full explanations of the proposals and such details as might enable. Her Majesty's Government to judge whether it can be entertained. In the meantime I stated that I could express no opinion upon the questions raised by the telegram, which must be considered by me with my colleagues in the Government when it has been more formally brought under notice.

8. I shall be obliged by an expression of your own opinion, accompanied by any observations that may occur to you as likely to assist Her Majesty's Government in arriving at a right conclusion on this question.

I have, &c.,

Sir A. E. Kennedy.

DERBY.

No. 3.

Governor Sir A. E. Kennedy, G.C.M.G. C.B. to the Right Hon. the Earl of Derby.

My Lord,—

Government House, Brisbane, March 14, 1883.

I have the honour to transmit for your consideration copies of a letter dated 26th February, 1883, with other papers, on the subject of the annexation of New Guinea.

2. The subject is one of growing daily importance.

I have, &c.

The Right Hon. the Earl of Derby.

A. E. Kennedy.

Enclosure.

Your Excellency,— Colonial Secretary's Office, Brisbane, February 26, 1883.

I have the honour to direct your attention to a correspondence between the Governments of New South Wales and Queensland and the Imperial Government, extending from 17th April, 1874, to 14th January, 1878, on the subject of the colonization or annexation of New Guinea.

A partial result of this correspondence was the annexation to Queensland of certain islands in Torres Straits, viz., Tuan, Saikai, Talbot, &c.; but the main question, that regarding New Guinea itself, seems to have been dropped, chiefly on account of the Australasian Colonies (with the exception of Queensland) having shown a disposition to regard it as a purely Imperial question, so far at least as the necessary expenditure was concerned.