

- (j.) To discourage the removal of islanders from their homes for labour purposes, by affording them occupation on their own islands, or on islands adjacent.

The Government of New Zealand to stipulate, in return for guarantee,—

- (a.) That the Company give facilities and reasonable pecuniary aid to the missionaries.  
(b.) That whilst affording inducements to free labour, the Company abstain from employing forced labour.  
(c.) The Company to own at least six steamers between the islands, and between the islands and New Zealand; and to fix the times so that New Zealand shall be in communication with the principal islands at intervals of not more than a month.  
(d.) The Company to establish in New Zealand at least one cotton factory, at least one woollen factory, and at least one sugar refinery.  
(e.) That all the produce the Company obtain at the islands, or which is obtained from the lands of the Company, be forwarded to New Zealand.  
(f.) That all goods sent by the Company to the islands be shipped from New Zealand.  
(g.) That on all produce the Company pay the Government of New Zealand five per cent. royalty.  
(h.) That on all goods shipped to the islands, other than those the produce or manufacture of New Zealand, the Company pay a royalty of seven and a half per cent.

7. The ultimate object which I have in view is, the establishment of the Polynesian Islands as one Dominion, with New Zealand the centre of Government; the Dominion, like Canada, to be a British dependency.

8. I venture to think that these proposals, if carried out, would save Great Britain large expense in connection with the repression of slavery, whilst the Imperial prestige in the South Pacific would be maintained.

JULIUS VOGEL.

Christchurch, 22nd November, 1873.

After conferring with several gentlemen on the subject of this Memorandum, I agreed with Mr. Whitaker that he should act with a few promoters, and draw up the heads of an agreement, to be put into shape by the Attorney-General, if approved by the Cabinet, and then to be subject to the ratification of Parliament.

I conceded, after a long discussion, the condition imposing a royalty on the shipments of the Company. I substituted for it a condition binding the Company to repay, out of profits, any payments made by the Government, and impounding all profits for that purpose; secondly, a power by which the Government can intervene in the case of the business of the Company not being carried on efficiently. I agreed to this change, because I found that every one to whom I had spoken was of opinion that the royalty would shut out the Company from much business which might otherwise be profitable; and because I believe, irrespective of the contingent advantages the Colony will gain, that it is sufficiently secured against any loss arising from the guarantee, by the provision making such guarantee a lien on future profits.

JULIUS VOGEL.

Wellington, February 28th, 1874.

HEADS OF AN AGREEMENT between the GOVERNMENT of NEW ZEALAND of the one part, and FREDERICK WHITAKER on behalf of himself and the several other persons hereafter to be named (and herein called the Promoters) of the other part. Proposed Agreement for Company.

1. The Promoters undertake to form a Joint Stock Company, to be called "The New Zealand and Polynesian Company," for the objects hereinafter mentioned.

2. The capital of the Company to be £1,000,000, divided into 100,000 shares of £10 each, with power to increase the capital and to borrow £1,000,000.

3. The liability of the shareholders to be limited.

4. The head-quarters of the Company to be at Auckland, and Directors resident in other parts of the Colony to act as Local Boards at such places as the business of the Company may from time to time require. A meeting of all the Colonial Directors to be held once a year in Wellington. A Board of Directors shall also be constituted in London.

5. The objects of the Company to be,—

- (1.) To carry on the business of merchants, ship-owners, planters, producers, manufacturers, brokers, agents, insurers, bankers, and money-lenders, in the islands of the Pacific, New Zealand, and Great Britain, and also elsewhere with the permission of the Government of New Zealand.

6. New Zealand to be made by the Company the depôt for the island trade, and specially the Company,—

- (1.) To bring to New Zealand all the produce it exports from the islands, to be manufactured in or exported from New Zealand, unless permitted otherwise to deal with it by the Government.  
(2.) To ship from New Zealand all the merchandise and supplies imported by the Company into the islands, unless otherwise authorized by the Government.  
(3.) To employ at least six steam vessels to carry on the trade between New Zealand and the islands, and between the several islands. The steam vessels running from