

(10 and 11 Victoria c. 112) one of the provisions of which was that if the Company should relinquish its understanding, and thereby the lands over which it had control revert to the Crown, there should be paid to the Company out of the proceeds of all future sales of the Demesne Lands of the Crown in New Zealand, after deducting a proportion for Surveys and Immigration, the sum of £268,370 15s.

16. The Colony was saddled with this enormous sum without having any opportunity afforded it of investigation the grounds upon which the Company's claim was admitted for so large an amount for injuries said to have been inflicted on the Company by the Imperial Government and its Officers. The form of the charge rendered the evasion of it easy, but this was not attempted on the part of the Colony; petitions and memorials from time to time entreated that the accounts might be investigated, and such sum as should be fairly found to be due secured in a more satisfactory manner to the Company. It was the general belief of the Colonists that if the very reasonable request of being fairly heard before they were condemned in such an amount, had been granted, it could without difficulty have been shown that the Company, apart from the £268,370 15s. secured by the Act referred to, had already received far more money than it was fairly or reasonably entitled to, in respect of any claim it ever professed to have. Notwithstanding this, when the Act to grant a Representative Constitution to the Colony of New Zealand was passed, an attempt was made again without reference to the Colony, to give the Company a better and more available security for its claim. Looking however to the power at the same time conferred on the General Assembly of New Zealand, it would have been competent for that Legislature to have still evaded the payment of a fraction to the Company, and it would have been generally considered throughout the Colony, to be not only justifiable, but meritorious, to evade the payment of a sum of money, the imposition of which, was believed, and which the Colonists undertook to prove, to be most oppressive, unreasonable, and unjust.

17. The Colony has however now accepted terms proposed by the Company for the redemption of this charge. A course taken, not from any belief in the justice of the charge, or from any doubt as to the result of a contest with the Company as to their power of enforcing payment of it, but in deference to the views of the Imperial Government. The amount of the charge thus undertaken by the Colony is £200,000.

18. New Zealand became an appendage of the British Crown under a treaty which guaranteed to the Aborigines the exclusive and undisturbed possession of their lands; the result of this has been, that strictly speaking, there was not an acre of waste lands of the Crown in New Zealand. All the Land in the hands of the Crown and of Settlers, has been purchased from the Aborigines; and, in the Northern Island, upwards of 4-5ths of the land is still the property of the Natives; and the estimated cost of acquiring that portion over which it is desirable that the Native Title should be extinguished, is stated on competent authority not to be less than half a Million sterling. The annual income of the Colony does not afford the means of providing for this most necessary expense, and a proposition has been submitted to the Imperial Government to enable the Colony to borrow the sum of £180,000 for the exclusive purpose of forming a fund, to be kept up out of the land sales, for the extinguishment of the Native Title in the Northern Island. It is true that this expense will ultimately be reproductive; but it will be some time before the proceeds of the sales from the newly acquired lands will more than cover the annual charge on the money borrowed for their purchase. This, moreover, is not an expense which can prudently be delayed; every year but increases the average cost of land purchased from the Natives, which is at the present time at least five times what it was ten years ago.

19. When the present Government of New Zealand came into office, there was a floating debt of about £120,000. It is unnecessary to go into the circumstances under which the debt was contracted; it is sufficient for the present purpose to say that it is a liability for which provision must be made. The Colony is therefore now endeavouring, with the assistance of the Imperial Government to negotiate a loan to cover these liabilities; which, with that to the New Zealand Company, will require a sum of £500,000, which, under the most favourable circumstances will require an annual charge of £30,000.

20. In addition to these liabilities, proposed to be met in the manner just described, is to be added the annual charge of the Civil Government of the Colony. For the year 1855 the expenditure on this account, (including the Civil List and Costs of Collection,) has been in round numbers as follows:—

For the General Government of the Colony	...	...	...	...	...	£66,000
For the Provincial Government of Auckland	...	...	...	...	...	23,000
“ “ “ of New Plymouth	...	...	...	...	...	3,200
“ “ “ of Wellington	...	...	...	...	...	12,000
“ “ “ of Nelson	...	...	...	...	...	7,000
“ “ “ of Canterbury	...	...	...	...	...	6,500
“ “ “ of Otago	...	...	...	...	...	4,000

Making a Total annual charge on the Revenue of the Colony and Provinces for the Civil Establishment of £121,700. Having regard to the items composing this expenditure, and the position of the scattered and widely separated settlements of New Zealand, it is difficult to see how, under the present constitution of Government this cost could be materially reduced; while, on the other hand, new wants must continually arise, which will have to be provided for.

21. It may therefore be assumed that the charge upon the revenues of New Zealand for which it is, and will be absolutely necessary to make annual provision, amounts at the very least to the sum of £151,700, without any reasonable hope of diminution. This sum does not include anything whatever for the public works and improvements absolutely necessary in a new country to develop its resources and ensure its progress, and even to prevent its retrogression.