

up the character of Great Britain and its people. The productions of the islands, and the demand from the islands for manufactures and supplies from temperate climates, must be borne in mind when it is attempted to realize the results.

The advantage to Great Britain of dealing with one powerful Corporation, in lieu of with those who now enoble or degrade the island trade, is sufficiently apparent.

Supposing the Government to make a satisfactory arrangement with a body of gentlemen determined to work out the concession, I think such arrangement might properly be submitted to Parliament for ratification.

I attach copy of a Memorandum on the subject, addressed to His Excellency some months since.

Wellington, 5th February, 1874.

JULIUS VOGEL.

I AVAIL myself of your Excellency's invitation to put into written shape the representation I have had the honor to personally make to you on the subject of the South Sea Islands.

1. The unsettled state of the South Sea Islands, especially the uncertainty which hangs over their future, is calculated to cause considerable uneasiness to the neighbouring Colonies.

2. Intimately identified as the future of these Colonies will be with the Imperial country, of which I am of opinion it is their ambition to remain dependencies, they cannot regard without anxiety the disposition evinced by some Foreign Nations to establish a footing in their neighbourhood, amongst the islands of the South Pacific.

3. In New Zealand there is a strong feeling that the geographical position of the Colony, the prevailing winds, the shipping facilities, and other causes, ought to enable its inhabitants to develop large commercial relations with the islands.

4. The conditions to be met, appears to be,—

- (a.) To prevent, by anticipatory action, the establishment of European communities with lawless tendencies, such as have been displayed in Fiji.
- (b.) To develop the self-governing aptitudes of the Polynesian natives.
- (c.) To encourage them to labour, and to realize the advantages which labour confers.
- (d.) To stimulate the production of the islands.
- (e.) Without bloodshed or embroilment with other nations, to gradually introduce a uniform Government organization throughout Polynesia.

5. To stop the traffic in forced labour, more is required than mere force and vigilance. As long as Her Majesty's vessels are engaged as at present, they no doubt offer a check to labour traffic; but they also make the profits of the traffic larger, and thus evidently encourage it. To permanently stop forced labour, there must be opportunities available to free labour.

6. Your Excellency is aware that I have felt much interest in a proposal made by Mr. Phillips, that a Trading Company should be formed in England, with the view of absorbing by its commercial power a large share of political control in the islands. The object proposed by Mr. Phillips, excepting that of a chartered labour traffic, I approved; and your Excellency, I believe, communicated the substance of Mr. Phillips's ideas to the Secretary of State. I have since thought very carefully over the matter, and there are two points in respect to Mr. Phillips's proposal which seem to me to require serious consideration, and without providing for which I am not certain the proposed Company might not lend itself to retard, instead of to advance, the civilization of the islands. Those points are,—(1.) That in order to obtain the necessary capital, every consideration besides that of the mere acquirement of profit might have to be abandoned. (2.) That Mr. Phillips's proposal does not provide that amount of direct and powerful Governmental control which in my opinion should be stipulated for, in the interest of the helpless natives.

Taking all these circumstances into consideration, and not forgetting that New Zealand, by assuming the large responsibilities proposed, would have the right to the contingent advantages the island trade will confer, I am inclined to recommend,—

- (a.) That New Zealand should encourage the formation of a powerful Company to colonize the islands of the South Pacific, by offering a guarantee of five per cent. for forty years on the share capital.
- (b.) That the Government of New Zealand should appoint the managing director and secretary here, and the managing director in London.
- (c.) The object of the Company to be to civilize and settle the South Sea Islands, by opening up profitable production and trade in connection with them.
- (d.) The Company to establish factories and plantations at different islands, and to acquire by purchase some already established.
- (e.) To acquire lands, and to let the same on terms calculated to promote production.
- (f.) To arrange with chiefs to cultivate produce, and to dispose of it on agreed terms.
- (g.) To supply live stock and merchandise to the islands.
- (h.) To lend money and give assistance to settlers to establish plantations.
- (i.) To open up steam communication between the different islands, and between them and New Zealand.