

such a sum to public works was most urgently required, it has only succeeded in reducing the heavy burthen of the debt by a comparatively small sum; and that so long as the present plan continues a similar ruinous pressure will be maintained on the present resources of the settlers. In addition to this, if the proposal be not accepted, it will be necessary for the House to make immediate provision for paying the Company the balance of £26,164 still unremitted.

On the other hand, by accepting the proposal for converting the debt, the following advantages, among others, would be gained. In the first place, the above amount, now payable to the Company, might be retained in the Colony. Again, on the 5th July, 1855, the Company had in hand, as already stated, the sum of £6,183 towards further accruing interest; that interest, calculated from 5th July, 1855, to 5th April, 1857, would, on the day fixed for paying the £200,000, amount to £16,437 14s. 2d. Against this, the Company will have received, so far as your Committee can estimate from the various amounts stated in the accounts referred to, a sum of at least £26,000. So that at the present time the accruing interest has not only been all paid up to the 5th April, 1857, but the capital been reduced to about £190,000. Moreover, the acceptance of the proposal would leave the Provinces free to deal with their Waste Lands as is now proposed, and enable the House to regulate the finances with a security which was impossible while a fluctuating and uncertain but necessarily large amount, was being periodically drawn from the territorial revenue alone.

With regard to that part of the proposal which relates to the Colony deducting the £13,000 due to Her Majesty's Government, and assuming their liabilities under contracts of the Company, your Committee conceive that they have not information sufficient to justify them in recommending its adoption to the House. The single item of liability to the Nelson Trust Funds has been stated to exceed that sum; and unless the liabilities were clearly and fully enumerated, it would obviously be unwise for the Colony to run the risk of assuming them.

Subject to this reservation, your Committee have no hesitation in strongly recommending the House to accept the proposal for converting the debt; and if this be done, they would suggest that an address be presented to his Excellency the Governor, requesting him to acquaint her Majesty's Government that the House will pass a Bill for effectuating the arrangement in the manner required by the Secretary of State.

Your Committee cannot close this Report without expressing their deep sense of the obligation the Colony owes to Mr. Adderley for his most valuable and disinterested assistance in effecting the contemplated adjustment. And if, adhering to the often reiterated opinion of the House, that the imposition of the debt at all by Parliament was a hardship and an injustice, the terms conceded by the Company must still appear very onerous, the Colony will not forget that it is through Mr. Adderley's exertions that any concession was obtained at all, and that a great and immediate relief from an extreme pressure upon the finances of the Colony has been secured.

F. D. BELL, *Chairman.*

*Committee Room, House of Representatives,
June 3, 1856.*

APPENDIX.

DOWNING STREET,
4th July, 1855.

SIR,

The subject of the Debt charged on the Land Revenue of New Zealand, in respect of the lands ceded by the New Zealand Company, under the provision of the Company's Act of 1847, has been brought before Her Majesty's Government in various shapes by your predecessors, Sir George Grey and Colonel Wynyard, and by addresses from the Colonial Legislature. It has also been pressed on them by Mr. Adderley on behalf of the Colony generally; and his assistance has been freely afforded towards discussing the means which might be devised for its adjustment. The proposal which I have now to make is grounded on suggestions of the Directors of the Company, embodied in the Resolutions of which a copy is subjoined. The following are its general outlines:—