

should meet again early in January, for the consideration of the important subject submitted by the Resolutions of the House of Representatives, with other business of the session.

I have, &c.,

The Honorable the Colonial Secretary, Wellington.

FREDERICK WHITAKER,
Superintendent.

No. 4.

Copy of a Letter from HIS HONOR F. WHITAKER to the HON. E. W. STAFFORD.

SIR,—

Wellington, 10th January, 1866.

I have the honor to call your attention to a letter, addressed by me to you, dated the 4th of December last, on the subject of certain Resolutions passed by the House of Representatives, declaring "that it is expedient that the confiscated lands in the Province of Auckland should, with certain exceptions, and subject to certain conditions, be transferred to Provincial administration for the purposes of colonization," to which letter I have not as yet received any reply.

I have felt so strongly that a speedy arrangement of this matter is of so much importance to the Province of Auckland, as well as to the Colony at large, that I have visited Wellington at considerable inconvenience at the present time, mainly for the purpose of bringing about, if possible, a settlement satisfactory and advantageous to all parties, without the delay necessarily incident to carrying on negotiations in writing from so great a distance as Auckland.

Since the date of my letter above referred to, I have again most carefully gone into the subject, and I am thoroughly confirmed in the conclusion that the Province of Auckland cannot involve itself in the liabilities contemplated by the Resolutions, with the least hope of success in the undertaking, without large pecuniary means at its disposal. The Resolutions require that the Province of Auckland shall "provide for any compensation to natives in money that may be awarded by the Compensation Court under the 'New Zealand Settlements Act,' and for compensation to settlers in the Province of Auckland for losses incurred in the war." The extent of the first of these liabilities is unknown, and very difficult to estimate, but the second certainly involves, under the most favorable circumstances, a very large sum of money. In addition to these there must necessarily be incurred a large outlay in Surveys, and an unavoidable expenditure in the employment and maintenance of Immigrants, who have been introduced by the General Government under the "New Zealand Settlements Act, 1863," and in the payment of compensation to the owners of land whose property is required and taken for the location of Military Settlers and others.

Whatever may be the amount under any of these heads ultimately chargeable to the Province of Auckland, these liabilities must, in the first instance, be met by the General Government. And, moreover, in order to secure the successful colonization of the confiscated lands, and the prosperity or even existence of the Military Settlements, public works on a considerable scale must certainly be undertaken, and other expenses necessarily incurred.

The Province of Auckland is at present clear of financial embarrassment, but it has no funds to meet any serious increase of expenditure; and I must beg to be permitted to impress upon the General Government that the General Assembly, by the legislation of last session, has appropriated a considerable annual sum out of the Provincial revenue to meet the interest and sinking fund in respect of the sum allocated under "The Loan Allocation Act, 1865," and, by a clause in "The Southland Provincial Debt Act, 1865," has altogether precluded the Province from borrowing any sum of money for any purpose whatever.

I wish you most distinctly to understand that I have neither intention nor wish to avail, on the part of the Province, the payment of any sum which is fairly chargeable against it, nor the evasion of any duty which it may be reasonably asked to undertake; nor will I ask for a shilling in reference to the transfer of the confiscated lands, which it is not intended to repay with interest: but, under the circumstances, it does appear to me reasonable that the General Government should be asked to assist the Province in such a way as will enable it to take over the administration of matters at present in the hands of the General Government, and thereby relieve that Government of serious trouble and difficulties, and a large outlay of money.

After careful consideration, I have come to the conclusion that, in order to enable the Provincial Government to carry out the Resolutions of the House, the sum of £250,000 will be required; and I propose that the General Government shall undertake to introduce a Bill in the next Session of the Assembly to raise this sum on behalf of the Province of Auckland, and that in the meantime such assistance shall be afforded as will enable the Provincial Government to proceed with the undertaking. At least £100,000 will be required for this purpose, and I trust that you will be able to see your way to making a temporary advance of this sum, to be repaid, with interest, out of the loan of £250,000, when raised under the authority of the General Assembly.

Without this assistance it would be folly for me, on the part of the Province, to consent to accept the transfer proposed by the Resolutions, involving liabilities which it would be impossible to meet, and which must necessarily entail difficulties and disaster, and the result would inevitably be that the matter must be resumed by the General Government, who, whatever may be the arrangements between it and the Provincial Government, cannot divest itself of the responsibility of securing the fulfilment of engagements with third parties.

I beg to add that time is of great consequence. Much has already been lost, whereby the success of the colonization of the confiscated lands has been seriously endangered, and much further delay would render success hopeless.

I have, &c.,

The Honorable the Colonial Secretary, Wellington.

FREDK. WHITAKER,
Superintendent of the Province of Auckland.