

No. 3.

The AGENT-GENERAL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 26th March, 1886.

A few days ago Mr. Eberhard Schmid came to me on the part of the German companies possessing interests at Samoa to inquire whether the Government were likely to lay any proposal before the House of Representatives for the purchase of those interests.

We went into a number of figures, Mr. Schmid being evidently prepared with complete estimates of the value of the companies' establishments, land claims, and trade in the Samoan group; and the total amount named by him gave me great surprise. I am not in a position to give you the details, as they were only the subject of confidential conversation between us; but, in round numbers, the total was not far short of half a million of money. I told Mr. Schmid that I was astonished at such a sum, to which he replied that the most careful valuations had been made, and balance-sheets prepared at Hamburg, which were entirely at my disposal to examine if I would go over and meet the companies on the spot.

I then told Mr. Schmid that I would write to you by this mail, inquiring whether you would permit an investigation to be made by me at Hamburg into these figures and balance-sheets, or whether, upon hearing of such a total, you would instruct me to take no further action in the matter at all. The companies purport to have acquired more than 200,000 acres of land in the islands, and if New Zealand is not prepared to enter into a treaty for the acquisition of their interests, they talk of investing large additional sums of money, and of proceeding with great vigour in the development of the German trade. I need not say that I placed my own construction upon this announcement.

If you should consider it worth while, under such circumstances, to take any action in the matter perhaps you will be pleased to send me a telegram to that effect. I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

No. 4.

The AGENT-GENERAL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 8th April, 1886.

In my letter of the 26th ultimo, No. 395, I told you the substance of what had passed No. 3. between Mr. Eberhard Schmid and myself with respect to the German interests in Samoa. I now transmit herewith copy of a letter which I have received from that gentleman, on behalf of the Committee of Administration of the German companies, together with my reply. You will see that in consequence, apparently of the surprise that I expressed at the amount of the valuations they had made of their interests, the companies now consider it would be useless to continue any negotiations for the sale of those interests.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

Enclosure 1.

SIR,

Hamburg, 5th April, 1886.

Having just returned from Berlin, where I learnt in a conversation with Dr. Krauel that when you first intimated the wish of your Government to buy us out, he is quite sure never to have mentioned any sum below about half a million pounds sterling, I beg leave to inform you on the part of our Committee of Administration that, in consequence of the nature of your mistake of thinking us sellers at prices you mentioned, they must come to the conclusion that it would be useless to continue our negotiations about the sale of our interests in the South Seas. We beg leave to ask you to notify this to your High Government, as we have done to our own Government, taking corresponding steps at the same time.

I have, &c.,

EBERHARD SCHMID,
Director of Deutsche Handels, and Plantagen-Gesellschaft der Südsee-
Inseln Zu Hamburg.

The Hon. Sir Francis Dillon Bell, 7, Westminster Chambers, S.W.

Enclosure 2.

SIR,—

7, Westminster Chambers, S.W., 8th April, 1886.

I have received your letter of the 5th instant, referring to the question we recently discussed in connection with the establishment of the German companies at Samoa.

In reply, I beg to observe that you are in error in assuming that I made any mistake in the matter. Up to the time of the conversation between yourself and me, no real statement of the extent or value of the claims of your companies had been laid before me, and the only information which I possessed in the matter was from the conversations I had had with Dr. Krauel when he was in England, and at a subsequent period with Mr. Sahl. It is quite certain that nothing which passed in either of those conversations had reference to a sum approaching half a million sterling, and it was on that account that I expressed the surprise I did, when you for the first time informed me that your valuations amounted to that sum.

As, however, your Committee of Administration have now come to the conclusion that it would be useless to continue any negotiations about the sale of your interests in Samoa, I shall, as you request, communicate that information to the Government of New Zealand.

I have, &c.,

Eberhard Schmid, Esq.

F. D. BELL.