

[MEMORANDUM FROM MR. SEWELL TO SECRETARY OF STATE.]

8th May, 1857.

I desire to state the grounds on which the Colony of New Zealand earnestly solicits the Imperial Government to extend its offer of guaranteeing a Loan from £200,000 to £500,000. The object of the Loan of £200,000 was to enable the Colony to relieve its Land Fund from the New Zealand Company's Debt, but it is found practically impossible to effect that relief, without simultaneously disencumbering the Land Fund from the charge for the purchase of Native Lands. I will endeavour to explain how this necessity arises.

The New Zealand Constitution Act imposes these two burthens on the Land Fund. It applies one-fourth of the Land Fund to the gradual extinction of the Company's Debt. It makes the remainder liable for the purchase of Native Lands, and empowers the Governor to take for that purpose, without vote of the General Assembly, *all* which remains of the Land Fund, after satisfying the costs of collection and management, and the Company's Fourths.

The burthen of these two charges in their present form is absolutely insupportable. The Fund to which the Colonists look for supplying those absolute needs—Immigration and Public Works—is wholly exhausted. But in addition, there is a special grievance and injustice in the way in which those charges affect the different Provinces separately. Hence arise differences between the Provinces, which threaten to impede the working of the Constitution.

As to the Company's Debt, the Province of Auckland (which was not one of the Company's settlements, and charges the Company with having been its constant enemy,) absolutely refuses to bear any share of the burthen, and demands from the rest of the Colony *entire relief*, a demand which the rest of the Colony admits, provided Auckland, on her part, will take on herself the portion of public burthens which properly belongs to her. Meantime Auckland will not agree to a Loan, the effect of which will be merely to transfer the burthen of the Company's Debt from the Land Fund to the general Revenue, towards which she contributes the largest share. On the other hand the Provinces of the Middle Island, (Nelson, Canterbury, and Otago,) resist with equal determination the diversion of their Land Fund from its legitimate objects, for the purchase of Native Lands in the Northern Island, in which they have not the remotest interest.

The Constitution Act gives to each Province a separate and distinct interest in its own Lands and Land Funds, so that whatever lands are acquired by purchase from the Natives, at the cost of the Colony at large, are resold for the benefit of the Province to which they belong. The Land Fund of one Province is thus taken to buy Land for the benefit of another Province; and the Middle Island (in which the Native Title has been all but completely extinguished) sees all its available revenue abstracted, for the benefit of Auckland, Wellington, and New Plymouth. Sir George Grey himself attempted to correct this manifest wrong by a regulation, the object of which was to make each Province pay for its own Native Lands; but it was at variance with the Constitution Act, and became inoperative. The Constitution Act fixes the charges on the Land Fund in their present form, and there can be no relief, except by a mutual arrangement, to be effectuated by Parliament, under which the Northern Provinces will consent to forego their hold on the Middle Island Land Fund, a Capital Fund being provided to enable them to continue their land purchases: the Southern Provinces on their part taking the Company's Debt on themselves. Unless this be done, the Colony is in a dilemma. The North will agree to nothing, unless the South will take on itself the Company's Debt. The South is equally impracticable, unless the purchase of Native Lands is thrown on the Provinces to which they belong.

Independently of these considerations, it is of the utmost importance on grounds of general policy to press forward the acquisition of Native Lands without delay. Putting aside the question of extending the Colonial Territory, for the purpose of meeting the growing demands of incoming settlers, it seems to have been overlooked in the colonization of New Zealand, that to govern a people who retain to themselves the paramount seigniorship of the soil is simply impossible. Theoretically there is a plain and inseparable connection between territorial and political Sovereignty; practically this is proved by daily experience in New Zealand. The Government there cannot exercise the simplest function, touching Native Lands, except at the risk of provoking hostilities. It cannot make a road nor establish a ferry except by treaty; and indeed it may be taken as an axiom, for the truth of which I may vouch, having specially directed my enquiries to the subject, that as far as the Natives have not ceded the seigniorship of their Lands, so far they do not acknowledge British supremacy; and the converse is true. This idea is firmly fixed in the Native mind; so much so, that a wide-spread combination has been formed to prevent the further alienation of land to the Europeans; the prevailing sentiment being that with the surrender of their land they part with their nationality.

Here lies one great difficulty, involving risk to the peace of the Colony. The first step to a peaceful solution of it must be to obtain by purchase the voluntary cession by the Natives of their seigniorship of the soil.

Nor must it be supposed that this would be attended with harm to the Native race; still less, that the object of the Colonial Government in obtaining the cession of their Title is to get rid of them. On the contrary, the permanent welfare of the Natives is no less involved in the measure, than the political interests of the Settlers. The policy of the Colonial Government is in fact to make Colonists of the Natives on their own land. The Legislature with this view, in its last Session passed an Act, (the Native Reserves to Act,) for the first time enabling the Native Reserves be granted to the Natives by individual Titles, the first step towards raising them from their present wretched condition of tribal barbarism, in which so long as they remain, no permanent measures of amelioration can be applied.