

1880.

NEW ZEALAND.

GERMAN MARITIME TRADING COMPANY

(PAPERS RELATIVE TO PROSPECTUS OF).

Presented to both Houses of the General Assembly by Command of His Excellency.

The AGENT-GENERAL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S. W., 27th January, 1880.

I enclose to you the translation of a German prospectus for the establishment of a company likely to exercise great influence in the future throughout the South Pacific. The primary object of the Company is to take over the assets of the Company formed by Messrs. Godefroi. But, inasmuch as its capital is to be largely in excess of what is sufficient for that purpose, with an almost indefinite power of increase, its objects are presumably of a much more ambitious description than those of the Company it supersedes. Its title is a very wide one—"The German Maritime Trading Company;" and its object is stated to be "Transatlantic trade: the purchase and working of factories, mills, and plantations, particularly in the South Sea Islands." Prince Bismarck considers the Company to have an importance of so high a national character that he has undertaken to procure for it a guaranteed minimum rate of dividend to the shareholders.

It will be in your recollection that in 1874 I strongly urged the expediency of New Zealand encouraging by a guarantee a similar company. I greatly regret that the proposal did not meet with sufficient encouragement to induce the Government to persevere with it. We had very much opposition at the time to contend with, and the opponents of the proposal freely stigmatized it as the revival of the South Sea Bubble. Now that I read the papers again I am more than ever convinced of the soundness of the proposal. The German Company is formed on similar lines, but with almost unlimited powers. If it can suit Germany, so averse as a rule to colonizing operations, to attach to such a Company a national importance and to assign to it a guarantee, it need scarcely be argued that New Zealand has tenfold inducements to a similar course. The South Sea Islands are a remote incident of German commerce, but they are probably destined to be the leading exterior feature for weal or woe of New Zealand's future. She cannot afford to continue indifferent to the destiny of Polynesia, and the longer she remains so the more onerous will be the task when she awakens to the consciousness that nations and the dependencies of nations cannot escape the responsibilities entailed upon them by geographical and natural laws. New Zealand, from its position, is the country, possessing a temperate climate, to which Polynesia should, and must in the future, attach the most importance.

I trust these remarks will not be thought out of place from one who has taken so much interest in the subject. I venture to ask that immediate publicity be given to this despatch, because I think the people of New Zealand should, without delay, ponder on what may be the effect of a large foreign trading company supported by national funds taking up its position in their immediate vicinity. Who shall say what may be the limits to the ambition of the Company, and to what extent it may be able to drag its Government, reluctantly perhaps, into backing up its actions? In self-defence, it seems to me, New Zealand should proceed with the project commenced in 1874. State assistance is of great importance to such an undertaking, because although in the long run the enterprise would meet with commercial success, it might for some time have to subordinate such success to the object of laying its foundation broad and deep. The trade it would bring to New Zealand, and the industries in the shape of mills and factories it would establish there, must also be taken into account.

It is worthy of notice that the extent of the risk of the German Government is only £15,000 for twenty years. Although the guarantee is for 4½ per cent., the actual extent to which the gains of the Company are to be supplemented is limited to 3 per cent. on £15,000 a year on half a million sterling. With this comparatively trifling encouragement the shares were subscribed for twice over, and a great national enterprise started.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Premier, New Zealand.

NOTICE.—Issue of 8,000 shares of the Deutsche See Handels-Gesellschaft (German Sea Trading Company), in shares of 1,000 marks (£50) each, of the value of 8,000,000 marks.

THE object and plan of the Deutsche See Handels-Gesellschaft, which is to be formed in Berlin on the 21st January after the capital has been fully subscribed, may be gathered from the following extract of the statute (laws and by-laws) and appertaining supplements.