

surey are informed that Lord Grey proposes in the event of the Company surrendering their Charters, to "take the Company's property at a value now to be fixed, together with all its liabilities . . . The present liabilities of the Company will then be entirely discharged, with the exception of a very small balance which may, on a settlement of some disputed accounts, be found due to the Nelson settlers over and above the £25,000, hereby proposed to be provided for that purpose."

In another part of the same letter, Mr. Stephen says—

"The Land to which the Company is now entitled in New Zealand consists of 1,073,583 acres; and as during the next three years it is to have the disposal of the whole of the Crown Lands of the Southern Government it is clear that it could and would carry on its operations during that period without materially diminishing the amount of what may be regarded its private property. The land, therefore, must be taken at its present amount."

It is quite evident, in fact, from the above extracts, and from the whole tenor of the correspondence and the terms of the Act of Parliament, that the debt fixed on the Colony was considered money due for what in commercial language is termed value received; and although the amount was calculated three years before the contingent event of the Company's property being surrendered to the Crown, still it is evident that the Crown was not led to contemplate that any reduction of its value would take place in the interim.

Your Committee now proceed to inquire what were the land liabilities of the New Zealand Company in 1847; and further, what amount of land has it been necessary up to the present time to alienate, in order to satisfy the land contracts of the Company.

As regards the Company's position towards its land purchasers in 1847, it is impossible to suppose that it was not aware that a very great amount of dissatisfaction existed on the part of those who held its land orders, and that it was liable to be called upon to make contracts good to a large extent, and to grant compensation to persons who had been unable to obtain possession of the land they had paid for. At the close of the year 1846, the period up to which the Company had advices from the Colony, while it was entering upon a negotiation for an advance of money from Her Majesty's Government, there were loud complaints both from the settlers of Wellington and Nelson of the non-fulfilment of the Company's contracts. Petitions and complaints had been addressed from both its principal settlements to Parliament as well as to Broad-street Buildings, and individuals in ruined circumstances returned from New Zealand upon the Court of Directors, making loud complaints of the disappointment and sufferings they had encountered, and demanding reparation for their losses. In April, 1845, Mr. Buller writes to Lord Stanley—

"The Colony which, of all ever planted by Great Britain, for a while exhibited the most successful start and the most steady progress, is now in a state of absolute ruin. It is distressing to her the tales of individual disappointment and woe which reach us every day. All emigration to New Zealand is stopped: the first colonists are quitting it as fast as they can."

The condition of things thus graphically depicted by Mr. Buller had undergone no change in the year 1846, and its real cause was the inability to the Company to give its purchasers possession of their land. How, in the face of such a state of things, the Company could have asserted that it was possible for it to transfer its landed estate to Her Majesty's Government without serious diminution of its value on account of its unsatisfied engagements, your Committee are altogether at a loss to understand. So far from the Company's estate sustaining no diminution of extent or value, the actual re-