and perhaps about three hundred others independently of either company.@@1

The relations between the company and the govern­ment for some time previous to the close of the year 1840 had been on a most satisfactory footing. Though the state of *quasi* hostility which had existed might have created feelings of acrimony, Lord John Russell, in the negotia­tions which took place after the committee of July, display­ed great magnanimity ; and towards the end of October the New Zealand Company were enabled to announce that the differences which had existed between the govern­ment and the company had been finally adjusted. On the 5th of December the terms were published, by which it appeared that New Zealand was to cease to be a depen­dency of New South Wales, as Captain Hobson, according to his instructions, had declared it, but was to become an independent colony. A charter was to be granted to the company, which was to cede its land to the government, receiving, in return for its outlay, an ample consideration in land. These arrangements have since been carried into effect. The charter has been granted, and the company has become a most efficient instrument in the hands of government for the colonization of the country.

Great discontent prevailed, both at Port Nicholson and the Bay of Islands, respecting their state of dependency on New South Wales, and the numerous inconveniences to which that relation gave birth. To quiet the minds of the colonists without delay, a fast-sailing vessel was taken up to carry the despatches containing the terms of the final ar­rangement, which, it was calculated, would reach Port Ni­cholson by the end of March.

From this time forward, therefore, nothing will be wanting to the rapid colonization of the islands. All the settlers’ letters agree in describing the country as rich and fertile, and the climate as salubrious. The country is abundantly watered, and the droughts which prevail in Australia are utterly unknown. The only complaint is the scarcity of flat clear land. But the wooded character of the land is no evil. In America it is deemed the test of a good soil, and no man will take land which does not require the labour and expense of clearing. The opinion in favour of clear land is an Australian prejudice, justifiable if confined to pasture land, but not so if extended to land destined for til­lage. New Zealand, in fact, is destined to become a wheat country, the granary of the Australian colonies. As a sheep country, it must yield to the dry and arid wastes of Australia. The vine and the olive flourish already almost without the aid of man ; and there is no doubt that New Zealand is adapted to all the productions of southern Europe.

The natives, instead of being an encumbrance, are an acquisition. It is gratifying to read in the settlers’ letters the affectionate terms in which their intercourse is carried on. Mutual kindness to each other’s children is one of the most striking features. We have already stated the aptness of the natives to imitate the arts and contrivances of Euro­peans. In this respect they are improving rapidly. Their physical superiority is greatly in their favour. The women are comely, and some beautiful ; they are gentle in their manners, and are said to make good and attached wives. Several are united to Europeans ; and there seems no im­pediment to more extensive amalgamation, which the prin­ciples of the company, now adopted by the government, by investing the natives with property, will greatly encourage.

The geographical character of both the islands seems to

point out the peculiar mode of settling which the company have put in practice. The islands being long and narrow, present an immense line of sea-coast in proportion to the extent of surface. This line of coast is broken into nume­rous splendid harbours, on many of which Europeans had established themselves; but as far as our present information goes, there are no large rivers extensively navigable for large ships, though many of them are well adapted for in­ternal navigation. The best mode of colonization therefore is to establish distinct settlements on all to the principal harbours of both islands.

Port Nicholson, the site of the first colony, is one of the finest harbours in the world. Its situation will make Wel­lington the great commercial metropolis, not merely of New Zealand, but of the whole of our Australasian possessions. The Bay of Islands, another admirable commercial station, is already settled to a considerable extent. A branch of the New Zealand Company, called the Plymouth Company of New Zealand, has sent out a surveying expedition, and a body of settlers to establish a colony on some eligible spot, to be determined by their agent, in conjunction with Colonel Wakefield. An eligible site for the New Plymouth settle­ment has been found on the banks of the Waiters river, at Teranaki, twelve miles from the Sugar-Loaf Islands. The town is to be called Port Eliot, after an estate of Lord St Germains, and in honour of Lord Eliot, to whose exertions the New Zealand colonists are so much indebted.

Acting on this plan, the company are now about to form a second settlement (or reckoning the New Plymouth set­tlement as one, a third), to be called Nelson. The preli­minary expedition, consisting of two vessels, the Whitby and Will Watch, and having on board the company’s agent, Captain Wakefield, R. N., the agent for the New Ply­mouth settlement, Captain Liardet, R.N., who was Commo­dore Napier’s commander on board the Powerful at Acre, together with a surveying staff, consisting of a chief sur­veyor, six assistants, twelve improvers or apprentices, and eighty men, sailed on the 27th April ; and a large body of colonists are now ( August) preparing to depart.

The extent of land allotted for the second colony is two hundred and one thousand acres, divided into one thousand allotments of one hundred and fifty rural acres, fifty suburban acres, and one town acre. The price of each allotment is L.300, so that the total sum placed at the disposal of the com­pany will be L.300,000. Out of the thousand allotments, only about three hundred remained to be disposed of at the end of June. The L.300,000 will be thus distributed: L.150,000 for the emigration of young couples to this particu­lar settlement ; L.50,000 to defray the cost of surveys, estab­lishments, &c., any surplus to go to the next head ; L.50,000 for public purposes, as, for instance, the encouragement of steam navigation (L.20,000), the establishment of a college (L.l5,000), religious endowments (L.15,000); L.50,000 to the company for its expenses, and profit on the use of its ca­pital. The body of the colonists will sail in September.

Emigration to Port Nicholson will still be continued. The company has just increased its capital from L.100,000 to L.200,000, in compliance with a condition in the charter, and emigrants will be conveyed to the first settlement in anticipation of the land-sales which will take place in the colony so soon as the “ final arrangement” already alluded to shall have been made known in the colony.

One subject of great importance to New Zealand, indeed to all the Australian colonies, remains to be mentioned,

@@@1 The following is an estimate of the white population of New Zealand at this time, including the emigration from this country during 1840, but exclusive of that of the present year.

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| --- | --- |
| **Wellington and Port Nicholson** | **.3177** |
| **Other parts of New Zealand......** | **2350** |
|  | **5527** |