

P A P E R S

RELATIVE TO THE ADJUSTMENT OF THE

NEW ZEALAND COMPANY'S DEBT

BETWEEN THE PROVINCES OF

NELSON, CANTERBURY, AND OTAGO.

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RETURN TO AN ORDER OF THE HOUSE OF REPRESENTATIVES OF 24<sup>TH</sup> JULY, 1861.

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(*Mr. Crosbie Ward.*)



# ADJUSTMENT OF NEW ZEALAND COMPANY'S DEBT

D—No. 7

BETWEEN NELSON, CANTERBURY, AND OTAGO.

## No. 1.

MESSRS, FREDK. WHITAKER AND C. W. RICHMOND TO MR. STAFFORD, COLONIAL SECRETARY.

Auckland, August 20th, 1858.

SIR,—

We have the honor to enclose an Agreement between the Members of the General Assembly from the three Provinces of the Middle Island, to refer the question of the Apportionment of the Debt of £200,000 between those Provinces, to our Arbitration; and also an Award on the question referred.

As these documents are of public importance to the Colony, we have forwarded them to the Colonial Secretary's Office, in order that they may be placed on record there.

We have the honor, &c.,

FREDK. WHITAKER,  
C. W. RICHMOND.

The Hon. the Colonial Secretary,  
Auckland.

## No. 2.

COPY OF AN AGREEMENT FOR THE APPORTIONMENT OF £200,000 DEBT BETWEEN THE PROVINCES OF NELSON, CANTERBURY, AND OTAGO.

The Province of Nelson having complained of the Apportionment amongst the three Provinces of the Middle Island, of the sum of £200,000 raised to discharge the New Zealand Company's Debt, effected by the Financial Resolutions of 1856, the undersigned Members of the General Assembly from those Provinces, have agreed to refer to arbitration the question of whether general considerations of equity and fairness call for any, and if so, what alterations in that apportionment.

They farther agree that Messrs. Richmond and Whitaker shall be the Arbitrators in the case, with power to appoint an Umpire in the event of their differing.

They also pledge themselves to use their best endeavours to carry out the Award to be made by the Arbitrators, to have it incorporated in the Land Revenue Appropriation Bill, and considered in their respective Provinces as a final and binding arrangement.

D. Monro,  
M. Richmond,  
Herbert Evelyn Curtis,  
Alfred Domett,  
E. W. Stafford,

J. Ollivier,  
Crosbie Ward,  
John Hall,  
Richd. Packer,  
W. S. Moorhouse,  
C. R. Blakiston,

W. Cargill,  
John P. Taylor,  
Jas. R. Menzies,  
John Hyde Harris,

*For the Province of Nelson.*

*For the Province of Canterbury.*

*For the Province of Otago.*

## No. 3.

The Agreement under which the matter in difference has been referred to us as Arbitrators set forth that :—

The Province of Nelson having complained of the Apportionment amongst the three Provinces of the Middle Island of the sum of £200,000, raised to discharge the New Zealand Company's Debt, effected by the Financial Resolutions of 1856, the Members of the General Assembly from those Provinces, whose names are subscribed to the Agreement, have agreed to refer to arbitration the question whether general considerations of equity and fairness call for any, and if so, what alteration in that Apportionment.

Dr. Monro, on the part of Nelson, Mr. Hall, on the part of Canterbury, and Captain Cargill, on the part of Otago, have attended us to explain the circumstances to be considered in reference to those several Provinces.

In reviewing at this time the Apportionment made in 1856 by the General Assembly, we have the advantage of better information in some important particulars than was then available.

A more accurate chart of the islands of New Zealand, published since that time, has enabled us to avoid an error as to the size of the several Provinces of the Middle Island. From a careful calculation made in the Land Office at Auckland, it now appears that in 1856 the area of Nelson was much over-estimated, that of Canterbury rather under-estimated, and that of Otago is not so large as it was then believed to be. Additional information has also been obtained as to the relative value of land in the several Provinces; and their resources now appear in a somewhat different relative position.

Under all the circumstances, as now presented, we have felt no difficulty in arriving at the conclusion that "general considerations of equity and fairness" require some relief to Nelson, but we have felt great difficulty in arriving at any conclusion as to the extent to which that relief should be given.

The data upon which any calculations must be founded render it impossible to be fully satisfied that we can so determine the matter as to obviate what may appear to be even reasonable objections; and even if we could now do so, the great changes which so rapidly occur, and the facts which from time to time are brought to light in a new country, would most probably in a few years again shew an obvious inequality in any Apportionment that could be made.

After a careful consideration, however, of all the circumstances as they now appear, we feel justified in coming to the conclusion that Nelson should be relieved from about one-third of the share of the £200,000 at present imposed on her, and that the amount from which Nelson is relieved should be placed in equal shares upon Canterbury and Otago.

In coming to this conclusion we have been guided, in a great measure, by the following general considerations.

The total area of the Middle Island is, as calculated from the best information in the Land Office at Auckland, 38,422,400 acres, divided between the several Provinces, as follows:—Nelson, 9,600,000; Canterbury, 13,152,000; Otago, 15,670,400.

Nelson has, therefore, one-fourth of the area, and if an acreage basis alone were taken, would be chargeable with one-fourth of the debt. There is not, however, the slightest doubt on our minds that this basis, apart from other considerations, would not be equitable, as Nelson has confessedly a far less available surface than either of the other Provinces; but then on the other hand she has a promising gold field, a coal field in a convenient locality, and a geographical position superior as regards steam communication with Europe and Australia to either of the other Provinces. The climate of Nelson is also superior to Otago, and at least equal to Canterbury for sheep farming. Fairly weighing, however, all these considerations, we still think the balance something against Nelson, and have made a deduction accordingly.

In apportioning between Canterbury and Otago the sum from which Nelson will thus be relieved, we have felt less difficulty. The relative position of these two Provinces appears much the same as was assumed in 1856. Canterbury is found to contain a larger area than it was then believed to have, and the estimate of the value of the land and resources of Otago (having a less area than was supposed) has been fully confirmed. The milder climate of Canterbury is a consideration of some importance as regards capabilities for sheep farming which at present forms the staple occupation of both Provinces. Upon the whole, we think that the proportions between these two Provinces still continue fair, as fixed in 1856, and should be maintained.

We think it right to state that the much larger Revenue arising in consequence of different management, from the Crown Lands at Canterbury than in the other Provinces, especially Nelson, have not been and cannot, in our opinion, be fairly taken into account with the view, as has been urged upon us, to increase the proportionate burthen of Canterbury.

In determining, however, that equal sums shall be paid by Canterbury and Otago we have gone upon the assumption that the line between these two Provinces which was treated as the boundary in 1856, and is also so marked in the chart laid before us for our guidance in this Arbitration, is correct. If this should turn out not to be the case, and any portion of the territory appearing on that chart as part of Canterbury, and now, therefore, virtually charged with a portion of the Canterbury Debt, should be found to be within the Province of Otago, we consider that a fair proportion of that Debt should be transferred to Otago.

Our Award is, that the three Provinces of the Middle Island should, "upon general principles of equity and fairness," contribute to the Debt of £200,000 as follows:—

|                     |   |   |          |
|---------------------|---|---|----------|
|                     |   |   | £        |
| Nelson, capital     | - | - | 45,000   |
| Canterbury, capital | - | - | 77,500   |
| Otago, capital      | - | - | 77,500   |
|                     |   |   | <hr/>    |
|                     |   |   | £200,000 |

subject to adjustment, if necessary, between Canterbury and Otago, on the single ground we have stated.

FREDK. WHITAKER,  
C. W. RICHMOND.

Auckland, August, 1858.

## No. 4.

The apportionment of the Public Debt between the Provinces of Canterbury and Otago having been fixed on the basis of an award by Messrs. Richmond and Whitaker in August, 1858, with the consent of all the representatives of those Provinces then present in Auckland; and the award having been made subject to re-adjustment on the single ground that if the then assumed boundary line between the two Provinces should turn out not to be correct, and any portion of the territory appearing in the chart used by the arbitrators as part of Canterbury, should be found to be within the Province of Otago, then a fair proportion of the debt borne by Canterbury should be transferred to Otago; and the boundary line between the two Provinces having now been defined by the Canterbury and Otago Boundary Act, 1861; We the undersigned, Members of the General Assembly from those Provinces, have agreed to refer again to arbitration the question whether any, and if so, what alteration ought to be made in that apportionment, in consequence of the definition of the boundary.

We further agree that Messrs. Richmond and Whitaker shall be the arbitrators in the case, with power to appoint an umpire in case of their differing.

We also pledge ourselves to use our best endeavours to carry out the award to be made by the arbitrators, to have it incorporated in an Act of the General Assembly during the present Session, and considered in our respective Provinces as a final and binding arrangement.

Witness our hands this 23rd day of July, 1861:

|                           |   |
|---------------------------|---|
| J. CRACROFT WILSON, C.B., | } For the<br>Province of<br>Canterbury. |
| J. C. WATTS RUSSELL,      |   |
| I. THOMAS COOKSON,        |   |
| FREDK. A. WELD,           |   |
| CROSBIE WARD,             |   |
| A. R. CREYKE,             |   |
| THOMAS ROWLEY,            |   |
| GEORGE W. HALL,           |   |
| FRANCIS JOLLIE,           | } For the<br>Province of<br>Otago.      |
| AUGUSTUS EDWARD WHITE,    |   |
| T. FRASER,                |   |
| THOMAS DICK,              |   |
| EDWARD MCGLASHAN,         |   |
| F. D. BELL,               |   |
| C. H. KETTLE,             |   |
| W. B. D. MANTELL,         |   |

## No. 5.

We, the Arbitrators appointed by a Memorandum signed by certain members of the House of Representatives, dated 23rd July, 1861, whereby it is referred to us to readjust the apportionment between the Provinces of Otago and Canterbury of that part of the debt of £200,000 which is charged upon the said two Provinces by the fifth section of the Public Debt Apportionment Act, 1858, do award as follows:—

Having taken into consideration all the circumstances of the case, we award and determine, that out of the sum of £155,000, now borne by the two Provinces of Otago and Canterbury in equal shares, the sum of £81,000 (Eighty-one thousand pounds) ought to be borne by the Province of Otago, and the sum of £74,000 (Seventy-four thousand pounds) by the Province of Canterbury, such readjustment to take effect from the passing of the Canterbury and Otago Boundary Act, 1861.

As witness our hands this seventh day of August 1861.

FREDK. WHITAKER,  
C. W. RICHMOND.

## No. 6.

## COMPUTATION OF AREA OF LAND INCLUDED BETWEEN THE OLD AND NEW BOUNDARIES OF THE PROVINCES OF OTAGO AND CANTERBURY.

The green line on the map "A" indicates the boundary of the Provinces as set forth in the recent Act.

Between the old boundary and the green line there is an area of 1,144,320 (one million, one hundred and forty four thousand, three hundred and twenty acres).

Dividing this area into portions East and West of Mount Aspiring, there are

|                       |     |     |                    |
|-----------------------|-----|-----|--------------------|
| East of that mountain | ... | ... | 844,800 acres, and |
| West                  | ..  | ... | 299,520 ..         |

|       |     |     |           |
|-------|-----|-----|-----------|
| Total | ... | ... | 1,144,320 |
|-------|-----|-----|-----------|

Between the yellow and green lines on map "B," there are 324,480 (Three hundred and twenty-four thousand, four hundred and eighty) acres.

It is not known whether the areas denoted on the map "A" have been computed or not by means of the red squares: if they have, such computations (as 15,670,400 for Otago) are erroneous.

The red squares are intended to indicate each an area of ten miles square. In the upper part of the map, about Auckland, they do this correctly,—seven of them, or nearly so, being equal to the space between the parallels  $36^{\circ}$  and  $37^{\circ}$ . But on proceeding South the spaces between the lines of latitude increase, as must always be the case in Mercator's Projection, while the red squares remain of the same size, instead of increasing proportionately with them.

This error becomes very manifest at Otago, on the map, where eight squares are made equal in length to a degree.

Now the proportionate length of a statute mile to a minute of latitude is as 60 is to 69.0805, or for general purposes it may be considered that 69 and 1-12th statute miles are equal to a degree of latitude.

If the quantities on the map "A" are computed from the red squares, and there appears no other purpose for them, then the numbers 15,670,400, are too high by 1-8th to represent the area of the Province of Otago.

And in like manner the computation of each other Province will be erroneous in proportion as it lies more and more distant from Auckland, where the scale is correct.

Under these circumstances, I have not added the computation of the area of the extension of the Otago Province to the old numbers (15,670,400), as it might only be extending an error. It is very desirable that the real areas should be established.

CHARLES HEAPHY.

Auckland, 3rd August, 1861.

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No. 7.

Auckland, 5th August, 1861.

We are agreed that there are about 650,000 acres of available pasturage, and no agricultural land, between the boundary line between the Provinces of Canterbury and Otago, *as assumed in the arbitration of 1858*, and the boundary line as now fixed by the Act passed in the present session of the General Assembly.

THOMAS CASS, for Canterbury.

CHARLES H. KETTLE, for Otago: