

claim to all sovereign rights over the above-mentioned coast-line and the adjoining islands for himself and his successors. The Sultan, however, took no notice of this protest, and began to make preparations for a march from Lanui Harbour inland to Vitu. Subsequently the Imperial Consul-General was authorized to protest against this encroachment on the Sultan of Vitu's territory, and then the hostile forces set in movement were recalled. A definitive settlement of the dispute followed upon the appearance of the German squadron before Zanzibar, when the Sultan Seygid Bargasch, on the 13th August, 1885, unconditionally acknowledged to the admiral of the squadron the German Emperor's protectorate over the mainland territory of the Sultan Achmed.

Captain Valors, commanding H.M. ship "Gneisenau," has lately, accompanied by two officers and thirty men, undertaken an expedition to Vitu, to make the Sultan an official visit and to inquire into the conditions of the country. According to his reports, the country from the coast to the seat of Government is very fertile, being planted almost exclusively with black corn, beans, olives, and tobacco. The Sultan Achmed, who holds a high position in the esteem of the dwellers on the coast, accorded the German commander a flattering reception.

V.—*The New Guinea Company.*

After the limits of the German protectorate and of the English possessions in New Guinea (Kaiser-Wilhelms-Land) and in the Bismarck Archipelago had been defined by exchange of notes dated the 25th and 29th of April, 1885 (see No. 144 of the *Imperial Gazette*, dated the 23rd June, 1885), a free outlet for German colonial enterprise was secured in these territories. The company of German officials who secured the acquirement of land in New Guinea had already, on the 26th May, 1884, constituted themselves a company according to the forms of the Prussian land law under the title "New Guinea Company," with the intention of creating from their own resources a self-governing community under German protection. Without any intention of engaging in commerce themselves, they proposed to admit subjects of all nations to engage in any trade under like conditions of business, of settlement, and of management. "The German Trade and Plantation Company for the South Sea Islands," with the firm Robertson and Hensheim, who had for a long time possessed factories, and more recently land, in the archipelago, entered into a compact with the New Guinea Company, whereby they each relinquished his claim to conclude in future agreements with the Natives as to land and rights of property within the protectorate, on their own account, without prejudice, however, to measures taken for the conservation of property already acquired.

An Imperial letter of protection was granted to the New Guinea Company, at their request, on the 17th May, 1885 (see No. 117 of the *Imperial Gazette* of the 21st May, 1885).

This letter of protection corresponds in the main with that issued, on the 27th February, 1885, to the German East African Company (printed in the *Imperial Gazette* of the 3rd March, 1885), and approximates to the "Royal charters" still in use in England, after being tested there in varied conditions from the earliest times. There is, however, an essential difference in the terms under which landed property is held. The acquirement of land by the New Guinea Company must necessarily be of a gradual character, for the reason that there are no chieftains in New Guinea from whom it has been possible to obtain possession of extensive tracts of country. In order not to throw obstacles in the way of the establishment of an orderly condition of things, and not to take from the company the possibility of obtaining some compensation by gradual and intelligent utilization of the ground, it is necessary that the company should hold the exclusive right of treating with the Natives respecting land and rights of property within the protectorate, and of taking possession and disposing of unowned land.

On the other hand, in reply to a further application from the company, the Imperial Commissioner for the South Seas was instructed to let it be known that further acquisitious of land without the permission of the German authorities would be invalid, and that only old rights would be protected. Also, for the further attainment of the object in view (which was opposed by the company), the Commissioner ordered that a single book for the registering of land should be kept, in which all persons claiming to have acquired land inside the protectorate should, within a space of time to be fixed by the Commissioner, have their titles and the extent of their property registered. Lastly, the Commissioner ordered that in future arms, munition, and blasting materials were not to be supplied to the natives. Also, it was forbidden to export natives for employment as labourers outside the German protectorate, except, under the control of German officials, for German plantations in those islands of the New Britain Archipelago in which the practice has existed in the past.

The action of the New Guinea Company within their territory is shown in their periodically-published "News for and respecting Kaiser-Wilhelms-Land and the Bismarck Archipelago."

No. 15.

The AGENT-GENERAL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 23rd December, 1885.

I have to acknowledge the receipt of your letter of the 4th November on the subject of No. 10. the Federal Council Act. I need hardly say how glad I have been to know that in all really essential points I was in accord with yourself. The defection of South Australia has now made the Federal Council ridiculous, and the difficulty is thoroughly recognized here of a legislative authority in which the Crown colonies and Tasmania will have the preponderance of voting-power.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

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