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### Did War Cause the Abolition of New Zealand's Provincial System?

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## Did War Cause the Abolition of New Zealand's Provincial System?

### Abstract

Some historians identify warfare in the North Island between settlers and Maori as the key to the abolition of New Zealand's provinces in 1876. This requires reconsideration. I suggest that warfare had notable but not dire consequences for provincialism, and that other issues were of greater significance. Although the central state gained powers during wartime, these rarely came at the expense of provincial powers. The botched implementation of the New Zealand Settlements Act, which has been cited as evidence of provincial failure, actually reflected poorly on both levels of government. The centralising impulse must be found elsewhere. Rather than being caused primarily by wartime expansion of the central state, major centralising reforms were more due to provincial mismanagement and reckless borrowing for public works that provoked a public desire for change. When settlers were presented with an alternative central vision of development, they embraced it and rejected the provinces.

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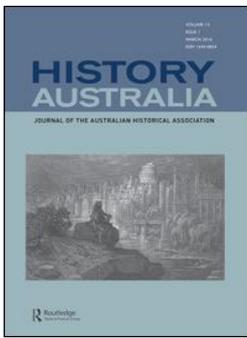
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# Did war cause the abolition of New Zealand's provincial system?

André Brett

Some historians identify warfare in the North Island between settlers and Māori as the key to the abolition of New Zealand's provinces in 1876. This requires reconsideration. I suggest that warfare had notable but not dire consequences for provincialism, and that other issues were of greater significance. Although the central state gained powers during wartime, these rarely came at the expense of provincial powers. The botched implementation of the *New Zealand Settlements Act*, which has been cited as evidence of provincial failure, actually reflected poorly on both levels of government. The centralising impulse must be found elsewhere. Rather than being caused primarily by wartime expansion of the central state, major centralising reforms were more due to provincial mismanagement and reckless borrowing for public works that provoked a public desire for change. When settlers were presented with an alternative central vision of development, they embraced it and rejected the provinces.

This article has been peer reviewed.

While New Zealand developed as a unitary state, this was by no means inevitable. It embarked on representative government in 1853 with a quasi-federal system of provincial governments that lasted for over two decades.<sup>1</sup> Provincial abolition was approved by the central parliament in 1875 and became effective on 1 November 1876. New Zealand's movement away from any semblance of federalism rather than towards it is distinctive – it is the only British settler society to dismantle a system of states or provinces. Many other colonies pursued an opposite trajectory, such as the unions that created the dominions of Australia, Canada, and South Africa. The surprising swiftness of the demise of provincialism has led historians to propose a range of theories to explain abolition, and one of the most persistent relates to the New Zealand Wars between Pākehā (white) settlers and Māori in the North Island during the 1860s.

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1 The definitive work on the provincial system remains W. P. Morrell, *The Provincial System in New Zealand 1852–76* (Christchurch: Whitcombe and Tombs, 1964 [1932]).

Historians have argued across multiple generations that war generated the centralising forces that fatally encroached upon the provinces. B. J. Dalton put the warfare-as-centralisation argument concisely, stating that ‘the great expansion in the central government’s activities’ was ‘necessary to match the new responsibilities of native policy and war from 1860 onwards’.<sup>2</sup> Similarly, Tony Ballantyne has suggested that the ‘key engine for political transformation was the conflict over land and sovereignty that raged from the end of the 1850s through to the early 1870s’, and that the wars were ‘an important impetus towards the centralisation of power in New Zealand’ by enlarging the central state and shifting emphasis away from the provinces.<sup>3</sup> This argument was embedded in W. P. Morrell’s earlier study of the system. When he discussed the botched implementation of the *New Zealand Settlements Act*, he depicted it as a provincial failure, asking: ‘if the northern Provincial Governments could not colonise [under the *Act*], was not the strongest argument for their existence taken away?’<sup>4</sup>

The warfare-as-centralisation argument needs to be reconsidered. Warfare had notable but not dire consequences for provincialism; although it was a factor, other issues were of greater significance. Bernard Attard has recently argued that New Zealand’s centralisation was the result of the dynamics of colonial development and rising indebtedness rather than warfare.<sup>5</sup> He does not, however, explore why wartime policies that would seem to have favoured centralisation were unsuccessful, and he implies that the demise of provincialism was inevitable. New Zealand’s demand for British capital, he argues, meant ‘the dynamic of settler developmentalism inevitably led to the centralisation of state power itself’.<sup>6</sup> This argument is predicated on acceptance of P. J. Cain and A. G. Hopkins’ ‘gentlemanly capitalism’ thesis that London financiers drove imperial expansion and development.<sup>7</sup> Yet,

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2 B. J. Dalton, *War and Politics in New Zealand 1855–1870* (Sydney: Sydney University Press, 1967), 12.

3 Tony Ballantyne, ‘The State, Politics and Power, 1769–1893’, in *The New Oxford History of New Zealand*, ed. Giselle Byrnes (South Melbourne: Oxford University Press, 2009), 112, 117.

4 Morrell, *Provincial System*, 152.

5 Bernard Attard, ‘From Free-Trade Imperialism to Structural Power: New Zealand and the Capital Market, 1856–68’, *Journal of Imperial and Commonwealth History* 35, no. 4 (2007): 505–27; Bernard Attard, ‘Making the Colonial State: Development, Debt, and Warfare in New Zealand, 1853–76’, *Australian Economic History Review* 52, no.2 (2012): 101–27.

6 Attard, ‘Making the Colonial State’, 103.

7 P. J. Cain and A. G. Hopkins, *British Imperialism, 1688–2000* (Harlow: Longman, 2002 [1993]).

New Zealand settlers demonstrated an assertive independent streak from the moment London granted the colony its first constitution in 1846 – a flawed document that was unceremoniously rejected.<sup>8</sup> Attard rigorously analyses the economic position of the provinces, but it is also necessary to interrogate what New Zealanders expected from their provincial governments, how they responded to failure, and what central actions most affected provincialism's fortunes. Settlers placed their own needs and preferences in the foreground, not those of gentlemen capitalists. Abolition was only accomplished when centralists won the 1875–76 election, a *de facto* referendum on the existence of provinces.<sup>9</sup> The provinces were neither abolished on instruction from the Colonial Office, nor because of coercion by financiers. They were abolished because electors chose abolition in response to the provinces' demonstrated administrative failures.

Hence, building on the valuable insights of Attard's work, I not only seek to fill his analytical gaps but also diverge from some of his conclusions, and argue that there was nothing inevitable in the demise of provincialism, since the forces underpinning abolition derived from the provinces' own recklessness and mismanagement. This article first examines the powers acquired by the central government during wartime and whether they came at the expense of provincial authority. It then locates the centralising impulse elsewhere, but reveals that warfare – specifically loans to fund military activity – contributed to the timing of abolition. My previous research has shown that public works policy, especially with regard to railway expansion, runs as a common thread from the dawn of provincialism to its abolition.<sup>10</sup> Here I dig deeper to show the relationship between war, public works, and the financial burdens both created. Greater agency must be ascribed to New Zealand's settlers in the dismantling of provincial institutions. A clearer picture of why settlers disowned provincialism and what events made abolition attractive will enable a more thorough assessment of how substantially war contributed to New Zealand's centralisation.

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8 The standard study remains A. H. McLintock, *Crown Colony Government in New Zealand* (Wellington: R. E. Owen, 1958), but the best analysis is Sonia Cheyne, 'Search for a Constitution: People and Politics in New Zealand's Crown Colony Years' (PhD thesis, University of Otago, 1975).

9 For a detailed study see J. L. Hunt, 'The Election of 1875–6 and the Abolition of the Provinces' (MA thesis, University of Auckland, 1961).

10 André Brett, 'Dreaming on a Railway Track: Public Works and the Demise of New Zealand's Provinces', *Journal of Transport History*, 36, no. 1 (2015): 1–20.

## The limited centralisation of warfare

The provincial system at its creation in 1853 was a response to New Zealand's dispersed Pākehā population and comprised six provinces based upon the main sites of settlement.<sup>11</sup> In accordance with the provisions of the 1852 *Constitution Act* of the British parliament, each province had a unicameral council and a separately elected superintendent who possessed executive power but was neither responsible to, nor represented in, the provincial legislature. Above the provinces sat the bicameral General Assembly of the central government, which first met in Auckland in 1854 and received responsibility in 1856 before relocating to Wellington in 1865. It possessed an elected lower house and an upper house nominated from the late 1850s on the advice of responsible ministers. Members at both levels were elected on a male property franchise that was generous but not universal, effectively excluding Māori as few held individual titles to land. In 1858, the *New Provinces Act* of the General Assembly permitted rapidly growing hinterland regions to secede from their province and form a new one. The system thereby grew to comprise 10 provinces, although only nine existed at any one time. The key task of the provinces was to promote wider and deeper colonisation of New Zealand through immigration and public works. They began as powerful political entities: they, rather than the central government, maintained immigration agents, and they surveyed, built, maintained and operated bridges, harbours, railways and roads. Provincial councils sat before the General Assembly and enjoyed a wide range of powers, with only 13 subjects of legislation – matters such as common weights and measures, customs duties and currency – under the central government's exclusive jurisdiction.

From the outset, some politicians sought to increase the power of the provinces – ultra-provincialists led by William Fox even sought a fully federal system – while others asserted the primacy of central control. This has led to a simplistic analytical distinction between provincialists and centralists, but politics at both the national and provincial level

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11 This paragraph and the next draw upon the scholarship of D. G. Herron, whose work, although often overlooked, contains much analysis of a definitive character on 1850s New Zealand politics. See 'The Structure and Course of New Zealand Politics, 1853–1858' (PhD thesis, University of Otago, 1959); 'Provincialism and Centralism, 1853–1858', in *Studies of a Small Democracy: Essays in Honour of Willis Airey*, ed. Robert Chapman and Keith Sinclair (Auckland: Blackwood and Janet Paul, 1963), 10–32; and 'The Circumstances and Effects of Sir George Grey's Delay in Summoning the First New Zealand General Assembly', *Historical Studies: Australia and New Zealand* 8, no. 32 (1959): 364–82.

was defined more by shifting personal cliques, and the fervent localism was imported from Britain.<sup>12</sup> D. G. Herron has refuted the existence of a binary divide of provincialists versus centralists during the 1850s: the extent to which politicians emphasised one or the other position was often dependent upon the offices they held and how (un)successful they were in forming government in the General Assembly.<sup>13</sup> Provincial councils tended to stress the needs of provincial capitals and their ports, fostering discontent in rapidly expanding hinterlands that contributed much to provincial revenue but received few services in return. This discontent found expression in secessionist movements. Centralists, perceiving that the creation of small and weak new provinces would undermine the provincial system, joined with secessionists to secure the passage of the *New Provinces Act*, the first significant blow against provincialism.<sup>14</sup>

Was the second blow the outbreak of the New Zealand Wars in February 1860? I do not dispute Damon Salesa's assertion that war 'forged the new self-governing colonial polity, [and] critically shaped settler subjectivities and institutions' especially as a 'workshop for ... projects of racial amalgamation'.<sup>15</sup> The reverberations of war are still felt in New Zealand's race relations today. The colonial polity, however, was not a monolith, but a patchwork of provincial identities loosely gathered around a distant central authority – a point made emphatically by Ballantyne when he describes how the nation-state has been 'deployed anachronistically'.<sup>16</sup> Events that forged some facets of colonial life, such as the 'racial crossings' of intermarriage and intimacy studied by Salesa, had less significant consequences for provincialism. The survival of the provincial system was based upon its ability to advance public works and immigration as part of what James Belich calls the colonial progress industry, an 'interacting complex of economic activities ... centred on growth and development' that formed a 'motley whole ... greater than the sum of its parts'.<sup>17</sup> In New Zealand, as elsewhere, this industry comprised

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12 For more on the significance of localism in New Zealand and how it reflected British political traditions, see John Cookson, 'How British? Local government in New Zealand to c.1930', *New Zealand Journal of History* 41, no. 2 (2007): 143–60.

13 This is examined particularly strongly in Herron, 'Provincialism and Centralism'. Note, however, that this binary became pronounced in the 1870s.

14 André Brett, 'The Great Kiwi (Dis)Connect: The *New Provinces Act* of 1858 and its Consequences', *Melbourne Historical Journal* 40 (2012), 129–48.

15 Damon Salesa, *Racial Crossings: Race, Intermarriage, and the Victorian British Empire*, (Oxford: Oxford University Press, 2011), 181.

16 Tony Ballantyne, 'On Place, Space and Mobility in Nineteenth-Century New Zealand', *New Zealand Journal of History* 45, no. 1 (2011): 55.

17 James Belich, *Replenishing the Earth: The Settler Revolution and the Rise of the Anglo-World, 1783–1939* (Oxford: Oxford University Press, 2009), 185.

a steady stream of immigrants, the provision of easy credit, the existence of speculative markets, and the rapid creation of towns, farms, and public works.

The provinces, as institutions intended to be run by Pākehā for Pākehā, were not expected to determine Māori relations. Rather, as Pākehā settlement expanded, the provinces were expected only to administer to Pākehā wants and needs. Māori were on provincial society's fringe; their connections to Pākehā were predominantly negotiated through the central government, missionaries and personal interaction, rather than by provincial organs. The Pākehā-centric role of provincial councils aligned with limitations placed upon the General Assembly in its early years. Governor Thomas Gore Browne implemented responsible government in 1856, but expressly limited its responsibility to the Pākehā community. He reserved Māori affairs to himself and perceived them as an imperial rather than domestic concern. This decision appears to have been made on his own initiative, as there were no explicit instructions from the Colonial Office, but once he made the decision London supported it fully.<sup>18</sup>

The General Assembly, believing that its responsibility should not be limited, regarded Māori affairs as a domestic rather than imperial concern. In 1858 Browne granted the Assembly *some* responsibility for Māori affairs, explaining that 'I retain to myself the executive and administrative part of native affairs, admitting my responsible advisers to full information, and granting them the right to advise me', while reserving the right to pursue different courses of action and to veto legislation.<sup>19</sup> The Colonial Office concurred, unwilling to relinquish control of Māori affairs to the General Assembly because of 'the large expense which every year is incurred for the maintenance of a [British] military force in New Zealand'.<sup>20</sup> The General Assembly was unimpressed. It proved reluctant to approve money for Māori affairs to be spent by a governor and staff who were not accountable to the electorate, and a stalemate developed between governor and parliament.<sup>21</sup> Both governor and General Assembly coveted what powers the imperial government conceded and were reluctant to share or surrender them. In light of such events, it is unsurprising that the provinces were never granted

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18 Bruce A. Hunter, 'The Transfer of Responsibility for Native Affairs from the Imperial Government to the General Assembly of the Colony of New Zealand' (MA thesis, University of New Zealand 1949), 43–5.

19 Thomas Gore Browne to Colonial Secretary Edward Bulwer-Lytton, 14 October 1858, British Parliamentary Papers: Colonies; New Zealand (BPP).

20 Colonial Under-secretary Lord Carnarvon to Thomas Gore Browne, 18 May 1859, BPP.

21 Alan Ward, *A Show of Justice: Racial 'Amalgamation' in Nineteenth Century New Zealand*, (Canberra: Australian National University Press, 1974), 93.

control over any aspect of Māori policy. Interactions between Māori and provincial governments were therefore peripheral to the operation of the provincial system, and it was little affected by New Zealand's gradual acquisition of responsibility for Māori affairs or the expansion of central government organs for Māori administration.

Still, warfare between settlers and Māori in the central North Island had notable, albeit indirect, consequences for provincialism. The first phase of war began in Taranaki on the central western coast. Tensions between Pākehā and Māori became increasingly fraught throughout the 1850s in Taranaki because of a range of factors – most notably the collision of settler hunger for land with increasing Māori reluctance to sell, the rise of the Māori King movement, and the desire of the British to impose authority substantively on Māori.<sup>22</sup> Open combat commenced in March 1860, and it soon became apparent that New Zealand had to bear the burden of considerable military expenditure. Initially, the central government sought to make Britain pay for the war, arguing New Zealand itself was incapable of affording it. Parliament – by 1860 home to a provincialist majority – resisted Edward Stafford's ministry's attempts to pay for the war out of surplus revenues that by law were given to the provinces.<sup>23</sup> But as Britain was unwilling to subsidise a colonial war, the costs would soon come home to roost one way or another, and when they did, they had consequences for provincialism.

Taranaki was profoundly affected by war and joined the ranks of pauper provinces, a category previously only inhabited by weak new provinces. It was the smallest province by land area and the most vulnerable to upheaval. In 1858 it was home to 2650 Pākehā outnumbered by 3015 Māori. Its capital New Plymouth, normally home to 937 people, became encircled and was flooded by almost the entire population of the province as well as British troops, and hundreds of women and children were evacuated to Nelson in the South Island.<sup>24</sup> By late 1860, this exodus from the fighting meant the Pākehā civilian population plummeted to 1239 and Māori now outnumbered them three-to-one.<sup>25</sup> Tension developed between troops, civilians and provincial authorities; the territory under

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22 Still authoritative is Keith Sinclair, *The Origins of the Maori Wars* (Wellington: New Zealand University Press, 1961 [1957]). See also James Belich, *The New Zealand Wars and the Victorian Interpretation of Racial Conflict* (Auckland: Auckland University Press, 1986), 75–80 and Alan Ward, 'The Origins of the Anglo-Maori Wars: A Reconsideration', *New Zealand Journal of History* 1, no. 2 (1967): 148–70.

23 Morrell, *Provincial System*, 118.

24 Natasha Andrea Elliot-Hogg, 'The Taranaki Refugees 1860' (MA thesis, University of Waikato 1999), 9–17.

25 *Statistics of New Zealand*, 1858–60.

the provincial government's control essentially shrank to New Plymouth alone. Taranaki struggled to handle the problems of such close, crowded living – fire and health hazards, panic when bad news arrived and settler dissatisfaction with military measures not considered to be sufficiently decisive.<sup>26</sup> Basic provincial functions were suspended for most of 1860, and the unsettled condition of the province – even after a shaky peace was established in 1861 – meant that Taranaki could not hope to raise either sufficient revenue or a loan to cover its costs, compensate settlers for losses, and resume its role in the progress industry. It was reduced to surviving on central government support and pleas for loans raised on colonial security.<sup>27</sup> Taranaki's destitution, however, was a problem largely confined within its borders – other North Island provinces were not severely affected. It may have joined Hawke's Bay and Marlborough in the ranks of poor provinces and proven that original provinces were susceptible to failure as well as new provinces, but it was a localised problem rather than an indictment of the entire system of government.

More significant consequences came when warfare spread into Auckland Province. War justified central government participation in immigration, settlement and public works, which had been exclusively provincial domains since 1853. Initially, this was through construction of public works required by the military, a job conducted by both colonial and imperial authorities. The need for military roads in Taranaki and Auckland ran well ahead of the transport needs of settlers. When George Grey arrived in Auckland in 1861 to resume the title of governor, he was acutely aware that although Taranaki was nominally at peace, fighting could spread quickly to Auckland's Waikato region. This was of grave concern, as the approach from the Waikato into southern Auckland was poorly defended. Grey authorised the construction of a military road, the Great South Road, ostensibly for defence but with the clear double purpose of facilitating invasion of the Waikato.<sup>28</sup>

Despite appearances, this road-building activity does not represent central expansion at the expense of the provinces. The justification for the foray into the provincial domain was purely military and could not have occurred otherwise. In June 1862 the military expressly ordered that troops were 'on no account to be employed on roads designed for

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26 Richard S. Hill, *Policing the Colonial Frontier: The Theory and Practice of Coercive Social and Racial Control in New Zealand, 1767–1867* (Wellington: V R Ward, 1986), 518–9.

27 *Appendices to the Journals of the House of Representatives* 1861 B-05, 6 (AJHR); AJHR 1862 A-11 and B-01, 5; Elliot-Hogg, 'The Taranaki Refugees', 71–3.

28 J. Rutherford, *Sir George Grey KCB, 1812–1898: A Study in Colonial Government* (London: Cassell, 1961), 464.

the convenience of private individuals, but only on roads ... constructed for the defence of the settlement'.<sup>29</sup> John Larkins Cheese Richardson, a government minister appointed as commissioner into imperial claims against the central government, emphasised that although roads like the Great South Road were 'of benefit to the Colony, [they] would not ... have been undertaken by it for many years to come'.<sup>30</sup> Attempts by Wellingtonians to persuade the central government that road construction in their province offered military advantages saw no result.<sup>31</sup> As war was not a provincial concern, it made sense for imperial and colonial funds to be used for constructing military-related works, but the policy's influence was limited. It could never have affected public works in the South Island, or even in areas of the North Island beyond conflict zones.

On the basis of restoring peace and prosperity after the war, the central government did however *attempt* to usurp some provincial power. This was originally through a proposal of Alfred Domett's central ministry and then through the *New Zealand Settlements Act*. When the Domett ministry fell in October 1863, it was considering a vast plan for military roads and settlements throughout the North Island. This plan was conceived not just to secure a temporary military victory that could evaporate upon the withdrawal of troops. It sought complete subjugation of the Māori world to Pākehā by confiscating tracts of land on which a chain of Pākehā settlements would be established.<sup>32</sup> Pākehā population would thus overwhelm Māori power. The plan appears to derive at least somewhat from policies Grey implemented as governor of the Cape Colony in South Africa, modified to suit New Zealand circumstances. However, his increasing opposition to confiscation in subsequent years indicates Domett and his ministers were the primary authors.<sup>33</sup> Domett's influence is certainly apparent: he was profoundly ignorant of Māori culture despite a 21-year residency in New Zealand. His stern, confrontational approach was activated by the grossly mistaken belief that the only diplomacy Māori understood was that 'might is right'.<sup>34</sup>

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29 G. S. Whitmore, Assistant Military Secretary, to George Grey's Private Secretary, 7 June 1852, *AJHR* 1862 A-06E, 8.

30 *AJHR* 1867 B-05A, 6.

31 *Wellington Independent*, 21 February 1862, 2.

32 *AJHR* 1863, A-08A, 1.

33 Michael Allen, 'An Illusory Power? Metropole, Colony and Land Confiscation in New Zealand, 1863-1865', in *Raupatu: The Confiscation of Māori Land*, ed. Richard Boast and Richard S. Hill (Wellington: Victoria University Press, 2009), 115.

34 E. A. Horsman, *The Diary of Alfred Domett, 1872-1885* (Oxford: Oxford University Press, 1953), 30-5.

Domett's ministry was replaced by an alliance between Frederick Whitaker and William Fox, with the former as premier. The Whitaker–Fox ministry was dominated by the aggressive Māori policy of Auckland businessmen and land speculators, notably Whitaker himself and his talented legal partner Thomas Russell. Both had much to gain by confiscating Māori land.<sup>35</sup> On entering office, Whitaker assumed full responsibility for Māori affairs, placing Grey in easily his weakest constitutional position in New Zealand.<sup>36</sup> But the continued presence of imperial troops meant Grey had an undefined veto over defence matters, creating uncertainty over who held ultimate power.<sup>37</sup>

Three items of legislation characterised Whitaker's policy and Grey assented to them despite personal qualms – the *Suppression of Rebellion Act*, which suspended *habeas corpus*, the *New Zealand Settlements Act* to confiscate swathes of Māori land, and the *New Zealand Loan Act* to raise £3 million to cover the first two acts and the cost of the war. The latter two acts are significant for provincialism. The *Settlements Act* was based on a long British imperial history of military pacification and settlement, drawing especially on Irish and southern African precedent; it was not an anomalous act of land-hungry settler politics.<sup>38</sup> It was also based on another history, this one only months long: Domett's proposals for road-building and settlement, which survived the ministerial transition.

The *Settlements Act* was an act not simply to confiscate Māori land throughout the North Island, but also to settle it – under the auspices of the central government but with provincial involvement. It provided for the governor-in-council to reserve land for settlement in any district in which Māori had fought against the Crown, with compensation granted to Māori who had supported the Crown.<sup>39</sup> The *Loan Act* authorised £3 million to be raised in Britain at a rate of 5 per cent; the government believed it would meet repayments by selling 1.5 million acres at £2 an acre.<sup>40</sup> Relevant charges for the settlement program were £300,000 for the introduction of settlers to the North Island and £900,000 for surveys and public works – and crucially the provinces were to be involved in the program. This point is often overlooked in arguments that quickly assume

35 Russell Stone, 'Russell, Thomas', *Dictionary of New Zealand Biography*, accessed 10 June 2013, <http://www.teara.govt.nz/en/biographies>.

36 Rutherford, *Grey*, 496.

37 Allen, 'An Illusory Power?', 120.

38 Richard Boast, *Buying the Land, Selling the Land: Governments and Maori Land in the North Island, 1865–1921* (Wellington: Victoria University Press, 2008), 50–55.

39 *New Zealand Settlement Act 1863* (27 Victoria, No. 8). See especially clauses 2–5.

40 Bryan Gilling, 'Ruapatu: The Punitive Confiscation of Māori Land in the 1860s', in *Ruapatu*, ed. Boast and Hill, 17–18.

the war was, in Ballantyne's words, the 'key engine' for centralisation. As the provinces administered immigration and public works, the Loan Appropriation Act delegated the money raised to the provinces in which the settlement would occur; primarily Auckland, with Taranaki a distant second. If land revenue were insufficient to repay the interest and sinking fund to the central government for 'all sums expended in any Province for the permanent advantage of such Province', it would be made a charge on the province's general revenue.<sup>41</sup> To achieve their objective, the central government still had to work with the provinces.

The scheme was not successful either as a driver of centralisation or for its intended purpose of settlement. It *did* lead to swathes of confiscation in a legally dubious process that has left a harsh legacy for Māori.<sup>42</sup> Confiscating land was one thing; settling it another. At the time the acts were passed, there was little opposition. Henry Sewell, a rare dissenter, alleged they were hurried through parliament with poor oversight, no detailed estimates and insufficient time for members to consider the proposal.<sup>43</sup> The subsequent difficulties substantiate his fears. As previous authors have indicated at length, it was hard to carry out the scheme when neither Grey nor the Colonial Office were willing to give full support to the ministry.<sup>44</sup> In short, the Colonial Office urged caution and the inability of Grey and Whitaker to agree on the details of confiscation delayed the process. Whitaker wanted to proceed speedily and saw confiscation as a means of defraying wartime expenses; Grey viewed confiscation as a form of punishment; in the end the differences were irreconcilable and the ministry resigned. It was replaced by a ministry led by Frederick Weld, whose dislike for Grey was decidedly reciprocated, and this did not bode well for Weld's policy of New Zealand becoming 'self-reliant' and taking on all costs of war and settlement.<sup>45</sup>

Worse still were arrangements for immigration. The land was to be occupied by military settlers and liberal enlistment terms helped attract recruits, but in haste the government chose quantity over quality.<sup>46</sup> Military settlers swept into Auckland and Taranaki before the war was

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41 *Loan Appropriation Act*, 1863 (27 Victoria No. 12).

42 Gilling, 'Raupatu', 19.

43 Henry Sewell, *The New Zealand Native Rebellion: Letter to Lord Lyttelton* (Auckland: Printed for the author, 1864).

44 Allen, 'An Illusory Power?', 131; Hunter, 'Transfer of Responsibility for Native Affairs, 170–83'; Morrell, *Provincial System*, 146; Rutherford, *Grey*, 498–99 and 509–15.

45 Rutherford, *George Grey*, 516–20.

46 Ross Hamilton, 'Military Vision and Economic Reality: The Failure of the Military Settlement Scheme in the Waikato, 1863–1880' (MA thesis, University of Auckland, 1968), 103

even over: 5124 arrived in Auckland before the December 1864 census, comprising over 8 per cent of the province's population.<sup>47</sup> Many experienced lengthy stays in barracks and were even used as auxiliary troops rather than settling on confiscated land.<sup>48</sup> Once the settlers were sent on to the land, they received inadequate provisions and complained of neglect.<sup>49</sup> Those granted land near Cambridge and Pirongia soon requested military protection of their own, prompting howls of derision from the south.<sup>50</sup> Periodic fears war would resume caused many settlers to retreat to the safety of townships until the scare passed, hobbling their farms' performance.

The scheme was visibly crumbling in execution. So too were its finances. By November 1864 emigration agents were complaining that they had not received sufficient money. In January 1865 they were forced to suspend operations.<sup>51</sup> Both central and provincial governments struggled to hold up their end of the bargain. A compromise was reached where confiscated Waikato land was transferred to Auckland's control with a small royalty per acre paid to the central government, but the province could not maintain the expenses of surveying, constructing public works and employing settlers. A similar scheme for Taranaki was abandoned, Auckland could not raise a loan to cover costs except at a ruinous discount, and in the end land reverted to central management.<sup>52</sup> By mid-1867, far from recouping the loan, land sales had earned just £25,000.<sup>53</sup>

The whole shambles casts neither central nor provincial government in a good light. It is hard to sustain Morrell's conclusion that Auckland was unable to manage its own colonisation and that provincialism in the North thereby lost its strongest argument for existence. Much responsibility for the poorly implemented scheme lay with the central government, and Auckland inherited it on the brink of collapse. If Morrell's assertion is to be accepted, then we must also accept that the central government could not colonise the North Island and had lost justification for its existence. The *Settlements Act* was a bold central vision that successive ministries attempted to realise with little obvious competence. It was a portent that central and provincial authorities would find it difficult to work together on a vast colonising scheme, but it was also an ideological dead end –

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47 *Statistics of New Zealand*, 1864.

48 *Otago Daily Times*, 15 March 1864, 4.

49 *Taranaki Herald*, 25 June 1864, 2.

50 *Daily Southern Cross*, 27 September 1864, 4; *Press*, 10 October 1864, 2.

51 *AJHR* 1865 D-03, 11–15.

52 *AJHR* 1865, D-02 and D-02A; *AJHR* 1866 A-02, A-02A, and A-02B.

53 *AJHR* 1867 A-08.

military settlements were never again the cornerstone of development policy. The centralisation of the 1870s was justified for different, largely disconnected reasons. As a geographically isolated program, settlement under the *Settlements Act* did not allow significant central encroachment on the provincial domain, especially those provinces outside of the theatre of war; as a botched program, it did not achieve significant centralisation in the provinces it affected; as the source of a centralising impulse, it is not terribly compelling.

## War and the timing of centralisation

As wartime policies did not undermine provincial power, where then should the origins of New Zealand's centralisation be located? The problems of provincialism would have required resolution with or without war, but the central government's wartime actions help explain the precise timing of centralisation. This is largely in line with Attard's previous research, but his argumentation is confined to economic considerations that only provide part of the picture. He suggests that centralisation was necessary to mobilise capital and that war brought attention to incompatibilities between metropolitan money markets and New Zealand's allegedly unsatisfactory institutional structure.<sup>54</sup> This interpretation downplays the initial provincial successes in mobilising capital, the significance of maladministration and mismanagement, and that settlers at elections were responding not to international financing and negotiations, but to their lived experience of which institutions best met their needs. A consideration of the broader social and political forces of provincial-era New Zealand reveals that the problems of provincialism that required resolution were not inherently fatal flaws of institutional design, but were created by provincial governments themselves.

Electors had high expectations of provincial governments in the 1850s but the approach of most to public works and finances did not, to put it mildly, reveal a capacity to meet these expectations. The provinces experienced significant difficulties with public works, which were undermined by factors as diverse as labour shortages, petty rivalries and misplaced priorities.<sup>55</sup> There were frequent failures in providing well-made roads, bridges and harbour works. Problems were most pronounced in provincial hinterlands, where a profound lack of investment motivated

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54 Attard, 'Making the Colonial State', 122.

55 Brett, 'Dreaming on a Railway Track'.

the campaign culminating in the *New Provinces Act* of 1858. Between November 1858 and April 1861, three new provinces – Hawke’s Bay (ex-Wellington), Marlborough (ex-Nelson) and Southland (ex-Otago) – secured a divorce from their original province.<sup>56</sup>

The system having been destabilised through the passage of the *New Provinces Act*, the lack of development in the 1850s then provoked an orgy of loans. Instead of reflecting on how best to mobilise their own resources or imposing income taxation, the provinces hoped to resolve their problems quickly by turning to external capital. This option had been little explored: borrowing was light prior to 1861. Attard highlights that Stafford’s central ministry of 1856–61 secured an imperial guarantee for a £500,000 loan and feared the effects of provincial borrowing. The central loan was secured on the colony’s entire revenue, including that assigned to the provinces, but a province weighed down by its own liabilities might have been incapable of contributing its portion of the loan charges.<sup>57</sup> Hence Stafford and Governor Browne both had an interest in limiting provincial borrowing. But in 1861, the Stafford ministry fell, largely because of a backlash against its centralist policies.<sup>58</sup> Its more provincialist successors, the Fox and Domett ministries, were sympathetic to provincial loans. Furthermore, the Stafford ministry in 1860 *did* approve a £300,000 loan for Canterbury to fund an audacious public works project: a railway tunnel linking Christchurch with its port Lyttelton.<sup>59</sup> This was meant to be an exceptional case with security derived from the province’s flourishing land sales, but the change in ministries and the replacement of Browne by Grey saw the arrival of a governor willing to apply the Canterbury precedent to other provincial railway proposals.<sup>60</sup>

Politicians in most provinces began borrowing recklessly for public works to stimulate development. The central government agreed to a glittering array of loans for provinces eager to fulfil lofty hopes, compensate for lost time and exploit their natural resources. Provincial

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56 Notable accounts of provincial secessions can be found in D. M. Tebay, ‘The Hawke’s Bay Separation Movement, 1856–58’ (MA thesis, University of New Zealand, 1954); A. D. McIntosh, ed., *Marlborough: A Provincial History* (Christchurch: Capper Press, 1977 [1940]), 193–206; and for Southland, A. H. McLintock, *The History of Otago: The Origins and Growth of a Wakefield Class Settlement* (Dunedin: Otago Centennial Historical Publications, 1949), 408–11.

57 Attard, ‘From Free-Trade Imperialism’, 509; Attard, ‘Colonial State’, 109–11.

58 Morrell, *Provincial System*, 116–21.

59 The saga of Canterbury’s railway ambitions, led by William Sefton Moorhouse, is best recounted by W. H. Scotter, ‘Canterbury, 1857–68’, in *A History of Canterbury*, ed. W. J. Gardner, vol. 2 (Christchurch: Whitcombe and Tombs, 1971), 77–104.

60 Attard, ‘Colonial State’, 116.

loans totalling £2,081,000 were approved in 1862–63, of which the Domett ministry alone approved £1,871,000.<sup>61</sup> This was not in itself abnormal. Australasian colonies were particularly active in public works, as revealed by Davis and Huttenback's striking data. State expenditure in Australasia was three times that of the average developed country, and even other similarly young regions had much lower levels of expenditure.<sup>62</sup> Public works such as railways were placed under state authority in New Zealand not simply because government had access to cheaper finance than private borrowers, but because these works served a developmental purpose, deepened settlement, and facilitated economic growth.<sup>63</sup> Railways were prominent in the colonial imagination from the 1850s and settlers deemed essential the rapid provision of infrastructure.<sup>64</sup> When the provinces made their first major forays on to the market in the early 1860s, they secured capital. It might not have been inevitable that the state became heavily involved in public works construction and financing, but it is unsurprising.

Fatefully for provincialism, one mismanaged railway project brought an entire province unstuck. Some overly ambitious plans were rejected by the central government; for example, Fox condemned a foolhardy Marlborough bid for a railway loan because of inadequate financial data.<sup>65</sup> Unfortunately, however, two Southland railway loans totalling £250,000 were approved. Southland, seething that secession came just before Otago grew wealthy from its gold rush, proposed grandiose public works to divert the gold trade from Dunedin to Southland. In haste, it built an experimental wooden railway that became a farce. Consequently Southland did not see a return on its investment and went bankrupt.<sup>66</sup> By mid-1864, its provincial bonds were unsaleable in London and it was bailed out by the central government, placing considerable burdens on New Zealand's finances and creditworthiness. Worse, Southland was just the leading example of a province that had borrowed much but achieved

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61 *AJHR* 1868 B-06.

62 Lance E. Davis and Robert A. Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1860–1932* (Cambridge: Cambridge University Press, 1986), 127–9.

63 G. R. Hawke, *The Making of New Zealand: An Economic History* (Cambridge: Cambridge University Press, 1985), 106.

64 André Brett, 'A Limited Express or Stopping all Stations? Railways and Nineteenth-century New Zealand', *Journal of New Zealand Studies* 16 (2013): 131–46.

65 William Fox to the superintendent of Marlborough, 5 September 1861, *AJHR* 1862 A-3, 8–9.

66 Brett, 'Great Kiwi (Dis)Connect', 142–4. For more on Southland's wooden railway, see J. O. P. Watt, *Southland's Pioneer Railways 1864–1878* (Wellington: New Zealand Railway and Locomotive Society, 1965).

little thanks to poor decision-making. Not even large and populous provinces avoided embarrassment. An 1863 provincial select committee condemned management of road construction in Otago, especially the exorbitant costs incurred; a dispute between Wellington's superintendent and a hostile council brought public works to a standstill in 1858–61, ensuring that fertile hinterlands went without cheap transport to markets; and attempts to bridge the dangerous Waitaki River that formed the border between Canterbury and Otago were delayed for years by interprovincial bickering.<sup>67</sup>

At the same time as provincial mismanagement stalled New Zealand's development, deleterious results for provincialism were created by a combination of decisions in London and actions taken by the central government to fund the war. From late 1863 the London Stock Exchange, mistrustful of obscure colonial borrowers, chose to treat the provinces as if they were colonial municipalities and declined to quote provincial bonds. Attard's research has found the precise reasons for this course of action unclear, but the failure of the Canadian government to take responsibility for a recent default by the City of Hamilton was influential and put the colonies out of favour with investors.<sup>68</sup> Consequently, provincial loans could not be raised except at deep discounts. Worse still, when the central government floated its £3 million loan to fund the war and the *Settlements Act*, it clashed with provincial loans already on the market. The provinces were furious. The *Press* in Christchurch argued that the 'General Government has killed our credit'.<sup>69</sup> Otago failed to negotiate £650,000 of debentures in London, and Superintendent John Hyde Harris blamed competition with the £3 million loan as well as the lack of a guarantee from the central government and a perceived misapprehension by British investors of the security offered by the provinces.<sup>70</sup> These were common complaints, especially among South Island provinces eager for money to further development schemes. The *Daily News* of Invercargill repeated the charges multiple times before Southland's financial collapse became public knowledge.<sup>71</sup> Money was

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67 'Roads and their Construction', reports of select committees no. 3, *Votes and Proceedings of the Otago Provincial Council*, session 17, 1863; *Wellington Independent*, 25 April 1863, 2; *Oamaru Times*, 31 May 1866, 2; see also A. P. F. Browne, 'The Otago Goldfields 1861–1863: Administration and Public Life' (MA thesis, University of Otago, 1974), 142–8 for a discussion of Otago's tardiness in construction of roads to the goldfields.

68 Attard, 'From Free-Trade Imperialism', 512–13; 'Colonial State', 118.

69 *Press*, 31 March 1864, 2.

70 *Otago Daily Times*, 8 April 1864, 4.

71 *Daily News*, 13 April 1864, 4; 16 April 1864, 4.

now hard to obtain, and borrowers who had already proved to be bad managers were going to find it most difficult.

To compound New Zealand's financial woes, the central government encountered problems raising the £3 million loan. The Weld ministry, overly confident in the loan's success, spent money with advances from the Bank of New Zealand while Reader Wood negotiated the loan in London. Wood requested that Britain guarantee the full loan but was rebuffed; a guarantee for only £1 million was forthcoming, covering the portion of the loan for military expenses but not the *Settlements Act* scheme.<sup>72</sup> Worse followed when the first debentures were placed on sale. Only £6,100 of £1 million were bought on the first day, increasing to approximately £30,000 during the next 10 days.<sup>73</sup> The loan suffered from numerous factors, including the general state of the money market, criticisms of New Zealand during the British parliament's debate on guaranteeing the loan, and the shift of the main theatre of war to the Bay of Plenty. One of the most significant factors was, in the words of the crown agents, 'the unfortunate manner in which some of the Provincial Loans have been dealt with in this market'.<sup>74</sup>

The provinces emerged the loser from this collision of provincial public works investment with central war expenditure. The central government increased the £3 million loan's interest rate from five to six percent to make it a more attractive investment, and authority was given for £1 million of short-dated debentures to be issued at eight percent to provide a quick injection of funds. The government's overdraft with the Bank of New Zealand ballooned to £818,000, causing the bank no small measure of difficulties.<sup>75</sup> However, in fits and starts the loan was successfully raised, and by 1867 central credit had recovered.<sup>76</sup> Provincial governments, on the other hand, remained in difficulties and their public works proceeded erratically. This situation required resolution anyway – not to mobilise capital as in Attard's interpretation, but to provide sound administration of essential public works. Settlers grew impatient and began looking elsewhere for an authority with greater vision and competence. Charges of provincial governments being imprudent in their dealings and bereft of foresight in their planning were all too

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72 *AJHR* 1864 B-02, 18–19, 29–30 and 33.

73 *Ibid.*, 32, 34.

74 Crown agents Julyan and Sargeant to Reader Wood, 23 July 1864, *ibid.*, 34–35.

75 N. M. Chappell, *New Zealand Banker's Hundred: A History of the Bank of New Zealand 1861–1961* (Wellington: Bank of New Zealand, 1961), 82–85.

76 Attard, 'Colonial State', 119.

justified.<sup>77</sup> Rash development generated by inter-provincial rivalry was no basis for sensible projects, and the central government had already taken responsibility for building the colony's telegraph network.<sup>78</sup> However, the wartime demand for central borrowing meant prompt measures were essential for the colony to maintain creditworthiness. In 1865 Southland and its creditors looked to the General Assembly for a solution to the province's ills, with far-reaching consequences. The central government took on Southland's debt, with the province's land revenue impounded to cover costs. To avoid further disasters, all future provincial loans required parliamentary approval before they could receive the governor's assent.<sup>79</sup> This restriction was soon used for two small Wellington loans, allowing one to be negotiated at a better rate, but as Morrell notes, this 'offered such an obvious inducement to log-rolling in the Assembly that it might have become dangerous'.<sup>80</sup>

The time was ripe for a reorganisation of New Zealand's finances. The provinces were servicing loans valued at £2,739,000 at interest of 6–10 percent and had almost nothing to show for them.<sup>81</sup> Only Canterbury, with its tunnel nearing completion and a small railway network already operational, could claim any real success. Southland's railway was effectively inoperative, the gold rush boom times had moved to the West Coast, and the province was moribund. In the North, construction of a railway from Auckland to the Waikato was abandoned amid severe allegations of financial incompetence, while Wellington's ambitions for a railway to the Wairarapa were made ludicrous by the fact that its roads were poorly formed, public sanitation and drainage were constant problems, and only hotel lamps provided public lighting.<sup>82</sup> This crisis of debt was not an inevitable outcome rooted in structural flaws.

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77 *Wanganui Chronicle*, 3 August 1864, cited in *Press*, 13 August 1864, 3; Alfred Saunders (Nelson Superintendent 1865–67), *History of New Zealand*, vol. 2 (Christchurch: Smith, Anthony, Sellars, and Co., 1899), 127.

78 The first telegraph lines were built and operated by the provinces but early difficulties led the central government to take responsibility; see A. C. Wilson, *Wire and Wireless: A History of Telecommunication in New Zealand, 1860–1987* (Palmerston North: Dunmore Press, 1994), 27–36.

79 *Southland Provincial Debt Act*, 29 Victoria 1865, no. 68.

80 Morrell, *Provincial System*, 187.

81 *AJHR* 1868 A-09, 6. This total includes Southland's debt, not included in the official provincial figures as the debt had been guaranteed by the central government, as well as £400,000 of debentures that had been authorised but not raised and were taken up by the central government at consolidation.

82 For Auckland see *Daily Southern Cross*, 17 August 1867, 3; for Wellington see Alan Mulgan, *The City of the Strait: Wellington and Its Province; A Centennial History* (Wellington: Wellington Provincial Centennial Council, 1939), 193–4.

Administrative bungling on the provinces' behalf had led money to be frittered away on incomplete and botched projects.

The central government's solution was to centralise debt and prohibit provincial borrowing, closing even the parliamentary avenue to loans. War expenditure was happily declining at the same time as ordinary revenue was increasing.<sup>83</sup> Stafford, who resumed the premiership when Weld's ministry fell in October 1865, therefore had a good opportunity to resolve the poor credit of the provinces by using the improving credit and security of the colony as a whole. As the central government was the more powerful and creditworthy borrower, it could negotiate a consolidation of provincial and central loans on terms favourable to centralism. The consolidation offered colonial securities in exchange for provincial, with a loan raised to finance the conversion; provincial debts became charges by the central government upon the provinces that incurred them. A province's share of consolidated revenue would only be paid after the deduction of annual charges for the consolidated loan.<sup>84</sup> Further provincial loans were prohibited, even though Stafford in 1866 had forecast a reconsideration of how provincial loans would be regulated rather than a ban on them.<sup>85</sup> Powerful provinces such as Canterbury and Otago were appalled, but the London money market viewed Stafford's consolidation favourably.<sup>86</sup> The influence of gentlemanly capitalism gave centralists valuable support in the face of provincialist outrage. The power of metropolitan credit, however, was not absolute. It did not effect a transformation of the entire political system – the provinces' tasks had not been circumscribed and they possessed other revenue streams through customs, rates, fees, and licences. They were also free to implement direct taxation but never did so – the political culture of the time made this option unpopular during the 1860s and New Zealand's first direct tax was not introduced until after abolition in 1878.<sup>87</sup>

Centralisation of debt solved immediate problems and stopped reckless provincial borrowing from damaging central creditworthiness, but it ignored underlying problems with the system. Likewise, by emphasising borrowing rather than public works, even the most perceptive analyses

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83 Rutherford, *Grey*, 565.

84 This scheme was enshrined to two associated acts – the *Public Debts Act* and *Consolidated Loan Act*, 31 Victoria, nos 89 and 90); for an extended analysis of the consolidated loan proposals and debate, see Morrell, *Provincial System*, 184–9.

85 *Nelson Examiner*, 30 August 1866, 3.

86 Edmund Bohan, *Edward Stafford: New Zealand's First Statesman* (Christchurch: Hazard Press, 1994), 251.

87 Scotter, 'Canterbury 1857–68', 132–3; Jonathan Barrett and John Veal, 'Land Taxation: A New Zealand Perspective', *eJournal of Tax Research* 10, no. 3 (2012): 576–7.

also overlook these problems. The burden of debt was symptomatic of public works inadequacies, and the difficulties of mobilising capital only came after mismanagement made the provinces look like a risky investment at a time of pronounced caution on the market. Worse still for the provinces, by attempting to sate substantial settler demand for public works via borrowing rather than other methods, they ran into competition with central war loans. When the failure of major public works threw impecunious provinces at the mercy of the central government, it was easy to revoke provincial power. In essence, trust in the provinces' administrative abilities had evaporated.

However, having shaped the timing of the prohibition on provincial borrowing, the significance of war to centralisation dissipated. Ballantyne argues that

[w]ar not only enlarged the centralised state but also shifted political influence away from the provinces. In 1870, Julius Vogel, the Colonial Treasurer in the new government established by William Fox in 1869, set before the House an ambitious new programme of state-driven development.<sup>88</sup>

This jump from war to the Great Public Works Policy cannot be justified. As indicated above, problems of public works were entirely of the provinces' making and required resolution anyway. The question was more fundamental than Attard's focus on who could raise greater loans or – as Ballantyne and Dalton would have it – whether war had shifted the centre of political gravity; it was a question of administrative ability and vision. The necessity of large-scale public works was apparent, but the provinces' sustained inadequacy and incompetence indicated they might not be the most capable body to fund and oversee such projects. Vogel emphasised in 1870 that 'the time has arrived when we must set ourselves afresh to the task of actively promoting the settlement of the country'.<sup>89</sup> Accordingly he proposed a national railway network, major trunk roads, land purchases and immigration, to the tune of £10 million. The key provincial tasks now became central responsibilities. Metropolitan credit was a component of this policy – included in the package of legislation that passed parliament was a £4 million loan – but what attracted electors and made the difference in determining the fate of provincialism was the vision offered by Vogel. In the words of the

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88 Ballantyne, 'The State', 117.

89 *New Zealand Parliamentary Debates* 7 (1870), 102–08.

*Otago Daily Times*, the Works Policy was a 'social revolution' and '[t]he current of our history ... [has] entered into a new channel'.<sup>90</sup> The debate between provincialism and centralism was effectively over. As the *Daily Times* put it, 'Provincialism is virtually abolished. Its utter disappearance is a mere question of time'. Local plans conceived by narrow interests gave way to a policy of national breadth, attended by a substantial transfer of authority from provincial to central level. The provinces had been stripped of their main responsibilities after their administrative abilities were found wanting and, as a consequence, the justification for their existence became very flimsy.

Provincialists retaliated vigorously and although they won individual battles, the cause was lost. Vogel, an astute politician, recognised by 1874 that public opinion had turned decisively against provincialism and that abolition would provide a truly national basis for his grand public works vision.<sup>91</sup> The 1875–76 election was fought entirely as an ideological battle: abolition versus provincialism. Electors did not vote for centralists on the basis of financial data or assumptions about the power of markets, nor were they motivated by a war that had ended a few years previously; they made their decision on the basis of their judgement about which level of government had provided them with the trappings of modernity. The Works Policy captured the Pākehā imagination – finally an authority was taking action to satisfy settlers' needs. The national railway network grew quickly, from 74 kilometres in 1870 to 872 in 1875.<sup>92</sup> Over a third of New Zealand's entire railway network was built in the 1870s. The Works Policy's progress and the central government's success were apparent as railway tentacles stretched from towns in every province into neglected hinterlands. Regional areas consistently returned abolitionist candidates, as did smaller provinces. Only Auckland and Otago resisted, and even their support for provincialist candidates sometimes requires qualification.<sup>93</sup> The electorate's verdict was clear: provincialism was rejected, and the *Abolition Act* came into operation on 1 November 1876.

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90 *Otago Daily Times*, 14 September 1870, 2.

91 Raewyn Dalziel, *Julius Vogel: Business Politician* (Auckland: Auckland University Press 1986), 173–4.

92 *New Zealand Official Yearbook*, 1894. Another 747 kilometres were under construction in 1875.

93 Southland, for example, was abolitionist, but elected provincialists in the hope they would secure a superior form of local government in the wake of abolition, or would make Dunedin more responsive to Southland's complaints if abolition failed (Olssen, 'Loyalty and Localism', 87).

## Conclusion

The role of war in New Zealand's centralisation was largely confined to influencing the timing of debt consolidation. Problems with the provision of public works and development that prompted electors to abandon provincialism existed independently of war. This does not mean warfare was irrelevant to provincialism, but its direct effects were few. It destabilised Taranaki, creating an extra burden on the system, and the *Settlements Act* was a harbinger that central and provincial governments would struggle to work together. However, the poor execution of the *Settlements Act* reflected badly on both tiers of government and the measure did not achieve any substantial transfer of power. Other central attempts to usurp provincial authority, such as the construction of public works for primarily military purposes, were of little significance or limited applicability. Warfare's greatest contribution to centralisation was through the collision of provincial and central loans in London, which deepened the provinces' borrowing woes and heightened the need for a resolution. Nonetheless, this was just one step on the road to abolition: the refashioning of New Zealand's political institutions was not an inevitable result of any structural incompatibility with metropolitan credit markets but primarily a response to provincial maladministration.

Leaping from warfare to the Works Policy is unwarranted, as public works failures provide a direct path to Vogel's momentous proposals. Mismanagement of and reckless borrowing for provincial public works achieved little, and when the provinces were stripped of borrowing powers in 1867 the door to centralisation was already open wide as provincially-administered infrastructural development stagnated. Vogel did have an eye on pacifying the central North Island through public works and the spread of Pākehā civilisation, an objective he increasingly emphasised later in life.<sup>94</sup> However, his primary emphasis in 1870 was stimulating the work of colonisation that the provinces had botched, and this emphasis captivated New Zealand. It is unnecessary to assume the forces of gentlemanly capitalism were the primary mover; local events were more than sufficient to convince electors that the provinces had outlived their usefulness. The provinces were doomed by their own failures, not by war or markets, and became ensnared by the compression of time and space created through a successful central program of development.

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94 Dalziel, *Vogel*, 105–6.

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