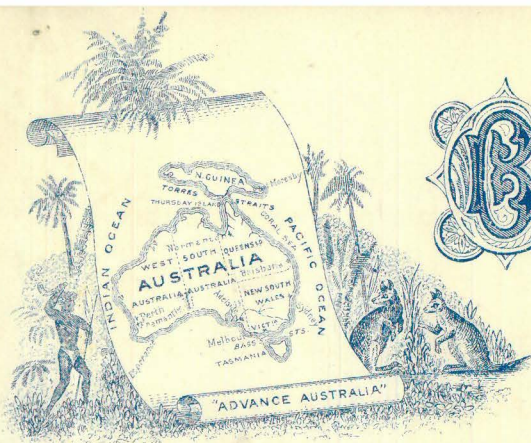


Re
New Hebrides,



HEAD OFFICE. SYDNEY, N.S.W.

LONDON OFFICE: 61 & 62 GRACECHURCH ST, E.C.

BRANCHES:

BRITISH NEW GUINEA
PORT MORESBY.
SAMARAI.

QUEENSLAND.
BRISBANE.
CAIRNS.
CHARTERS TOWERS
THURSDAY ISLAND.

WESTERN AUSTRALIA.
GERALDTON
FREMANTLE

AGENCIES THROUGHOUT AUSTRALIA & THE EAST.

(Triplicate)

CONFIDENTIAL

Sydney.

9th August 1907.

Dear Mr. Atlee Hunt,

I duly received your favour of the 1st instant and have carefully noted what you say in connection with the interests in the New Hebrides which Higginson's heirs are trying to dispose of. As I wrote before, I feel convinced that Higginson's representatives are desirous of getting an offer first from some British source, and that they will afterwards use this with the French Government.

As regards our Marshall Island claim, I have received another cablegram from Mr. Forsyth stating that he has no intention of going to Berlin unless Sir. F. Lascelles considers that there may be some probability of securing a settlement by his going there. From this it would appear that Mr Forsyth has met Sir F. Lascelles in London, and that if Lascelles finds upon returning to Germany that there might be a probability of Mr. Forsyth getting some settlement, then he will go across. Before doing so, however, Mr. Forsyth will see the Colonial Office and get their assent, and we are meanwhile sending him an authority to act, so that he may have something to shew.

Mr. Lucas tells me that the "FRANCE" is expected during the next day or two in Sydney and that she has 120 tons of Copra, which is in excess of what our steamers have lately been securing in the New Hebrides - You are probably aware that the "FRANCE" deals very largely in contraband cargo, and last trip from Sydney she took quantities of dynamite, powder, shot, cartridges, wines and spirits &c. If this vessel had not the outward freight from Sydney it would hardly pay her to come here. As I before explained to you, in losing cargo comprising beer, stout, wines, explosives &c we lose a large quantity of other cargo which naturally goes with it to same Consignees, and Shippers tell us we can have the lot or leave it. Traders under the French flag are also taking advantage of the position by declining to supply prohibited cargo unless they get copra in exchange, and so our business is gradually drifting away from us.

The H.M.S. "CAMBRIAN" came in a few days ago from the Islands, but there appears to have been nothing said in the press in regard to the wholesale way in which both British and French people are evading the supposed Agreement between England and France, under cover of the French flag. It has occurred to me whether something should not be made public here in Australia, or some agitation commenced to try to get the French people to act in accordance with the Agreement which was made at the conference in London. I wrote a special letter to you about this matter enclosing a statement of the position and would have no objections if you handed this over to the Press in Melbourne, or if you think it wiser for us to take action here we could call the attention of the papers to what is going on, as it will certainly eventually

oust us altogether from the New Hebrides trade, and the Commonwealth Government can hardly expect us to continue in this contract unless we are placed upon a somewhat more equal footing with our opponents. It is bad enough sailing under Australian conditions, as under the French flag the vessels are run with coloured crews, exempt from Australian conditions, and can also carry contraband cargo and trade as they like, - it would look as if we would have eventually to retire altogether in their favour, and in my opinion it is well to issue a warning beforehand.

I had a letter from Captain Rason a few days ago, and he says that the trade from Sydney is increasing, not diminishing, and argues generally that there is not much in our complaint - Trade from Sydney and to Sydney has increased certainly but this is caused through the French vessels coming here and benefitting by our hands being tied and it has largely decreased as far as we are concerned. The "PACIFIQUE" now takes cargo straight from Sydney to the New Hebrides, and asks no questions, and also the "FRANCE" comes in here and loads any cargo offered. Other smaller vessels run from Newcaledonia, and all this is having a great effect upon our more restricted Service.

Captain Rason writes that because the French carry contraband, that is no reason why Englishmen should dirty their hands.

Am sure I need not use any argument upon this statement, trade is trade, and we cannot play the losing game and run at a loss, so that if the position is not solvable, then Australia better abandon the attempt, relieve us from our New Hebrides contract and we will take our chance with the others away

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from Australia and all the disabilities we are now seemingly expect-
-ed to fight against.

I shall be glad to have your views and am sure
you will pardon my writing exactly as I feel.

Yours truly,

Atlee Hunt Esq,

Dept. External Affairs,

M e l b o u r n e . V.



HEAD OFFICE. SYDNEY, N.S.W.

LONDON OFFICE: 61 & 62 DE CHURCH ST. E.C.

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CHARTERS TOWERS. WINSVILLE.
THURSDAY ISLAND. BOWEN

WESTERN AUSTRALIA.

GERALDTON
FREMANTLE

AGENCIES THROUGHOUT AUSTRALIA & THE EAST.

Sydney.

14 August, 1907

Dear Captain Rason,

Thanks for yours of 22nd ult.; now the bulk of the Kanakas are repatriated, you will not be moving about so much. Notwithstanding all you write, the trade of the New Hebrides is gradually leaving our Ships and going under the French flag, and we are now seriously negotiating with the Commonwealth Government to relieve us from our contract so that the whole trade may be carried on under French conditions. I quite agree with you that the trade from and to Sydney is increasing, and the through shipments by "Pacifique" and the cargoes by "France" are increasing every trip while our cargo is decreasing both outward and inward. The last trip of the "France" there were large quantities of dynamite, powder, cartridges, wines, spirits, beer etc., and as we have been told by shippers, if we do not take the lot of their cargo they can't pick out what we chose to take and leave what we won't take.

It seems a pity after the many years of fight and loss

that we should have to give up under possible conditions. However, from what you write we seem to view the position somewhat differently, and I can only say it is very serious indeed for my Company, as it will be difficult to sell the Steamers and wind up except with heavy loss. The Admiral here is largely to blame in the matter assured me that the agreement was binding on both nationalities, and we gladly conformed to his wishes under this assurance which has turned out to be entirely fallacious.

Am sorry our Captains, Supergoes and Officers are not the right men, we send the best we can procure in Australia.

Is Mr Seagoe returning to New Hebrides? I hope he has had a very pleasant trip to Band. Here in Australia everything is very prosperous, and there is a great expansion in trade so that we are all kept very busy.

Trusting you are well, with kind regards,

Believe me,

Yours truly,

Memorandum showing present position of trade in the New
Hebrides Group of Islands under dual control.

The whole circumstances connected with the establishment of foreign nationalities in the Pacific and the failure of Great Britain to preserve a fringe of British island outposts safeguarding the Continent of Australia, is too well known to require repetition. It is beyond doubt that every opportunity was afforded to Great Britain to retain British influence right through the Pacific, creating a British Polynesia, which would virtually have become attached to and governed by the Australian Continent. It may be safely said that the whole of the Island groups, including those now ceded to Germany, France and America, were originally exploited and settled by British and Australians, and only the apathy and apparent ignorance of the British Colonial Office, has prevented this much to be desired combination of British interests in the Southern seas, which would have been so satisfactory to the various island races concerned, as well as to the future welfare of this isolated island continent.

However much we may lament lost opportunities and past errors in Colonial administration, we should now endeavor strenuously to terminate further disaster and disgrace, and wisely legislate so as to retain what we have got and strengthen the position of Australia, in view of the certain future rapid expansion and anticipated changes in the Pacific. The advent of Japan as a

first class Power, the near completion of the Panama Canal, the marvellous productiveness of Australia, New Zealand, and the whole of the island groups of the Southern seas, together with many other causes only too patent to the observant, must make the wide Pacific a theatre for the display of diplomatic strainings in the interests of various nationalities, which may or may not lead to old methods of settlement, which unfortunately no Hague convention can altogether ever eradicate.

In view of this fore-shadowed future, are we wisely legislating and preparing, or are we still on the downward drift?

Unfortunately past errors seem to have been of no avail and it must be conceded that we are still blindly stumbling along, and all the boasted British diplomacy, as far as the Pacific islands are concerned, can only be classed as an absolute failure. Germany has her Colonial Council of Merchants who have had island experiences, who are referred to for advice when any is required, France also has an attachment of expert advisors, and grants sums of money for the encouragement of Colonization, and to hold opponents in check; Great Britain's policy appears to be one of obscurity. Some obsolete elderly gentleman will search through a map of the Pacific to try and find whether certain islands are in the East or West Indies, and generally speaking the only thing known about the Pacific Islands is that occasionally money is collected for Missionaries by preachers who tell of the many wrongs inflicted upon the poor unchristianized natives, and how the light of the gospel is rapidly enveloping the whole of these

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dark lands. This was strikingly illustrated in the recent debate in the House of Commons upon the New Hebrides Convention, when in response to questions by a member with some knowledge of his subject, the British Prime Minister dismissed the question lightly by remarking:- "We were making the best bargain we could, really for the protection of these savage tribes - cannibals and many other charming types of that sort". Mr Winston Churchill in the same debate sought to emphasise the view that the Government had only to deal with conditions of savagery and chaos. "The New Hebrides", he began, "is a group of islands over which no power has exercised any control. It has been a sort of no man's land - I mean no man has any authority over it except the men who live there; and as the Prime Minister has already said, owing to the habits of cannibalism and other savage customs, a state of grave disorder has always prevailed".

After the above remarkable statements he then informed the House that the Colonial Office must not be supposed to lack information on the subject, which they had been studying for twenty years. Apparently its lengthy study of the subject has not enabled the British Government to grasp the fundamental principle, that only by securing British supremacy can they ensure the carrying out of British ideals as to the treatment of inferior races.

It is most unfortunate that while church goers in England Australia, Canada and New Zealand, are finding money to christianize and settle the islands, British and local legislation is

favoring foreign domination and native degradation. This is strikingly illustrated in the administration of the clauses of the New Hebrides Convention prohibiting the import of liquor and other undesirable goods for sale to the natives. Immediately the Convention between England and France had been signed it was announced with a great flourish of trumpets that the trade in liquor and fire-arms, the mainstay of French trade - and as a necessary result also resorted to by some British Traders - was to be at once absolutely stopped. The Commonwealth Government and the Imperial Government both issued stringent regulations prohibiting the carrying of all contraband in British vessels, and Burns, Philp & Co., whose vessels solely represented British shipping and who as common carriers had previously carried any cargo offered to them, gave their hearty assent and co-operation to the new regulations on the assurance that French vessels and Traders were being treated in a like manner, and issued notices to all shippers of cargo that they would not in future carry Wines, Spirits, Malt liquors etc. French diplomacy, however, too often reads duplicity, and once more the British had the mortification of seeing a severe blow dealt them by those who should have been their protectors.

French vessels, instead of falling into line with the British commenced to reap a harvest by carrying the cargo refused by the Australian steamers. Taking advantage of the British haste to comply with regulations deemed to be in the interest of the natives of the New Hebrides, French vessels carried quantities

of and traded openly in contraband goods, defied the British Traders who supplies had been cut off by the British regulations, and either filched their trade from them or compelled them to sell their produce to the French vessels in exchange for the illicit goods, which were not procurable under the British flag. The result was a stunning blow to the Australian steamers, the trade fell off by nearly half, and vessels returned from long and expensive voyages almost empty. Shippers, who before had dealt exclusively with the Australian vessels, now imported their goods by French vessels, safe from the inquisitive eyes of the British authorities. Additional French vessels entered the trade, notably the "Kone" and "France". The latter chartered by an Australian firm, but under the French flag, secured in five weeks more Copra than was secured in two months by the regular established steamer of more than twice her size. A protest to France through the Colonial Office was met by a bland reply that the Convention was not yet proclaimed, and consequently was not being recognized or enforced by France. Although several months have since elapsed, it does not seem to have occurred to British or Australian statesmen to demand that it shall be at once proclaimed and enforced. The position is acute, and while under the French flag business is progressing and expanding, the Australian Service is slowly but surely being forced out.

Specific cases of the sale of illicit goods are hard to prove but it is a matter of common knowledge that the French trade in them has increased, and the British prohibition has been altogether

the best possible thing for French trade. One French steamer is reported to have landed 150 cases Gin on Ambrym alone in one month, whilst the French Mail steamer landed 40 cases Dynamite in one consignment. A French sailing vessel openly trades round the island of Tanna selling fire-arms and grog for cash or Copra to the natives. The British Traders state that unless this is at once stopped, or the restrictions against them removed, they are ruined men. When we remember that British trade forms now almost our only hope of retaining a claim on the Group, we begin to grasp the seriousness of the present position.

It is understood that the local French authorities shrug their shoulders and profess ignorance of any such traffic, and it pays them to express sympathy with British aspirations, while they benefit in pocket, and see the Australian connection dying out. And what will be the final result of the Australian Service bound by Australian conditions and Imperial edicts, as against the free and unfettered traffic under the French flag? If a trader wants a case of beer or wine, or some dynamite to fish with, or other prohibited cargo, will ^{he} go to the British Resident Commissioner and get a permit to import it from Australia by an Australian steamer? It can easily be seen that he will rather deal where he can get what he wants, and all he wants, and simply tell his old friends that he cannot afford to study the ultra-humanitarian ideas of the British^r, and fall in with their ideas of what should be consumed, and what should not be consumed, in the Islands. If the British first secured control

then they could doubtless gradually bring about considerable betterment, but their every action is hastening the loss of control which will, and must, eventually end in their having nothing to do with the New Hebrides, and then they will have no right to interfere with the destiny of its native races.

The common^{sense} solution of the whole difficulty is that either the dual control should act dually in prohibiting what is considered detrimental to the black and white population of the New Hebrides, or if this cannot be done, then as in every other fair fight, one man's hands should not be tied while the other is free to hit him all over. As a well known Missionary once said to the late Sir Henry Parkes "If I must be shot, I would sooner be killed with an English rifle than by an inferior Continental weapon".

SYDNEY,

July 15th 1907.

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