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"I enclose to you the draft of a Convention with respect to the New Hebrides, which is the result of the various communications and conversations that have passed upon the subject. The controversy has lasted longer than was anticipated, and has created some disquietude in the minds of Her Majesty's subjects in Australia, and I hope that by accepting the enclosed proposals the French Government may be able to bring it to a satisfactory termination. In the year 1878 the Marquis d'Harcourt, then French Ambassador at this Court, verbally assured Lord Derby that France entertained no intention of annexing the New Hebrides, and received from Lord Derby a corresponding assurance in return. When, in the beginning of last year, two of the islands of this group were occupied by a small French force, a general apprehension was created, especially among the colonists of Australia and New Zealand, that a policy was in contemplation not consistent with the assurances the Marquis d'Harcourt had been instructed to convey. The French Government have, however, constantly assured us in a categorical manner that they entertained no projects of annexation, and that they were prepared to remove their troops as soon as sufficient security was given to them that the lives and properties of French settlers upon the islands would be protected from attacks by the natives. The provisions of the draft Convention which is enclosed seem well calculated to effect the objects which both Governments desire; but the acceptance of it by Her Majesty's Government must be entirely conditional on an undertaking by the French Government that the evacuation shall not be postponed beyond a fixed date. The French Government are anxious that this opportunity shall be taken to release them from an engagement entered into in 1847, to the effect that they would not assume the protectorate of the Island of Raiatea, near Tahiti. The desirableness of acceding to this proposal, under certain conditions, has for several years been admitted by Her Majesty's Government. In the autumn of 1880 it was proposed to make this concession simultaneously with a Convention which was being negotiated for the settlement of the disputed fishery questions in Newfoundland. In view of the probability of this Convention being concluded, Lord Granville, in October, 1880, consented to a provisional French protectorate over the island for a strictly limited time. The agreement for that purpose was renewed at the end of six months, and since then has been renewed every six months up to the present time. The Newfoundland Convention, which was to have made the French protectorate of Raiatea definitive, was signed in October, 1885, but it contained a provision that it should not be ratified until it had been accepted by the Legislature of Newfoundland. Before it was signed it had been submitted to that colony, and in its ultimate form was not objected to by them. There was no ground to apprehend its final rejection after it had been signed. However, an objection, which proved in the judgment of the colony fatal, was taken to an article in it which gave to the French fishermen liberty to purchase bait in the colonial waters, and during the present year a Bill has passed the Legislature of Newfoundland, and has been approved, which is directly at variance with the stipulations as to the purchase of bait contained in the Convention. The result of this failure upon Raiatea has been that, contrary to all expectation, the French protectorate has never been made definitive. It does not, however, appear to Her Majesty's Government desirable, or indeed practicable, to remit to an aboriginal Administration an island which has been for seven years under French government; and on this account, as well as in view of the peculiar circumstances attending the failure of the Convention of 1885, they are willing to transfer the stipulation in question to the present Convention, subject, of course, to the undertaking given in a note verbale to Lord Lyons on the 24th October, 1885."

The French Government agreed to the proposal, and the Convention was accordingly signed in

Paris on the 16th November last.

[Extract from the Standard, Thursday, 5th January, 1888.] FRANCE AND ENGLAND.

(From our Correspondent.)

Paris, Wednesday night.

The French Press, on the whole, are very well pleased with the yellow-books about the Suez Canal and the New Hebrides. The *Liberté* points out that it was "thanks to a false manœuvre on the part of British diplomacy that these two questions, at the outset quite distinct from each other and treated separately, were united and connected with each other. M. Flourens has had the merit of seizing the opportunity and turning this blunder to the best possible advantage." The France considers the arrangements come to as "a real success for French diplomacy, and an encouragement for the future." It points out that this success is due not to the French Ambassador in London,

but to M. Flourens personally:-"It may even be asked whether Embassies are indispensable, since no progress was made so long as the negotiations were carried on through their agency. It was sufficient for Lord Salisbury to come over to France and put himself in direct communication with M. Flourens, to dispel all misunderstand-

ing, and enable France to obtain the satisfaction and guarantees which she claimed. Is it not strange that it should have been the Minister for Foreign Affairs who informed our Ambassador that the much-desired solution had been arrived at? This is a proof that the cleverest diplomacy is that which is carried on with frankness, clearness, and resolution. These qualities M. Flourens has shown himself to possess in an eminent degree."

The Débats points out that the real success of the negotiations was the abolition of the Declaration of 1847 guaranteeing the independence of the Tahiti Leeward Islands. It remarks that this is a real advantage obtained by M. Flourens, the more so that the promise to withdraw the French troops from the New Hebrides will only become valid after the constitution of a mixed Naval Commission for the protection of the French and British subjects in that archipelago. Until that Commission is organized the French are not bound to withdraw their troops.

On the other hand, the Débats points out that, although French diplomacy has obtained a

success in the negotiations respecting the Suez Canal by debarring the Sultan and Khedive from

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