

97. But, while such are the real facts of the case, it may be said that the Legislature had made provision, by the confiscation of a portion of the land belonging to rebels in arms against Her Majesty, for re-couping the greater part of this heavy liability. The Colonial Treasurer, Mr Wood, in his financial statement on the 10th of November, 1863, calculated that there would be nearly 2,000,000 of acres available, after the location of military settlers, and he anticipated that, before very long, the proceeds of the sales would repay the whole of the expenditure. But when the Select Committee of the House of Representatives brought up their Report on the 14th of August, 1866, on the subject of the Confiscated Lands, they represented the whole case to be exceedingly intricate and complex, and that only at the best could an approximate estimate of the extent, character and value of the land be obtained. The area of Confiscated Lands was stated at 3,255,737 acres, of which there were about—

|                                                                                 |     |     |     |           |
|---------------------------------------------------------------------------------|-----|-----|-----|-----------|
| Mountain and swampy land                                                        | ... | ... | ... | 606,126   |
| Compensation and reserves for Friendly Natives                                  | ... | ... | ... | 591,131   |
| Estimated quantity of land required for returning Rebels                        | ... | ... | ... | 289,000   |
| Military Settlements                                                            | ... | ... | ... | 298,238   |
| Miscellaneous (including unknown amount of swampy and mountain land at Opotiki) | ... | ... | ... | 416,499   |
| Saleable land                                                                   | ... | ... | ... | 1,054,743 |

The Committee, valuing the saleable acreage at from 5s. to £2 per acre, estimated the probable proceeds to be about £602,233, from which, deducting money compensation due to settlers and Natives, and survey expenses, in the Auckland Province alone, amounting to £95,056, there was a possible available sum of £507,177. But since this Report was submitted to the Assembly additional information has been obtained, though the extent, nature and value of the land can still only be approximately ascertained. With reference to the extent of the Confiscated Land the calculation depends mainly upon the exact locality of some mountain peak or range, or upon unsurveyed river; for instance, were Mount Egmont one mile out of its indicated position on the map a difference of probably 20,000 acres would be the result in the estimated quantity of land in the Province of Taranaki. Again, with respect to the nature of the land, a considerable amount of it has seldom been visited by Europeans, though some may have passed through the block. With respect to the value of the land, there is no other guide than the Committee's approximate rule, which is stated to be found not incorrect in other cases, and is as follows,—“half the area of that part of the land which is yet unexplored, but known to be a broken and hilly country, has been taken to be of some value, and the rest to be wholly unsaleable.” Since the Committee's Report was brought up there has been a block of land confiscated in Hawke's Bay which contains 375,000 acres, of which 17,000 belong to the Provincial Government. Of this block it may be necessary to restore 50,000 acres to loyal Natives, 2000 to Rebels returning to their allegiance, and about 3000 will be required for Military settlers; of the remainder there are about 10,000 acres of flat land available for sale, to which, by applying the Committee's rule, may be added about 150,000 acres of hilly land, approximately valued at 2s. 6d. the acre, or nearly at £20,000. But the uncertainty which envelopes the whole question is so great that no Colonial Treasurer has yet been hardy enough to bring any sum in connection with this land into account in his Estimates. I would adduce, as an illustration, the different aspect of the same point within a period of twelve months, confining myself to one block. In the Province of Taranaki the Committee consider that 65,045 acres will be required as compensation and reserves for friendly Natives, whereas 132,654 have actually been returned, and this, of course, of the best land. I would further observe that the expenses for survey are extremely heavy, as may be seen from Appendix G. On the whole, considering that a very long time will probably elapse before the saleable land can be judiciously sold, I am not disposed to attach weight to any argument which may be adduced in favor of re-couping past expenditure from the proceeds of the sale of Confiscated Lands. It may be very naturally enquired, how is it that the reality is so far removed from that which was anticipated. It arises from the fact that the estimate was but a feel in the dark. The large amount of unavailable land, no less than 606,126 acres, or probably nearly three-quarters of a million, and the large awards to friendly and rebel natives amounting to 880,125 acres does much to solve the difficulty. Taking into calculation undefined liabilities, the complicity of some pseudo loyal natives in concealing rebel territory threatened with confiscation, the expenses of Compensation Courts and surveys, and also the over eager demands of some adherents, the Colony would indeed be well free of the land which is supposed to be available for sale on the condition that all prospective liabilities were spunged out.

98. But, while I might fairly conclude that the evidence which I have adduced would dissipate all doubt as to the character and extent of Colonial exertions, yet I desire to submit to Your Excellency other considerations which may rightly be viewed in connection with this subject. It may be supposed that the elasticity of the resources of the Colony, and the imagined lightness of existing taxation, would do much to relieve the pressure of this burden. But what do we really find to be the case? The Colonial Treasurer, in his financial statement of the 5th of September, 1866, estimated the Ordinary Revenue at £1,058,500, of which the Customs were supposed to yield £850,000 and the Stamp Duties £50,000, and if we estimate the population of New Zealand at 200,000, we shall have a pressure of taxation equal to £5 6s. per head. The Chancellor of the Exchequer, in his Estimates for the year 1867-8, calculated the Revenue of Great Britain at £69,340,000, of which Customs and Excise yield £42,700,000, and supposing the population to be about 30,000,000, we have a taxation equal only to £2 6s. per head, being not quite one-half of that of New Zealand. It may not be unnecessary to show further that, with every disposition to exercise the most rigid economy, the nature of the Colonial liabilities may involve the necessity of a continuance for some time of this taxation. The Colonial debt is represented to be about three and a-half millions (independently of Provincial liabilities), which is about £17 10s. per head of the population; while the Imperial debt is represented to be £800,000,000, or about £26 14s. per head; but the charge of interest borne respectively is, for the Colony £1 4s. 6d., and for the Empire 17s. 8d. per head. Comment on such a statement would, I am sure, only weaken its effect.

99. There was a time when, in the prospect of the vast exertions the Colony was about to make in aid of Imperial operations, the British Government might, without the slightest risk or sacrifice, have con-