

MR. CROSBIE WARD TO THE UNDER-SECRETARY OF STATE FOR THE COLONIES.

New Zealand Government Agency,
3, Adelaide Place, King William-street, E.C.,
18th July, 1863.

SIR,—

Referring to my letter of yesterday, and to the conversation which took place between Mr. Chichester Fortescue and myself, on the subject of the settlement of Imperial claims against the Colony of New Zealand, I desire to draw the attention of Her Majesty's Government to certain further considerations which appear to me to be of great importance.

A proposal has been made to me, on behalf of the Colony, to pay the sum of £200,000 in liquidation of all claims of the Imperial Government, in respect of Naval and Military Expenditure, to the 30th September, 1862. Being unable to deal with these claims as a whole, I have proposed to pay the sum of £150,000, in respect of the claim arising out of the Native insurrection, and to refer the principal remaining claim—being that for the location of the Pensioner force, and nominally amounting to the sum of £67,927 5s. 9d. to the General Assembly of the Colony, by whom it has never yet been considered.

This proposal has been declined, and I am informed that the sum of £150,000 is insufficient to satisfy the claim of Her Majesty's Government for Military assistance rendered to the Colony during the Native insurrection. Under these circumstances, I desire to remind the Government what the nature of that claim really is.

The detailed account rendered by the War Office comprises two classes of items charged against the Colony, one class being based on the ground of a technical liability, such as an undertaking or engagement entered into by the Colony; the other on that of a fair and reasonable responsibility evident in the nature of the items themselves. Taking each set of items separately, the sum of the former is in round figures £150,000, that of the latter considerably less. I have tendered payment on behalf of the Colony of the larger amount, on account of the greater simplicity of the examination into this class of items, and also because, owing to the severity of the language addressed by Her Majesty's Government to the Colony on the subject, I desired to avoid, as far as possible, any discussion upon the propriety of the various charges.

The Colony is, I submit more than justified in taking the present course, since many of the items of account which rest on the ground of technical liability cannot be alleged to be in themselves fairly and reasonably chargeable; but may rather be said to appear in the account by a species of accident—that is to say, the Colony urges that the sum of £150,000, on whatever account it may be computed, does in effect more than cover all the charges for which it can be held honorably liable.

The largest item among those to which allusion has been made, is the contribution of £5 a-year per officer and man to the pay of Her Majesty's troops in the Colony. The claim on account of this item amounts to about £61,000. The arrangement to pay a contribution at the rate named was made in the year 1858, in time of peace; and had reference to the peace establishment of the garrison, consisting of one Regiment of the Line. However reasonable this arrangement might have been at the time, it was one which obviously was inapplicable to a period of protracted war. That rate of contribution which was proportioned to the circumstances of the Colony when the number of soldiers was small, became utterly disproportionate when the number of soldiers had increased sevenfold. It is fair to urge that in this case, as in any other, a total and unexpected change of the circumstances under which the agreement had been made, practically annulled it. And the change was in effect notified by the Colony, when the resolution was taken by the House of Representatives to assist the Imperial Government in prosecuting its designs to the extent of the resources of the Colony. This is what the Imperial Government has a right to require; and this is practically what the Colony has done, and is prepared to do.

The employment of force against the insurgent Natives of New Zealand in 1860-61 was, at least, in a great measure, determined on by the Imperial Government, rendered necessary by Imperial policy, and directed against a race under the immediate control of the Imperial authorities. Whatever part the colonists may have taken in bringing about the war, Her Majesty's Government must admit that a large share of responsibility rests upon itself. The Imperial Government was not a mere ally of the Colony, rendering a limited amount of assistance upon stated terms. It was a principal in the matter; not only as holding the natural attitude of a mother country towards a dependency, but as being itself mainly concerned in, and answerable for the issue. Under these circumstances, I submit that Her Majesty's Government is bound to consider, not what remuneration for the employment of its troops it can obtain from the Colony, nor what portion of its own expenditure it can recover; but what is the fair and reasonable expense which each party may be expected to bear as its share of the whole cost of the war.

The cost to New Zealand of the war already reaches a round sum of £500,000. This sum includes only extra expenses entailed upon the Colony directly by the war, and might be largely swollen by a number of expenses which spring indirectly from the same cause. The charge of £500,000 in the shape of a debt upon the resources of a population of 100,000 persons, paying taxes to the State, at the rate of about £4 per head per year, will appear of its proper magnitude if it be compared after making all due allowances with the expenditure of the United Kingdom for similar purposes. Thus compared, it represents an amount of above One hundred millions sterling. In addition to this enormous burden, the Colony is prepared to pay to Her Majesty's Government the sum of £150,000, and the offer to do so is declined as insufficient.

I now respectfully entreat Her Majesty's Government to re-consider their determination. I