

opinions which might conflict with the decisions of such a tribunal, the highest in point of honour and intelligence to which any question can be referred; but they nevertheless feel that this is a subject upon which the accident of their position gives them advantages which no other body of men enjoy, and necessarily confers upon their views in relation to this subject, all the weight which must attach to a more complete knowledge of details, and to local and personal experience.

And although the question of the character of the New Zealand Company's early proceedings and their relation to the British Government on the one hand, and to the colonists on the other, must be considered for all practical purposes as set at rest, still your Committee consider it to be a subject in itself of so much interest, and so intimately related to the origin of the subject matter of their Report, that they venture to submit that it is a question upon which the first Representative Body assembled in New Zealand ought to express an opinion.

Your Committee, although they have devoted much time and attention to this part of their subject, which involves a most extensive field of enquiry, and reference to very voluminous and conflicting documents, feel themselves reluctantly compelled to abandon the idea of presenting their conclusions to the House in that detailed and careful form which they would have wished them to assume, had not the very short space of time at their disposal rendered this impossible.

As brief summaries of their enquiry, supported by local knowledge, they venture, however, to submit to the House the following conclusions at which they have arrived. Firstly, that the alleged capital of the Company was not a *bona fide* paid up capital, but that of the first sum of £100,000 the large sum of £60,000, or more than one-half, represented the land claims and interests of former New Zealand Companies, which, with the exception of a ship and outfit estimated at £15,000, may be said to have been of no value whatever. In 1841, the New Zealand Company, in a letter to Lord John Russell, admitted that the only land to which it could even prefer a claim as derived through these former associations was "a tract on the Hokianga River, claimed in virtue of a contract made with Lieutenant M'Donnell, and two islands at the mouth of the Thames, claimed in virtue of a contract with the New Zealand Company of 1825" It is thus evident that one-half of the original capital of the Company had, with the exception of the item referred to, no real representation whatever.

It further appears that the New Zealand Company distributed among its shareholders the large sum of £44,000, paid, it is to be observed, not out of the profits of the undertaking, but out of the capital.

These two items constituting a sum of £89,000 ought not to be overlooked, when the Company alleges, as it repeatedly did, to the British Government that it had sunk the whole of a very large capital in the colonization of New Zealand.

The position of the Company in the Colony, as affected by their agreement with Lord John Russell in 1840, is a point which has also occupied a considerable share of the attention of your Committee. On this point they would beg to remark that it appears from the third Report of the Directors of the Company that that agreement was in the first instance understood by them as placing them on precisely the same footing as any other private individual, according to which rule, it would have been entitled, out of the lands over which it had extinguished the Native title, to a grant of land, which, in the special case of the Company, was fixed at four times as many