Mr. Halswell retained the office of Commissioner of Native Reserves until June, 1842, when he was rather unceremoniously superseded, and by an arrangement made between the Home Government and the Company the control of the reserves passed to the Governor, the Bishop of New Zealand (Bishop G. A. Selwyn), and the Chief Justice (Sir William Martin), the latter two gentlemen having been appointed to the Colony by Lord John Russell. The Governor soon after declined to act himself, and decided to submit to the Legislative Council a Bill for vesting the reserves in three trustees—viz., the Chief Justice, the Bishop, and the Chief Protector of Aborigines. This Bill was never actually introduced, as Governor Hobson died in September, 1842, but in July, prior to his death, Mr. Halswell was informed of the arrangement and asked to resign the office of Commissioner. (1) Besides the revenue from the reserves, it was intended that the Bishop and his colleagues should have control of a proportion of the moneys derived from the sales of lands acquired from the aborigines, the funds accruing from both sources to be expended in the establishment of schools for the education of youth among the aborigines, and in furtherance of such other measures as might be most conducive to the spiritual care of the Native race and to their advancement in the scale of social and political existence.(2) The principle of setting apart a percentage on the produce of land-sales annually does not appear to have been adhered to, and the original instructions regarding this proposal were ultimately lost sight of during Governor FitzRoy's administration.(3)

The Chief Justice soon resigned the office of trustee, as he found the duties incompatible with his official position, for in the event of the trustees being engaged in any lawsuit he would be both Judge and party in the suit at the same time. Mr. Halswell was subsequently appointed to the sole charge of the reserves at Wellington, as agent of the trust vested in the Bishop and the Chief Protector of Aborigines; and Mr. H. A. Thompson, Police Magistrate, was appointed to fill a similar office in

Nelson.(4)

The country lands in the Wellington district (comprising Wanganui, Manawatu, and Porirua) and the whole of reserves at New Plymouth were placed in the hands of Mr. Henry St. Hill as agent of the trustees.(5)

On the 30th November, 1841, the Company, in a letter to the Bishop of New Zealand, offered to advance a sum of £5,000 on mortgage of the Native reserves for the immediate benefit of the Natives,

on condition-

"That, first, by some sufficient act of the Government the property in the reserves shall be placed under efficient protection and management, and, secondly, that the Government shall undertake the responsibility of determining in what manner, for what purpose, and under

whose control, the funds derived from the Native reserves shall be expended. (6)

The Company submitted the offer to Lord Stanley, the Colonial Secretary, and after considerable correspondence the matter was referred to the Governor of New Zealand. (7) In the meantime the Bishop had proceeded to New Zealand, and on being asked by Acting-Governor Shortland to report on the advisability of accepting the offer he pointed out that the great objection to the plan proposed by the Company arose from the conditions required—viz., that the payment of the principal and interest should be secured by a power of sale added to the ordinary power of foreclosure. (5) The matter was finally settled by Governor FitzRoy, who reported that it did not appear advisable to sanction any mode of raising money upon the security of the Native reserves which might by any contingency cause the alienation of those lands from the beneficial use of the aborigines.(8)

CHAPTER III.—THE NELSON RESERVES AND THE SPAIN COMMISSION.

1. The Preliminary Expedition.

The directors of the New Zealand Company were more than pleased with the result of their negotiations with Lord John Russell. The British Government had at last recognized the Company as an instrument of colonization, the agreement dated the 18th November, 1840, had been ratified by the granting of the Company's charter, and prospects for the future seemed bright. Early in 1841 steps were taken for the formation of a second colony in New Zealand—to be called Nelson—on a more ambitious scale than that of the first.

On the 15th February, 1841, the Company issued a prospectus for the sale of 201,000 acres of land in the proposed second (Nelson) settlement upon the following terms:-

"(1) The lands are offered in 1,000 allotments of 201 acres each. Each allotment will consist of three sections—viz, 150 acres of rural land, 50 acres of accommodation land in the immediate proximity of the town, and one town acre. The town will therefore comprise 1,000 acres, exclusive of reserves for public objects such as streets, squares, churches, cemeteries, markets, and public gardens or parks.

(2) Colonial Secretary, Mr. Shortland, to the Chief Justice, 26/7/42: House of Commons Report on New Zealand,

⁽¹⁾ Governor Hobson to Trustees, Native Reserves, Port Nicholson, 27/7/42: House of Commons Report on New Zealand, 1844.

<sup>1844.

(3)</sup> Mackay's Compendium, Vol. 2, p. 264.

(4) Colonel Wakefield to Secretary New Zealand Company, 15/9/42: App. 12th Rep. And Bishop of New Zealand to H. A. Thompson, 6/9/42: Mackay's Compendium, Vol. 2, p. 267.

(5) Bishop of New Zealand to Acting-Governor Shortland, 19/12/42: App. 12th Rep., p. 43g.

(6) Secretary of the New Zealand Company to Bishop of New Zealand, 30/11/41: App. 12th Rep., p. 29g.

(7) Under-Secretary Hope to Somes, 29/4/42: App. 12th Rep., p. 38g.

(8) FitzRoy to Hope, 1/3/43: App. 12th Rep., p. 47g.