To this contention the Colonial Office replied that-

Lord Stanley cannot allow the assertion that the Company's title was to be investigated exclusively by Mr. Pennington. The fact of the validity or invalidity of the purchase was known to the Company, and to them alone; the assumed validity was the basis of the promised grant; and if the facts were incorrectly stated at the time, or were incapable of proof, with the Company must rest the inconvenience and loss reverting from their own misstatement."(1)

Commenting on the attitude of the Colonial Office, Dr. Garnett said,-

"It must in justice to the Government be remembered that their patience had been severely strained by the extravagance of successive Governors of New South Wales, who had among them incurred two or three millions of liabilities, with little visible return. This could not, however, justify the hostile tone towards the Company which Stanley assumed from the first, and his virtual repudiation of the engagements of his predecessor."(2)

In another letter Mr. Somes in urging the claims of the Company stressed the point that-

They had not failed in discharging those duties towards the Native population which

the ordinary improvement of modern feeling requires.

But it has been the object of the Company to do even more. From the outset of our undertaking we felt that we should but incompletely discharge the duties which we recognized were we to content ourselves with purchasing from the Natives their interests in the soil by such trifling payments as they would deem ample and as even the improved feeling of our countrymen would consider sufficient."

Referring to the ultimate fate of the Natives after the present consideration has been squandered,

he goes on to say,—

"It was to guard, as much as human care can guard, against such a result that the New
"Zaland Company invented the plan of Native reserves. To recompense for the moment and to comply with the exigencies of opinion they had paid down what according to received notions was a sufficient price, but the real worth of the land they thought they gave only when they reserved as a perpetual possession for the Native a portion equal to one-tenth of the lands which they had purchased from him. This was the price which he could not squander away at the moment, but of which, as time passed on, the inalienable value must continually and immensely increase for his benefit and that of his children. Heir of a patrimony so large, the Native chief, instead of contemplating European neighbours with jealous apprehension as a race destined to degrade and oust him, would learn to view with delight the presence, the industry, and the prosperity of those who in labouring for themselves could not but create an estate to be enjoyed by him without toil or work. Nor was this design confined to barren speculation. In every settlement which we have formed, a portion equal to one-tenth, of town as well as rural allotments, has always been reserved for the Natives; in the lottery by which the right of selection was determined the Natives had their fair chance, and obtained their proportion of the best numbers; and in the plans of Wellington, Nelson, and New Plymouth your Lordship may see the due number of sections, including some of the very best in each, marked out as Native reserves. Nor is this, even now, a valueless or contingent estate. At the most moderate average, according to the present rate of prices, the hundred acres of Native reserves in the Town of Wellington alone would fetch no less than £20,000."(3)

In the course of a very long letter couched in somewhat different strain, Mr. Somes made the suggestion that the Government should set aside the treaty with the Natives:

We have always had very serious doubts whether the Treaty of Waitangi, made with naked savages by a consul invested with no plenipotentiary powers, without ratification by the Crown, could be treated by lawyers as anything but a praiseworthy device for amusing and pacifying savages for the moment."(4)

This drew from the Colonial Office a dignified rebuke, which one writer considers "should be

recorded in the annals of our history."(5)
"Lord Stanley is not prepared to join with the Company in setting aside the Treaty of Waitangi, after obtaining the advantages guaranteed by it, even though it might be made 'with naked savages,' or though it might 'be treated by lawyers as a praiseworthy device for amusing and pacifying savages for the moment.' Lord Stanley entertains a different view of the respect due to obligations contracted by the Crown of England, and his final answer to the demands of the Company must be that as long as he has the honour of serving the Crown he will not admit that any person, or any Government acting in the name of Her Majesty, can contract a legal, moral, or honorary obligation to despoil others of their lawful and equitable rights."(6)

As there seemed to be no prospect of obtaining a title to the lands which had already been sold to their settlers, the directors deemed it advisable to suspend their colonizing activities, and they accordingly announced the cessation of land-sales in England and New Zealand, stopped the despatch of emigrants, and reduced salaries and staffs. In May, 1843, negotiations with the Colonial Office were resumed, but ended in disputes over fresh proposals, and by the end of the year the Company's financial position was becoming serious.

Under-Secretary Hope to Somes, 10/1/43: App. 12th Rep.

"Edward Gibbon Wakefield," by Dr. Garnett, p. 250.

Somes to Lord Stanley, 25/1/43: App. 12th Rep., p. 166c.

Somes to Lord Stanley, 24/1/43: App. 12th Rep.

"New Zealand and its Colonization," by W. Swainson. (Swainson was appointed Attorney-General for New Zealand in 1841.)

⁽⁸⁾ Under-Secretary Hope to Somes, 1/2/43: App. 12th Rep.