

Government House,
Auckland, New Zealand, 24th September, 1856.

Sir,—

I have the honor to forward three Acts of the General Assembly (named in the margin) and a series of Resolutions adopted by both Houses of the Assembly, with a statement of their views in reference to them, submitted by my responsible Advisers, which is so full and explanatory that I need trouble you with but little on the subject.

2. The financial arrangement now proposed is on the whole as fair a compromise as could have been devised. The inhabitants of the Middle Islands objected to pay for the purchase of lands in the Northern Island, and the people of Auckland vehemently impugned the justice of making them bear any part of the debt due to the New Zealand Company which was established in opposition to their views and interests, and from which they had received no benefit.

3. The causes of both these objections will be removed by the proposed arrangement.

Funds will be provided for the purchase of Native lands, and for the payment of the Company's debt without interfering with the ordinary revenue. Outstanding liabilities will be paid off and the charge for the entire service will be so distributed as not to bear severely or unfairly on any part of the Colony.

3. The security offered is correctly described in the "Statement," and may be estimated with safety at £150,000 per annum. I have therefore no hesitation in earnestly recommending this request to your favourable consideration.

I have &c.,

(Signed) T. GORE BROWNE.

The Right Honourable
Henry Labouchere, M. P.
&c. &c., &c.

Auckland, 5th September, 1856.

Your Excellency's Responsible Advisers respectfully submit the following statement of their views on the subjects of the following measures passed by the General Assembly, viz., *The Debentures Act*,—*The Loan Act*,—*The Waste Lands Act*,—and the *Financial Resolutions* adopted by the House of Representatives on the 2nd July ultimo and by the Legislative Council on the 26th July ultimo.

We respectfully request that the same may be transmitted for consideration by the Home Government.

The Financial measures in question embody a scheme for transferring the Waste Lands and Land Fund to the Provinces, and for settling and adjusting the Public Burthens of the Colony. It is based on a proposed Loan of £500,000 to be obtained in England upon the guarantee of the Imperial Government; and we are desirous of placing before Her Majesty's Government, the grounds on which we ask for a guarantee for such a Loan; as well as the reasons which may satisfy Parliament as to the propriety of those changes in the Constitution Act which it is proposed to make in connexion therewith.

The Constitution Act enables the General Assembly to make Laws for regulating the disposal of the Waste Lands, and (subject to certain specific charges) to appropriate the Land Revenue. After such charges and appropriations it distributes the surplus amongst the Provinces in the proportions in which the gross Revenue has arisen within them respectively. The charges so fixed by the Constitution Act, are the New Zealand Company's Debt,—and the purchase of Native Lands. Besides these, the Land Fund, in common with the ordinary Revenue, is charged with the Civil List and the Annual Appropriations.

It is now proposed to transfer to the Provincial Governments the management of the Waste Lands, including the disposal of the Land Revenue, discharged of its present liabilities. This will be partly effected by the Waste Lands Act, but the aid of Parliament is required to completely effectuate such transfer.

In connexion with it, it is proposed to raise by Loan a sum of money to redeem the Company's charge, and to provide for the purchase of Native Lands. And, as a necessary part of the same arrangement, to borrow enough money to pay off all outstanding liabilities of the Colony.

For these purposes, a Loan of £500,000 is required:—£200,000 to redeem the Company's charge on the Land fund.

£180,000 to provide a Capital Fund for Native Land Purchases.

£120,000 to pay off outstanding liabilities.

As regards the first object, viz., the redemption of the Company's charge (as the Home Government have offered to guarantee a Loan for the purpose), we have only to remark that although as between the Company and the Colony, the charge will have been so redeemed by payments from the Land Fund as to require less than £200,000 to satisfy the Company, yet the full sum of £200,000 is required to enable the Colony to repay the Province of Auckland the amount contributed by it towards the payments already made to the Company.

As regards the Loan of £180,000 to provide for Native Land Purchases, reasons of equal or greater force exists for asking the Imperial Guarantee.

The Constitution Act has imposed two burthens on the Land Revenue, the pressure and injuriousness of which it is scarcely possible to exaggerate. The Company's charges exhausts one fourth of the Land Revenue; the charge for Native Land purchases swallows up the whole residue. Estimating the entire Land Fund at £80,000 a-year (a large calculation), the charges of collection and management,