

III.

PROPOSED TRADING COMPANIES.

NEW ZEALAND AND POLYNESIAN COMPANY.

No. 1.

Governor the Right Hon. Sir J. FERGUSSON to the Right Hon. the Earl of KIMBERLEY.
(No. 15.)

MY LORD,—

Government House, Wellington, New Zealand, 11th March, 1874.

I have the honour to inform you that a joint-stock company is in course of formation in New Zealand, for the purpose of engaging largely in trade with the islanders of the Pacific Ocean, which my Advisers propose to assist by a guarantee, by the Government of New Zealand, of interest at the rate of five per cent. upon its share capital, retaining certain power of control over its operations.

2. This scheme was at first devised by a private individual, who contemplated an attempt to form a company in England and Germany. He communicated it to the Premier, the Hon. Mr. Vogel, C.M.G., who deemed it to be one which New Zealand should not only encourage, but adopt and control, in consideration of the advantages which would accrue to her through a reciprocal trade with the islands, and possibly by becoming, at a future time, the centre of their government.

3. Your Lordship is already aware that Mr. Vogel is very anxious that any opportunity of promoting these objects should not be lost; and I have some reason to believe that in such a course he would be supported by the opinion of the colony.

4. In several conversations on the subject, I have pointed out to him that any project with respect to the Pacific which the Government of the colony might adopt, must be kept free from political elements, to have the sanction of Her Majesty's Government. Your Lordship's recent despatches with respect to arrangements with the chiefs of the Navigator Islands show that no project involving interference with the Government of those or other islands would be in accordance with their views.

5. Mr. Vogel has now placed in my hands a paper, in which the views are set forth, of which I enclose a copy, together with a memorandum therein referred to, which he had previously addressed confidentially to myself; a supplement to the former, in which is stated the result of conferences between himself and Mr. Whitaker, a barrister of old standing in the colony, as the representative of the promoters of the Company; and the heads of agreement contemplated to be entered into between the Government and the promoters, and intended to be laid before the General Assembly, along with the Bill by which the Company will be incorporated and the Government empowered to support it.

6. Your Lordship will perceive that, important and extensive as is the scheme embodied in these papers, it does not include any political features, or involve any direct or indirect Imperial responsibilities. Any footing which the Company might gain in the islands would be as private individuals resident in foreign countries, and deriving their position and privileges solely from the existing rulers, whoever they might be.

7. At the same time, Mr. Vogel does not disguise his hopes that the establishment and operations of such a Company would tend to the strengthening of British influence in the numerous communities of the Pacific Ocean, to the acquisition by New Zealand of a leading position, as representing the Mother-country, and ultimately to her becoming the head of a new "Dominion."

8. The scheme as indicated by Mr. Vogel's memorandum almost directly contemplated political engagements, and certainly the establishment of the Company upon exclusive terms for the benefit of New Zealand. It remained to be seen how far these views would be embodied in a Bill; but in the form which it has now assumed, and especially in the proposed heads of agreement, which will, I assume, constitute the real substance of the measure, the Bill merely enabling the Government to enter into such an agreement, such features are eliminated, and I do not perceive any provisions which would necessarily require the reservation of the measure for the signification of Her Majesty's pleasure thereon.

9. I had pointed out to Mr. Vogel that there were features in the scheme, as at first devised, which might possibly render such reservation necessary; and I have no doubt that the Government and the Company will be very desirous of avoiding any proposals which would involve consequent delay and uncertainty, which might very injuriously affect the success of their project. They have rivals, not only in other rising commercial communities, but in foreign Governments, who are not insensible to the value of the field, for commercial enterprise on the one hand, and of the strategic positions on the other, which is presented by the scattered, but collectively populous, islands of the Pacific.

10. In my Despatch No. 82, of the 22nd October, 1873, covering a Ministerial memorandum with reference to the Navigator Islands, I endeavoured to present to your Lordship's consideration the aspiration and sentiments entertained in New Zealand on this subject, and the anxiety felt lest the opportunities which have been, and may be still, open to the extension of British influence over