Lord Durham and the New Zealand Company

I

Although the name of John Lambton, first Earl of Durham, is familiar to most New Zealanders because of streets which perpetuate it there are probably few who connect his life with the history of New Zealand and who would not assume that his imperial fame must rest entirely on the Durham Report on British North America, usually regarded as a first step in the evolution of responsible government for the dominion. That the part he played in New Zealand history was brief and had no sequel in any connection between his family and the southern dominions is perfectly true, but his role in the story of the New Zealand Association and its successor, the New Zealand Company, was of real importance.

Durham was an important and unique figure in English political life in the 1830s because of his family connections, the part he played in the passing of the Great Reform Bill and his distinction in being the only Whig minister or ex-minister who was regarded with respect and admiration by the radicals in Parliament. In their optimistic moments that diverse and badly organized group looked forward to seeing Durham as the first radical prime minister of England. From them he received full credit for attempting to include in the Reform Bill a clause providing for the use of the secret ballot in elections, and throughout his very brief political career after 1832 he continued to support the ballot and other measures aiming at a more democratic regime. Adding to his importance and in no way interfering with his democratic and philanthropic tendencies was the fact that he was known to be one of England’s wealthiest landlords due to the coalmines which were a part of his landed inheritance. ‘Radical Jack’, as he was affectionately called by miners and other admiring members of the working class, was no less popular because he was an earl and a plutocrat. His enemies and critics were among his fellow Whigs who, after 1832, were constantly lamenting his uncooperativeness with the Whig ministry.¹

¹ Chester New, Lord Durham, Oxford, 1929, ch. xii. For Lord Grey’s complaints against Durham see also Ellice Papers I, Grey to Ellice, 9 November 1832, and others of later date, National Library of Scotland. Also Durham to Ellice with complaints about his colleagues in the cabinet and above all, Lord Grey, his father-in-law.
Lord Durham became the Governor of the New Zealand Association in December 1837, but his connection with New Zealand had begun twelve years earlier when he had accepted the same position in the New Zealand Company of 1825, of whose day-to-day history very little is known but whose corporate existence had continued and plays an important part in this narrative. The New Zealand Association founded by E. G. Wakefield had come into being early in 1837 at the suggestion of Francis Baring after Baring had attended the sessions of the Committee on Colonial Lands in 1836 and been converted to Wakefield’s doctrines on the ‘art of colonization’. This at least was Wakefield’s story and the truth of it is supported by the fact that Baring accepted the headship of the new organization and continued to support Wakefield until the latter departed for New Zealand in 1853. Baring played only a minor part however in the politics of the Association and was willing to turn over his office as Governor to Lord Durham at Wakefield’s suggestion.2

The other members of the guiding committee of the Association, the majority of whom were disciples of Wakefield, were five members of Parliament (Sir William Molesworth, William Hutt, H. G. Ward, W. W. Whitmore, Benjamin Hawes), a number of officers of the army and navy on half pay, one of whom at least hoped to become an office holder in the new colony. The Church was represented by Samuel Hinds, the Dean of Carlisle, who was later to become Bishop of Norwich and who continued to be a warm friend of Wakefield, and a firm supporter of the movement for colonization. Overseas trade was chiefly represented by Charles Enderby, who had inherited from his father a controlling interest in the British whaling industry. Except for Baring and Enderby the large firms in the City of London were not represented. It was Wakefield’s announced intention to make the colonization of New Zealand a national enterprise controlled by a directorship whose members would be known as the Founders. The Founders would not be asked to make any financial contribution and would not be interested in profits. The difficulty about this approach to the whole project was that it would never have been possible to organize the first necessary expeditions without the support of the banks and shipping firms based on the City of London.

The first opposition to the Wakefield enterprise, which developed in the summer of 1837, came from a group of merchants and bankers in the City who had invested money in the New Zealand Company of 1825, reorganized in 1834. This group had no intention of turning

2 Wakefield made this statement at a meeting of the New Zealand Association on 27 December 1837. Francis Baring, who had been born in Calcutta, was the head of the branch of the Baring family interested especially in the Far Eastern trade. He was a Whig and became Chancellor of the Exchequer in 1839. His cousin, Lord Ashburton, was a Tory and the head of the family business in America. Bingham Baring, son of Lord Ashburton, became interested in New Zealand and was later a director in the New Zealand Company. Although Francis Baring was always in England for the sessions of Parliament, he lived for the most part in Paris.
over their future rights in New Zealand land and New Zealand trade to a new organization without receiving ample compensation. They rested their case on a somewhat shadowy claim to having acted with full government support, and the promise of a royal charter, when they sent two ships to the Bay of Islands to bargain with Maori chiefs. Presumably they had some documentary proof of that bargaining on the basis of which they laid claim to a million acres of land, but there was no record of negotiations with the Colonial Office in 1825 or of their conversations with William Huskisson, then President of the Board of Trade, who according to their account had promised them a charter. The importance of the first New Zealand Company turned, in fact, not on any valid claim to government support but on their distinguished membership which represented various groups in the City of London closely connected with the East India Company and other firms doing business in the Far East. Their leader in the City of London was George Lyall whose family controlled an important firm of East India merchants and who would himself become President of the East India Company in 1841. Their spokesman was Robert Torrens, member of Parliament, member of the Political Economy Club and very active participant in all projects for colonization. Another investor in 1825 was Edward Ellice, who had a finger in every pie in overseas investment and who was also an active politician, brother-in-law of Earl Grey and an intimate friend of Lord Durham.

Although Robert Torrens had certainly derived many of his ideas on colonization from Wakefield he would not accept the role of disciple. At the moment when he came forward as champion of the earlier company he was the head of the commission which administered land sales for the new colony of South Australia, the first to be founded on Wakefieldian principles. Torrens and some of the other men who had been actively interested in this Australian project had refused to allow themselves to be dictated to by Wakefield and the latter had withdrawn from their organization before he turned his major attention to New Zealand. He was determined that neither Torrens nor anyone else should oust him from his personal control of his new project. Torrens's proposal was that there should be an amalgamation of the two groups and that Lyall, Stewart Marjoribanks and George Palmer, both closely connected with the East India Company, J. W. Buckle who was solicitor for the earlier Company, and Ralph Fenwick, whose family firm was engaged in ship insurance,

3 Torrens to Durham, 9 September and 29 November 1837, Durham Papers, MS. 140, Alexander Turnbull Library, Wellington.
4 For the rivalry between Wakefield and other leaders in the South Australia Association see Douglas Pike, Paradise of Dissent, Melbourne, 1957, chs. iv, v.
should all become Founders in the new amalgamated organization.\(^5\) Wakefield had apparently no objection to any of these men as individuals but he argued that any effort to combine in one directorship men who already had a financial stake in New Zealand with his own group who had none and wanted none would create complications. The only one of Torrens’s suggestions which he thoroughly approved was that Lord Durham should become the head of the New Zealand Association, but he was determined that he and not Torrens should be in charge of the negotiations.

Torrens’s mistake was in deferring the necessary discussions until Durham and Baring should return to London in December for the meeting of Parliament. Wakefield was always the master of the Napoleonic strategy of striking before the enemy expected any action. He wrote to William Hutt, M.P. for Durham County north, who had an estate south of Newcastle, asking him to arrange an interview for him with Durham as soon as possible. Hutt’s reply was not encouraging. He said that Durham had expressed a preference for discussing New Zealand affairs with him, Hutt, whom he knew well, and Hutt asked Wakefield to send him the relevant material.\(^6\) But Wakefield was not willing to entrust this delicate mission even to Hutt. He took ship immediately from London to Newcastle and on 2 September wrote to Durham from Gibside, Hutt’s estate twenty miles north of Durham Castle:

Having come from London solely for the purpose of obtaining an answer from your Lordship, I am so unwilling to return & meet my friends without one, that I venture to trouble you with these few lines.

Although it may not be possible, before your Lordship’s return to London, to determine any thing with respect to the interests of the Company of 1825, yet, as we are about, in accordance with the last Resolution of the Committee, to publish a full statement of the objects & position of the Association (which statement will contain a list of the Committee and future Founders under the act) and as we should be greatly disappointed if your Lordship’s name did not appear in this our first publication, I am induced to press for your consent to becoming a member of the Committee as a step to being a Founder under the act, but reserving in the strictest and strongest terms that you may please to employ and altogether setting aside for future decision upon your return to London, whatsoever relates to the interests of the Company of 1825.\(^7\)

\(^5\) George Lyall had taken over his father’s business which included foreign trade and shipping in 1805 and became chairman of Shipowners Society in the twenties. In 1830 he became a director of East India Company and in 1841 the chairman. He was in the House of Commons for two brief intervals, and his influence with the ministers and in the City was very considerable. Information about Lyall and most of his colleagues in the first New Zealand Company may be found either in the Dictionary of National Biography, or Joseph Haydn, Book of Dignities, or Dedwell and Miles, Bengal Civil Servants, London, 1830. Copies of the London Directory, published annually, and G. Hilton Price, Handbook of London Bankers, 1890, are also useful.

\(^6\) Hutt to Wakefield, 9 and 19 August 1837, New Zealand Company Papers, MSS C184, Mitchell Library, Sydney.

\(^7\) Wakefield to Durham, 2 September 1837, Durham Papers.
Durham granted Wakefield’s request and this first interview between the two men on 3 September may be regarded as an historic event of some importance both for New Zealand and Canada. On 4 September Durham sent Wakefield two notes saying in the first that he had read all the literature with which Wakefield had supplied him and approved of applying the same principles to the colonization of New Zealand that were being applied to founding the colony of South Australia. In the second he said that he was willing to be a member of the committee guiding the new Association ‘which has for its object the civilization of a savage people & the acquirement of a fine field for the employment of British industry’. He made all proper reservations about the need for compensating his fellow investors in the earlier company but he agreed that the matter would be discussed when he and Baring were in London in December. These discussions did indeed take place and a temporary agreement was reached. In the Act of Parliament which was being prepared there is a clause which provides for a committee of three who were to decide what compensation the investors in the earlier company should receive. Moreover George Lyall was named in the Act as one of the commissioners who were authorized to sell land, raise loans and govern any settlement which came into being. It was only because Wakefield’s bill failed to pass that the negotiations for the amalgamation of the two companies dragged on for many months and were not completed until August 1839.

II

Meantime Lord Durham put himself more and more in Wakefield’s hands, accepted the Governorship of the New Zealand Association and acted as emissary in the very difficult business of carrying on negotiations with the Melbourne government to win their support for the whole New Zealand project. First efforts in that direction had met with unforeseen obstacles. In June representatives of the Association had succeeded in arranging a meeting with Lord Melbourne who, instead of waiting until Lord Glenelg, his Colonial Secretary, would be present, summoned Lord Howick who was in his cabinet and had once been undersecretary for the colonies. Howick was the son and heir of the second Earl Grey and, in spite of the fact that his office of Secretary at War was quite unconnected with colonial business, continued to make colonization and land policy his hobbies. After the meeting in Downing Street Howick conferred again with the representatives of the Association and suggested a number of changes in their plan, some in order to make it more acceptable to the cabinet, some in order to incorporate his own preferences. The

8 Durham to Wakefield, 4 September, ibid.
9 Memorandum of meeting between Lyall and Baring on 25 November 1837, CO 208/186, Public Record Office; see also draft of letter to shareholders of New Zealand Company asking them to attend meeting to consider Baring’s offer, Durham Papers.
committee went to work, made all the changes he had enumerated, and then wrote to ask whether he would introduce their bill into Parliament. Howick hastened to explain that he had no intention of doing more than acting as their guide in drawing up a better bill. In order to have it introduced in the House of Commons they must of course arrange a meeting with Lord Glenelg and carry on their business through the usual channels. Wakefield regarded Howick's reply as a betrayal, and it rankled with him for many years to come.10

The experience proved conclusively that Lord Glenelg must be approached and as it turned out no emissary could have been better than Lord Durham. It was known that the Colonial Office was dominated by the missionary spirit and that Glenelg, George Grey, the parliamentary undersecretary, and James Stephen were all members of the London Missionary Society. The missionaries who were proud of the number of Maoris whom they had converted — including some influential Maori chiefs — were opposed to organized immigration as preached by Wakefield. A Select Committee of the House of Commons inspired by Fowell Buxton, who had led the fight against slavery, had just published a report on the history of the relations between the colonizing nations and the aborigines and had proved to their own satisfaction that the aborigines could not survive their encounter with white settlers and would either be reduced to a debauched condition or would become extinct, as indeed the inhabitants of Van Diemen's Land were in the process of doing. James Stephen was completely convinced by the reasoning of the Committee and wrote a memorandum on 15 December reminding Glenelg that the final committee report made it almost out of the question to encourage emigration to New Zealand. Yet Glenelg was persuaded either by discussions in the cabinet or by his interviews with Durham to write a letter on 27 December offering a royal charter which would have enabled the Association to found at least one colony on Wakefieldian lines.

This volte face on the part of the Colonial Office may be partly explained by the new prestige of Lord Durham as far as the cabinet was concerned: his services were needed in British North America. The Canadian Rebellion had taken place in November and once it was clear that Upper Canada was under control the members of the cabinet were unanimous that there must be no more repose of Lower Canada, or the French Canadians, and that they must be punished either by the suspension of their constitution, or by depriving them of control of the revenues collected under the Quebec Revenue Act of 1774. The main problem of the Melbourne government was that of presenting their proposals to the House of Commons and to the public in general. The radicals in Parliament were denouncing Melbourne and Glenelg for their tyranny and holding

10 Correspondence between Lord Howick and New Zealand Association, June 1837, Durham University, Papers of third Earl Grey, File 145/2 (New Zealand).
public meetings demanding that Canada be given her independence. Joseph Hume, J. A. Roebuck and J. T. Leader were determined to make all the trouble they could for the ministers on the ground of their past misdemeanours, and they had no consideration for the English-speaking colonists who would have to settle with Papineau and his followers in case Canada were suddenly to become an independent state. While the Whig government could probably have carried a punitive measure with the help of Sir Robert Peel and the Tories, they had no wish to lose all support of the radicals on whom they depended for their majority to carry many of their other measures. Moreover they wanted to put an end to the agitation in and out of Parliament.

The appointment of Lord Durham seemed the best solution to their dilemma. His views on Canada were known to be sound, for he had been coached on the needs of the British merchants in Montreal by his uncle, Edward Ellice, and whatever he may have said later, in the famous Report, he was already aware that the most serious problem in Canada derived from antagonism between English-speaking and French-speaking colonists in the Lower Province. Moreover Durham’s appointment was the one move likely to prevent Howick’s carrying out his threat to resign from the cabinet if the measures taken were not exactly what he considered necessary. Although Melbourne and several of his colleagues disliked Durham he had loyal friends among the younger members of the government and Howick was strongly in favour of the appointment. The radicals in Parliament would obviously offer less objection to a bill if it conferred dictatorial powers on Durham rather than on a military man. It was in fact the political situation in England rather than the situation in Canada which made Durham’s acceptance imperative.¹¹

In the negotiations between Glenelg and Durham from 20 to 27 December, Glenelg was conciliatory to the point of trying to persuade the Association to go ahead with its project. In his letter of 27 December¹², he offered a royal charter which would give the Association very extensive powers over the proposed settlements, powers comparable, as he himself stated, to those given to the Virginia Company and the Massachusetts Bay Company in the seventeenth century, and would give considerable latitude to the local government in dealing with the Maoris, with the single reservation that the one official who

¹¹ The obvious choice would have been Sir John Colborne (later Lord Seaton) who had put down the rebellion in Lower Canada and who took over the government after Lord Durham’s departure. The reasons for preferring Durham are most clearly explained by Lord John Russell in a memorandum (probably prepared for the cabinet) arguing that if Durham were appointed the constitution of 1791 could be suspended and later changed. PRO 30, IIIA, Memo. headed Canada. See also Durham to Ellice, December 1838, Ellice Papers I. ‘I undertook the office after two refusals as a favour to them . . . I was told that their existence as a government depended on their being able to show a prospect of settling the Canadian question. I sacrificed myself to save them . . . ’

¹² This letter was reprinted many times. See GBPP 1840, VII, ‘Report of Select Committee on New Zealand’, App., p. 148.
must be approved by the Colonial Office was the Protector of Aborigines. But there were two really vital points on which Glenelg on this occasion refused to meet Durham’s proposals. He declined to give the new colonizing body a monopoly for the colonization of the two islands and he declined to sponsor an Act of Parliament in preference to a royal charter. On both these heads he could appeal to seventeenth century precedents which the Wakefieldians were fond of quoting. But Wakefield had moved on to a position where an Act of Parliament appeared to him the only protection the new colonists would have against interference from the Colonial Office, an interference which Wakefield and Durham regarded as the source of many evils and much misgovernment in the American colonies. On this matter at least Wakefield and Durham saw eye to eye with the radicals.

The New Zealand Association returned a flat refusal to Glenelg’s proposal of a charter. Negotiations between the Colonial Secretary and Durham continued during January although we have no record of the concessions which Glenelg at that time was ready to make. On 27 January, however, he told the cabinet that all negotiations had broken down. Lord Howick in his journal describes the scene and suggests that Glenelg was quaking like a jelly and seemed almost ready, in view of Durham’s threat to resign his office as Governor-General of Canada, to give him whatever he asked. But according to Howick’s account the cabinet stood firm and insisted that Durham be told that no further concessions could be made. The form in which Durham had made his dire threat is available to us in a draft written in his own hand:

Dear Glenelg — I have received the last communication signed by you respecting the New Zealand Association with the greatest surprise — it is tantamount to a refusal. I can hardly believe that it originated with you but rather with Mr Stephen. Before I read it to the Committee with directions to call a public meeting to consider the subject I wish to see you. I own I am much hurt at receiving this treatment from the Colonial Office & it becomes me seriously to consider whether I can transact any business with it with credit to myself or advantage to the public service. However I will take no step hastily . . .

As a result of the interview with Glenelg which followed and advice received no doubt from his friends in the cabinet Durham seems to have convinced himself that James Stephen was not to blame for the government’s decision and in his next letter, written on 3 February, he merely asked that the government allow the New Zealand bill to be introduced without promising their support. The bill

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13 Journal of Lord Howick, later the third Earl Grey, entry for 27 January 1838, Grey Papers.
14 Durham to Glenelg, 27 January 1838, Durham Papers. This letter was revised before it was sent, in such a way as to make it even clearer that Durham was threatening to resign his Canadian appointment.
was introduced by Francis Baring in May after Durham had departed for Canada and was defeated on 20 June. Lord Howick on that occasion recorded in his journal that he had to defend himself against the charge of having misled the committee of the Association with whom he had conferred in the previous June, that there was a longish debate in which all members of the government were united and that ‘we in the end threw out the most monstrous proposition I ever knew made to the House by a vote of 92 to 30’.15

This account of the fortunes of the abortive New Zealand Bill of 1838 fitted together from the letters of Wakefield and Durham and the journal of Lord Howick leaves several questions unanswered. The bill as printed for the House of Commons16 unquestionably represents Wakefield’s ideal of what should be the set-up both in England and overseas in founding a new colony and it went beyond even the South Australia Act of 1834 in that there was none of the ‘division of authority’ of which Wakefield complained in his testimony before the South Australia Committee in 1841. But it seems incredible that Howick had seen the bill in anything like its final form for he had offered objections only in detail and not to any encroachment on the prerogative. In the bill as printed the commissioners who were named in the act (the title ‘founder’ was not used) were given almost unlimited powers and formed a self-perpetuating corporation. They could remove one or more of their own members and choose their successors without more than the gesture of receiving the consent of the Crown. They could pass laws and collect duties provided that such laws and such duties were consistent with the principles of English law, but no provision was made for their regular review by the Colonial Office or anyone else. They could appoint a governing council in the islands to set up local government. And they had the power to raise loans in England at ten per cent interest and to administer the funds gathered from the sale of land in London which would have to provide the payment of interest on the loans as well as the cost of ships and the transportation of emigrants. There was no provision for the audit of their accounts nor for any liability for losses.

The most remarkable clauses of the bill were those which bestowed on the commissioners power to deal with the Maori chiefs who were still, in theory, the sovereign power in New Zealand. The New Zealand Association was to have the monopoly of forming settlements and was given the right to negotiate treaties and to acquire sovereign rights for the Crown over large areas in which the Maoris were still living. As a concession perhaps to the missionaries there was provision that the Maoris living in those areas should have the same civil rights as the settlers. There was to be a Protector of Aborigines to instruct them in those rights but he was to be chosen by the Asso-

10 Howick Journal, 20 June 1838.
ciation and not by the Colonial Office. The assumption was, as always in Wakefieldian doctrine, that the Maoris would profit more by their association with God-fearing Englishmen than they ever had by their association with the missionaries. But the proposal to give the treaty-making power, by Act of Parliament, to the representatives of an organization who were free to act without invoking the authority of a royal governor or any other symbol of the majesty of the crown was shocking to all nineteenth century ideas of decorum and proper procedure. Precedents could no doubt have been found in the early history of the East India Company but all its activities had long since been subject to the overall authority of the Board of Control in London.

III

Wakefield had followed Durham to Canada but he must have known before he sailed that the New Zealand Bill would be defeated and he undoubtedly discussed with some of his more faithful followers what the next step should be. The meeting at Wright’s Bank in Covent Garden late in August which proposed to found a commercial company and solicit from Lord Glenelg the same charter which he had offered Lord Durham in the previous December was attended by Rintoul, the editor of the Spectator and Wakefield’s first and most steady backer, who always kept in touch with him wherever he might be. The rest of the group were for the most part recent recruits from the City. Some of Wakefield’s most faithful followers were absent; but this was presumably due to the date of the meeting. Several like William Hutt and H. G. Ward appeared at all later meetings, and Sir William Molesworth began attending a few months later.17

What was most important, however, at this preliminary meeting was the presence of Joseph Somes, the greatest ship-owner in the City of London, whose vessels already dominated the trade with Australia. He and G. F. Young, another shipping magnate who joined the group a little later and soon became one of Wakefield’s warmest friends and admirers, both supported a plan for immediate action without waiting for government approval. Somes, who furnished the ships and sometimes paid out of his own pocket for equipping them, was to serve as Deputy Governor of the company under Durham and then as Governor until his own death in 1846.18 There were missing from all these preliminary meetings George Lyall and Robert Torrens, both of whom had supported the bill. Lyall throughout the winter 1838-9 was reluctant to continue the negotiations for a merger until there was some assurance of government support.19

17 CO 208/185. This volume contains minutes of all preliminary meetings of the New Zealand Company, as well as of the committees on shipping and finance — in fact the record of most of their activities before 15 May 1839, when the first formal meetings of the directors began. The Prospectus of the new company is in the Durham Papers.

18 Dictionary of New Zealand Biography, Article on Joseph Somes.

19 George Lyall to Lord Durham, 11 February 1839, Durham Papers.
Progress toward the dispatch of the preliminary expedition was much more rapid than progress toward reaching an agreement with the Colonial Office. Glenelg did indeed show some sign of considering the petition for a charter favourably, but he was forced out of office in February 1839, and from then until September 1839, when Lord John Russell succeeded Lord Normanby as Colonial Secretary, Stephen and his anti-Wakefield colleagues were completely in the ascendant. Stephen argued that the new organization, whatever it might call itself, was completely different in membership and character from the association to which Lord Glenelg had offered a charter. He even stated that almost half the directors were Roman Catholic although, except for Lord Petre who presided at the first meeting, it is difficult to identify any Catholics among those who attended.

Stephen's comment was not without point, however, for he felt it to be essential that any organized movement for colonizing the islands should co-operate with the Protestant missionaries who were in touch with the Maori chiefs in the North Island and had been used as intermediaries and interpreters by the British Government in all their dealings with the aborigines. That this relationship should continue and be recognized was all the more desirable in 1839 because the cabinet had decided in the last months of Glenelg's tenure of office to send Captain Hobson in a British frigate to the Bay of Islands to inaugurate a new British policy. Hobson, who had recently returned from New Zealand and had given in a report which made a favourable impression on Lord Glenelg, was to be commissioned as British Consul. His mission was to meet with Maori chiefs and persuade them to acknowledge Queen Victoria as their sovereign. If a treaty should be signed he was then to produce his second commission, as Governor, choose his capital and organize a central government, the main purpose of which was to keep the peace and deal with the criminal elements in the European population. It was taken for granted that once Hobson was inaugurated as Governor systematic colonization would follow and that such land as the Governor could persuade the Maoris to grant or sell to the Crown would be resold at a profit to would-be settlers. The system of selling land by the central government was already firmly established in New South Wales. It was obvious, however, that any company receiving a royal charter must accept the overall authority of the new royal government.

In June this new policy was announced by Lord Normanby to a delegation of the New Zealand Company headed by Lord Durham and, in spite of expressions of enthusiastic approval by all who were present, the directors on receiving the news decided to speed up their own activity so that they should be ahead of other ‘speculators’ in staking out their claims to land. The Tory had sailed in May;

20 Stephen's memo, of 6 March 1839, CO 209/4.
21 Minutes of the directors, 13, 14 June 1839, CO 208/180.
the *Cuba* sailed in August. Hobson did not arrive in the Bay of Islands for another six months. It is not altogether clear whether there were difficulties in drawing up his instructions and differences of opinion about them within the cabinet. In any case the preparation of commissions and instructions for governors was always slow work.\(^{22}\)

When he first returned to England Durham was too busy preparing the Report and receiving visitors whose first interest was Canada or English politics to devote much of his attention to New Zealand, but in the spring he accepted the leading place in the new Company and once again began working for a merger with Lyall and the old Company. Wakefield was already busy trying to win over some of the more important individuals in the old Company but he was having trouble with Torrens. Torrens wrote to him that Lyall was ill and could see no one. Torrens himself proved to be very elusive and Wakefield gave up trying to work through him, but believed that he had enough votes without Lyall and Torrens to carry out a satisfactory bargain. On 2 May he wrote to Durham that the process of amalgamation would soon be accomplished and 'it will be the most powerful company ever formed'.\(^{23}\) At a meeting on 18 May presided over by Lord Durham it was announced that George Lyall and Joseph Somes would negotiate an agreement. Whether or not Torrens again succeeded in making trouble is not apparent but on 31 May it was announced that so far no agreement had been reached, and Torrens, Ralph Turner and George Palmer left the meeting. The difficulties were apparently solved by paying cash to the investors in the early Company, for in August some kind of agreement was reached, although Torrens, Fenwick and Palmer did not return. It is by no means clear just what settlement had been made but Edward Ellice in 1845 announced in the House of Commons that he had received back his whole invested capital which he had never expected to see again.\(^{24}\) A. J. Harrop has calculated from his study of the balance sheet of the Company in 1844 that the Company had paid out £50,000 to the Company of 1825 for land which, as he comments, 'at a ludicrously high estimate could not have been worth more than £5,000'.\(^{25}\) But what the Company of 1839 paid for was not the land but the goodwill of men in the City of London whose support was badly needed in view of the attitude adopted by the Colonial Office that year.

The final assault on the Colonial Office needed some further recruiting. The aid of Sir John Pirie, head of the Oriental Steamship

\(^{22}\) There seems to be very little evidence about discussions in the Cabinet over the nature of Hobson's instructions. In a recent book, *The Shadow of the Land*, by Ian Wards, Wellington, 1968, it is argued that they do not represent the same humanitarian spirit as had earlier been expressed by Glenelg and Stephen, but most historians have not seen any change of policy at this time.

\(^{23}\) Wakefield to Durham, 2 May 1839, Durham Papers.

\(^{24}\) Hansard, 3rd ser., LXXXI, 853.

Company and soon to be Lord Mayor, and of Alderman Thompson, director of the Bank of England and M.P., had been enlisted during the winter of 1839-40 and a meeting was held in the Guildhall in April, attended by four hundred people and presided over by the Lord Mayor, in order to petition Parliament to take positive action about New Zealand, instancing the French plan for a convict colony there. Reluctantly Lord John Russell consented to the appointment of the first New Zealand Committee which gave Wakefield his chance to outline his whole view of the advantages both to the colonizers and Maoris of having a flourishing British settlement in Wellington and other more distant parts of the islands. His evidence was probably as influential in advertising Wakefield's system as had been his evidence on colonial lands in 1836. The effect of publishing the report seems to have been the conversion of Lord John Russell; he opened negotiations with the Company in October. An agreement was reached in November under which the Company was to receive a royal charter and a promise of a title from the crown to as much land as they might be said to have earned through their expenditure on emigration and their other exertions.

IV

Lord Durham died in July 1840, having consented reluctantly to remain the titular head of the Company until the end. His chief contribution to the founding of New Zealand was in bringing about complete unity of effort in the City of London so that the New Zealand Company really did become the most powerful and also the most famous of the land companies of the day. This was an end which Wakefield could scarcely have achieved single-handed; the efforts of Charles Enderby had brought about a petition to Parliament in 1837 but it bore no comparison in its effect to that of the mass meeting and petition in 1840.

The rather surprising result of the amalgamation of the two Companies and the preponderance of the commercial elements in the Board of Directors was that from the beginning they accepted Wakefield's word as if it were divinely inspired. He was not on the Board for the first five years and went to Canada twice after 1839, the second time for quite a long visit. But he kept in communication with John Ward who was the secretary of the Board and had been Wakefield's chief collaborator in 'puffing' New Zealand by writing pamphlets and articles in journals. In almost all the matters in which Wakefield interested himself the actions of the Board were based on his judgments. Three of his brothers were given the leading posts

26 ibid., pp. 82-87. This little volume is valuable on the history of the New Zealand Company because Harrop made a careful study not only of the official record but of the British newspapers and journals of the day.

27 The fullest account of these negotiations is in the memorandum of James Stephen for Lord Stanley and Hope, the undersecretary, which he prepared in 1840 in order to refute the accusations of the New Zealand Company directors that he had made promises which had not been kept. CO 209/11, pp. 461-8.
in Wellington and Nelson; his plans for holding the sale of lands in the Company’s rooms in the Adelphi were adopted in toto, and the festivities attending the sailing of emigrant ships were in accord with his planning and were attended on great occasions by himself and G. F. Young. Above all a ‘secret committee’ on which he served undertook to work out policies for dealing with the Government and with Parliament.

The reason for this unanimity within the Board of Directors as contrasted with the bickerings and fallings-out of the Australian Association of an earlier day was almost certainly the predominance in the New Zealand Company of shipowners, merchants and bankers who had no interest in rival ideologies concerned with colonization. There were no would-be colonists among them. Although some of the directors were interested in sending younger members of their families to New Zealand they were not interested in finding posts for them in the government. In the New Zealand Association, where those wishing to colonize were mingled with other elements, dissension had arisen because one of the half-pay officers (Colonel James Campbell) aspired apparently to be himself governor of the new colony and insulted Wakefield by accusing him of wanting the appointment and assuring him that his record would forever prevent his receiving such a favour from the government. Wakefield felt it necessary to summon all his strongest supporters (William Hutt, H. G. Ward and Sir William Molesworth) to bear testimony to his high-minded unselfishness and to repudiate any claims of Colonel Campbell to special favours.  

Campbell seems to have disappeared from among the Association’s supporters, but he turned up later at the Canterbury settlement, having obtained the post of land commissioner from Governor Grey, and was still intent on making trouble for the Wakefield forces. This is merely one instance of the difficulties Wakefield had to contend with in almost all his other ventures: the New Zealand Company was really unique in the unqualified approval it gave to his actions and his policies.

The New Zealand Company in fact represented not so much the urge toward colonization, which was to some extent a passing fad, as the steady drive of the commercial classes and many of the British ministers toward the expansion of British trade and shipping in the Far East. That drive had begun in the eighteenth century and after 1825 it outstripped in importance even the enthusiastic invasion of

28 The only full account of this interesting meeting was in the papers of one of the settlers in the Hutt Valley which have disappeared. Fortunately a copy of the minutes had been made for Mr Hocken and is now in the Hocken Library, Otago University. There are other contemporary accounts but all much abbreviated. Wakefield spoke at length on the history of the Association and appealed for the support of his adherents against Campbell’s derogatory remarks. Campbell was not present.

South America by British merchants and mining companies. The ideal colony, if it can be called that, was Singapore, which was often mentioned as an example by the officials in Sydney and London who had been trying to plant British posts on the northern coast of Australia. Singapore had an evergrowing population of Chinese and Malays and the trade with the Indonesians in British cottons and hardware was carried on for the most part in Asian shipping. There was great hope that New Zealand would open a similar trade with the South Pacific islands and even with the west coast of South America that would be carried in British ships. Probably the most striking expressions of these sentiments are to be found in parliamentary debates in 1845 when the Peel ministry had to defend itself against the charge of having neglected and misgoverned New Zealand. Sir Robert Peel and several other of the ministers made it clear that however critical they might be of some of the New Zealand Company’s actions they were in no danger of undervaluing this most recent of Britain’s colonies. ‘I look at the extent of the colony’, Peel told the House of Commons, ‘at its line of coast, at the quantity of land in it capable of cultivation; I look above all at its position and the new importance which it has acquired by the events in the Pacific, and by the opening of the trade with China and I agree . . . that there appears every probability . . . that the colony, if its interests are duly regarded, and its welfare fostered, is destined to occupy a most important place in the world.’

It was generally accepted, however, that New Zealand, unlike Singapore, must have British settlers to raise food and provide shelter for weary mariners. It was also essential that the Maoris be brought under control so that they would no longer prey on British ships or carry on their tribal warfare at the expense of the British already settled there. Moreover the Americans and the French must be prevented from establishing a prior claim to any advantages which might accrue. It was always the contention of Wakefield and his followers that the islands belonged to Britain by right of discovery, but since that right had not been asserted by the British Government the most effective way of making good such a claim was certainly by founding British settlements throughout the two islands. In the field of colonization Wakefield’s name led all the rest and the

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30 For the South American crisis in British investment and its aftermath, see Elie Halévy, History of the British People, 1815 to 1830, London, 1924, pp. 224-36, and L. M. Jenks, The Migration of British Capital, New York, 1927, pp. 52-58. Presumably the origin of the first New Zealand Company as well as its failure to continue its activities in 1826 were due to the condition of the money market in London.

31 Hansard, 3rd ser., LXXXI, 947. Sir Robert Peel among the Tories and Lord Palmerston among the Whigs best represented this urge toward British commercial expansion and encouragement of British firms interested in the Far Eastern trade. Lord Stanley, the Colonial Secretary, was on the whole anti-expansionist, but in any case he had moved to the House of Lords before the debate took place.
directors gave him *carte blanche*. They may even have worried less about immediate profits and dividends than he did.

Having accepted his role of expert adviser to a commercial company, Wakefield may justly be accused of neglecting the interests of the settlers in order that the shareholders should not suffer. He even took especial care of those who had bought their land in London purely as a speculation with no thought of going to New Zealand. What was needed in London was money and he believed (rightly no doubt) that it would be difficult to sell land, to raise more capital or even to borrow money unless interest on the debt were paid on the dot and dividends were paid regularly to the stockholders. Since the money coming in from land sales did not bring in a surplus for these purposes it was necessary to economize on the funds allocated to the preparations for the settlers at Wellington and Nelson where food and other necessary supplies could scarcely be expected to spring from the soil in the first five years. The real achievement of the New Zealand Company under Wakefield’s guidance was in transporting perhaps eight thousand settlers in comparative safety from the British Isles to New Zealand, not in making them secure or comfortable after they arrived. That four of the company’s settlements survived at all is remarkable. But New Zealand is a land of a temperate climate and varied opportunities even though they were not necessarily the ones mentioned in the voluminous literature issued by Wakefield and Ward in 1837 and 1838.32

New Zealand did not as a matter of fact become the gateway to the Pacific or the great commercial centre which optimistic leaders in the City of London had looked forward to. Hong Kong and Shanghai were the progeny of Singapore and Sydney with its magnificent natural harbour probably served better than Wellington or Auckland as a haven for British ships bound for the South Pacific. But New Zealand did in a surprisingly short time take its very useful place in British economy. As soon as a sufficient number of sheep could be settled on the Canterbury Plains and other available pastures the islands provided one of the great staples in demand in British factories and British manufactures continued to be imported for the needs and comfort of a growing middle-class. Moreover the islands continued to be completely dependent on British shipping. It is inaccurate therefore to speak of the settlement of New Zealand by the Company as a bubble, however disappointing it may have proved to be as a real estate venture. It does in fact represent the most lasting contribution both of the Company and of Wakefield himself to the prosperity of the British empire.

The most surprising feature of the saga of the New Zealand Company is that Wakefield repudiated the Company even though the Company remained loyal in its admiration of Wakefield to the end

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of its existence. After his serious illness in 1846 Wakefield began to accuse the Company directors of dullness and lack of imagination and devoted all his energies to his new project, the Canterbury Association. Moreover, in reviving the movement he had started earlier for colonial reform, he led an attack on Lord Grey, the Whig Colonial Secretary, with whom the Company desired to live at peace. Sir William Molesworth, who certainly knew Wakefield as well as any of his followers, had written in 1841 that he could not rely on Wakefield because he had too many projects afloat and too great a feeling for stage effects. Both criticisms were valid and were a serious trial to many of his admirers both before and after his illness. One key to his character was that he could never be satisfied with his own image unless he were consorting with the aristocracy and the higher clergy or alternatively were planning a campaign in Parliament. The parliamentary campaign of 1844-5 had won a government subsidy for the Company, but when Wakefield returned to action he could not endure the interference of Lord Grey in the administration of the Company's finances which was the price of receiving any money from the British Treasury. Quiet, constructive activity under government supervision was not at all to his taste. He not only used his lively imagination to plan a Church of England colony with bishops and archbishops for the governing body, but he persuaded his new followers in the House of Commons to conduct a campaign against Lord Grey as bitter as the campaign against Lord Stanley in 1844.

All of this later development may seem to be outside the scope of this article but it is necessary to recognize some of the peculiarities of Wakefield's character and motivations in order to appreciate the contribution of Lord Durham to the effectiveness of the New Zealand Company in the period of its greatest achievements. Durham had a very clear and direct mind; he saw exactly what was needed in a given situation and he brooked no interference in any line of action he planned. Moreover in spite of the value he set on the panoply of rank and office he greatly preferred the company of middle-class businessmen and politicians to that of his Grey connections or other members of the aristocracy. His friends in the cabinet were Poulett Thompson, John Cam Hobhouse and Edward Ellice, all of whom possessed a family background of commercial success and for that reason represented a political tradition unlike that of Melbourne and Grey. His favourite correspondent was Joseph Parkes, a Birmingham attorney, who kept him in touch with radical politics and many other urban matters.

Durham's interest in imperial expansion, which was one of his

33 See Wakefield's very revealing letters, 1847-9, in Founders of Canterbury, ed. Jerningham Wakefield, Christchurch, 1868.
34 Sir William Molesworth to T. Woolcombe, undated, Molesworth Papers, Pencarrow, Bodmin, Cornwall. The letter refers to Wakefield's efforts to have Molesworth go to New Zealand as the leading colonist in the 'second colony', namely Nelson.
main preoccupations, was very much the same as that of the men with whom he had been associated in the first New Zealand Company and was perfectly expressed in the first letter he ever wrote to Wakefield.\textsuperscript{35} He took for granted that the Maoris would benefit from the settlement of New Zealand by Englishmen just as he took for granted that the French Canadians would in the long run benefit from the waves of British immigration to Lower Canada which would inevitably engulf and change them into a more enlightened people. In Canada as in London his view of British expansion was that it must rest on British trade and British institutions liberally interpreted. In his one diplomatic assignment (St. Petersburg) he proved as far as one can judge that he had no great regard for liberal ideas as they were being developed on the continent of Europe.\textsuperscript{36}

This limited vision diminishes his claim to be regarded as a political philosopher but it allowed him to devote his very great talents to the study of Britain's economic and political needs. In the case of New Zealand he saw that what was needed above all was unity of effort in shipping emigrants to New Zealand as settlers, and he accepted Wakefield as the man best fitted to direct such an enterprise. But he insisted both in 1837 and 1839 that the first step in organization must be the amalgamation of the two companies and he presided at most of the meetings where that amalgamation was slowly achieved. With the withdrawal of opposition from the members of the first company, other leaders in the City and especially the great shipowners joined the Wakefield company. A continuation of the feud fomented by Robert Torrens might well have discouraged important men like Sir John Pirie from lending their influence to the enterprise.

It seems not too much to say therefore that the success of the New Zealand Company in those matters in which it did succeed was based as much on Durham's constancy and steadiness of purpose as it was on Wakefield's fertile imagination and convincing eloquence. When Durham disappeared from the scene those qualities were to some extent supplied by Joseph Somes and G. F. Young, but in any case the loyalty of all parties in the City of London to the New Zealand Company as long as it continued in business appears to have been unshaken. Although Durham's services deserve more recognition than they have received, it must be emphasized that he could not have functioned in the absence of Wakefield who acted as his ambassador and sometimes as his errand boy. It goes without saying that Wakefield also supplied many of the ideas and much of the initiative in

\textsuperscript{35} See above, note 7.

\textsuperscript{36} Durham served as Ambassador to Russia in 1832 and again in 1835. He formed what was almost a romantic friendship with Nicholas I, the most tyrannical of all Russian tsars of the period, and made no effort to persuade him to restore the Polish constitution. Edward Ellice reproached him for his betrayal of liberal principles but Palmerston, busy with Belgium, approved Durham for keeping the Tsar out of western Europe. See New, Durham, chs. xi, xiv.
a field where Durham after all had little experience. But Wakefield would never have shown as much patience as he did in dealing with George Lyall and Robert Torrens if he had not been acting under Durham's orders. They formed a strong team and neither one should be forgotten in writing the early history of the New Zealand Company which is after all at least half the political history of the British in New Zealand before 1845.

HELEN TAFT MANNING

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