

New Zealand.

HOUSE OF REPRESENTATIVES

REPORT OF THE COMMITTEE ON THE NEW ZEALAND COMPANY'S DEBT.

THE Select Committee appointed to enquire into the origin, nature, and extent of the just claim, if any, of the New Zealand Company upon the Colony of New Zealand, after having duly considered the matter referred to them, and having taken evidence thereon, have agreed to the following report:—

Your Committee are unable to determine with precision the actual amount due by the Colony to the New Zealand Company. On the 30th June last, allowing the capital sum of the debt to have been increased by four years interest, and reduced by payments of one-fourth of the proceeds of the land sold up to that period, the amount of the debt would be £265,670. But the land fund accounts of the Province of Wellington for the quarter ended the 30th June have not as yet been received at the Audit Office, so that in arriving at the above estimate of the debt, it has been necessary to assume them at £6000; and upon that assumption of receipts, the above calculation has been made.

Your Committee are of opinion that the debt to the Company can only reasonably be regarded as an equivalent in money at 5s. an acre of a certain number of acres assumed to be surrendered to the Crown for the service of the Colony.

Their first enquiry was therefore naturally directed to the amount of land actually surrendered to the Colony, its value and location; and incidentally they found their attention inevitably directed to the train of events which resulted in the agreement of 1847 with Lord Grey, both as connected with the history of the early transactions and claims of the Company in this Colony, upon which a claim to compensation was preferred and admitted, and also to the representations made to the Colonial Minister in 1846, immediately anterior to the arrangement effected, to which a legal form was given by the Company's Colonization Act, and subsequently by the Constitution Act of 1852.

The House is of course aware that the early transactions of the Company were the subject of enquiry of a Committee of the House of Commons, in 1844, of which Lord Howick was Chairman, and which pronounced a verdict substantially in favour of the Company.

Your Committee feel the greatest diffidence in giving utterance to any

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

acres as the Company should be proved to have expended pounds sterling upon purchase of lands, emigration, and other beneficial public works. But, when the result of the enquiry of the Land Claims Commission came to be known, the Company appears to have taken up this position, that it was the duty of the Government to put them in possession of the land awarded in virtue of their expenditure, without reference to the validity of their assumed purchases. Upon this subject your Committee beg to make the following remark:—That the British Government, in assuming the sovereignty of these islands with the concurrence of a great proportion of the Native Chiefs had engaged to respect the rights of the Natives in the land; and however questionable the policy of this agreement may have appeared to persons living at a distance from the Colony, the circumstances of the Natives—their views of right in relation to land—their number, possession of arms, courage and skill in war, and knowledge of the country, together with the comparative ease with which they could subsist in the wilderness—rendered impracticable, except at a sacrifice against which the whole Christianity and common sense of Britain would have protested, the application of any other principle than that of purchase to the transactions by which land for colonizing purposes was to be acquired in New Zealand.

The letter of the Secretary of the Company to Lord Grey, dated 23rd of April, 1847, if read with reference to the views just laid down by your Committee, would not, it is presumed, have been accepted by Lord Grey as a document establishing on the part of the New Zealand Company a large claim to compensation at the hands of the British Government. In that letter, the whole losses of the Company and the failure of its colonising enterprises are attributed exclusively to the conduct of the Government both in England and in the Colony. Without seeking to justify in all points the conduct of the Government, your Committee consider themselves warranted in asserting that the Company's losses were mainly attributable to its own proceedings, characterised as these were in many respects by rashness and maladministration.

Your Committee will not offer any remarks upon the four distinct breaches of agreement alleged against the Government by the New Zealand Company; not because they have not formed their opinion with regard to the justice of these, but because the evidence of the case is to be found in printed documents, accessible as well to inquirers in the mother country as to the colonists of New Zealand; and for this reason as well, that they have already laid down a principle which, if kept in view, must establish this conclusion, that without means and power which they did not possess, it would have been impossible for the Governors of New Zealand to do that which the New Zealand Company complained that they did not do, viz., put them in possession of the land they claimed. They will only further allude to some statements contained in the Company's letter of grievances which appear to them disingenuous and which, as residents in the Colony, and cognizant of the facts, they feel themselves in a position to contradict.

The Company charges upon the Local Government the massacre of the Wairau—the misery and destitution of its labourers—and the crime of having, by unjust and ill-judged proceedings, “involved first the Northern and then the Southern districts in insurrection and bloodshed.”

These different statements appear to your Committee unfounded.

It is with great pain and reluctance that your Committee refer to the melancholy affair at Wairau in 1843, nor is it with the smallest intention of casting any reflection upon the memories of the men who fell there, whom they believe to have been men of high and generous character, and actuated

by honest motives, although, from their ignorance of the native character, almost necessarily mistaken.

But your Committee cannot admit that the responsibility of the massacre of the Wairau rests with the local Government, or that it has any necessary connexion with the selection of the site of the Nelson Settlement. There can be no doubt of the fact that the massacre of the Wairau was caused by the Agents of the Company attempting to take possession of a district, with regard to which, the natives always denied that they had sold it; and although the local Government may seem to be implicated in the matter, inasmuch as its representative the Police Magistrate headed the expedition, it is nevertheless perfectly notorious that the Company's agent was the real instigator of that expedition which led to such lamentable results. The Native War in the North there is every reason to believe was occasioned by the success of the natives in their conflict with the white men at the Wairau. In consequence of that success, the superstitious feeling with which the natives had previously regarded the power and the law of the white man was destroyed: the jealousy of the natives on the subject of their territorial possessions was indefinitely stimulated, and a feeling was created which prompted the restless and turbulent among a race of savages fond of the excitement of war, to seek to emulate in another field what they considered to be the triumph of their countrymen.

In fact, instead of deducing the Native Wars from the proceedings of the local Government as their sole or principal cause (the position assumed by the New Zealand Company), there appears to your Committee greater reason to say that the first conflict between the settlers and the natives was precipitated by the conduct of the Company and its Agents.

One other ground now only remains for your Committee to advert to: the charge against the local Government of having occasioned the destitution of the Company's labourers. The best answer to this charge is the fact that at Nelson, in Blind Bay, where the greatest amount of destitution and suffering among the Company's labourers occurred, there never was any hindrance on the part of the natives to the occupation of the land by the settlers.

In so far as that field of settlement extended, the Company was entirely unobstructed in its operations, and its failure there and the misery of its settlers are mainly chargeable upon its own mismanagement and the utter unfitness of the scheme of colonization attempted to be carried out, as applicable to the peculiar features of the Colony.

So long as the Company attempted to carry out that scheme, and actively interfered in the affairs of the Settlement, money was squandered—labour was misapplied—there was no production and no vitality—and the dawn of progress, healthfulness, and production, dates from the day when the Company's works were suspended, the Company's system of colonization abandoned, and working men placed upon allotments of land.

A still further impetus was given to that Settlement when the Company at the instance of the settlers agreed to a remodification of the scheme, and a large amount of land doomed under the lottery system to remain a wilderness, was thrown open to profitable occupation. But when the Company charges the local Government with the misery and destitution of its labourers, it must not be forgotten that under imperative orders from the Company its Agent at Nelson, upon four days notice, discharged upwards of three hundred labourers, who, with their wives and families, were entirely dependent upon it for subsistence, a considerable number of these men actually holding in their hands formal engagements on the part of the Company to find them employ-

ment when they could not find it elsewhere. The suffering consequent upon such a proceeding may be imagined, but can hardly be overstated; and yet there was at that time no hindrance from any quarter to the occupation of the soil, and the same area of country now supports in affluence a population nearly three times as great as at the period referred to. Surely, then, the destitution which prevailed, and the general failure, must be mainly attributable to defects in the system adopted, or in other words, to the proceedings of the Company itself and its Agents. At the Settlement of New Plymouth there was also a great amount of misery and destitution among the Company's labourers. It may be sought to charge this upon the acts of the Government; but the letters of the Company's Agent are before the world, in which he details to his superiors how, regardless of the sufferings of the laborers, he endeavoured to evade the fulfilment of a legal contract by sending the men great distances into the country, which, however, did not prevent them from returning upon him in want and wretchedness.

Your Committee, after passing in review the conduct, the engagements, and the position generally of the New Zealand Company prior to the arrangement entered into between it and Lord Grey in the year 1847, have felt themselves fully justified in concluding that the statement of their losses made at that time was exaggerated, and that the failure of their enterprise, with the consequences flowing out of that failure are mainly to be charged to the acts and neglects of the Company itself.

Turning now to the arrangement of 1847, your Committee find that in April of that year, the date of the Company's Colonisation Act being the 23rd July of the same year, the New Zealand Company addressed the Secretary of the Colonies, and after stating the grounds upon which the Company rested its claim to compensation at the hands of Government, proposed for his acceptance as an alternative "either the payment of a sum of £250,000, together with the addition which might be decided on as the amount of loss alluded to above as not yet estimated, leaving the Company's engagements to be satisfied out of these sums and the proceeds of its lands, or the transfer to the Government of the 1,073,000 acres of land to which the Company has at present a right, together with an obligation to satisfy the engagements of the Company as above stated in this country and New Zealand." What these liabilities were is to be gathered from a preceding paragraph, in which it is stated—

"These liabilities consist of the sum which the Company owes to the purchasers of its lands, of other sums owed by it to the Government and other parties, and of the paid up capital of the shareholders with interest thereon as above computed."

It is to be observed that no intimation is here given to the Secretary of State that the amount of the Company's land was liable to serious diminution to meet claims and contracts for the delivery of land at that time unsatisfied. Lord Grey's reply to that letter exhibits clearly his view of the nature of the transaction upon which he was entering:—

"The liabilities to third parties consist of the sum which the Company owes to the purchasers of its lands; of other sums owed by it to the Government and other parties; and of the paid up capital of the shareholders with interest thereon as above computed." "The liabilities to third parties," he writes, "will be none but those to which the Company shall, with the assent of the Government have subjected itself during the same period, together with what Lord Grey is assured can only be some small amount of debt, which may possibly be found due to the Nelson settlers, or a settlement of some accounts of which the balance cannot at present be exactly ascertained."

Lord Grey's views are still further exhibited in Mr. Stephen's letter to Mr. Trevelyan, dated May 6th, 1847. In that letter the Lords of the Treas-

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-

sult has been, according to evidence taken before your Committee, that up to the present time it has been necessary to alienate a large quantity of land, close upon 180,000 acres, in order to fulfil in a just spirit contracts entered into by the New Zealand Company many years ago, but which, even at the date of the surrender of its charter, it had failed in carrying into effect.

The value of the land thus alienated your Committee have some difficulty in ascertaining with precision; but looking not only to the nature of the land actually surrendered to the Colony by the New Zealand Company, but also to the right of selection of the remainder surrendered at the same time, it is perfectly clear, and your Committee has it in evidence from competent authority, that the inevitable effect of the selection of the compensation land has been most materially to diminish the value of the unselected portions. It must be borne in mind that by the terms of its agreement with the Government, the Company was bound to select its land under Mr. Pennington's award, in blocks generally of the size of 30,000 acres, and of rectangular shape, with a given proportion of the sides. Blocks thus selected in a country of broken surface like New Zealand will, as a general rule, contain along with some land of high value much that is of inferior quality and comparatively worthless, and the inevitable operation of a selection of portions of such blocks is to diminish most materially the value of the remainder.

Your Committee consider that a price of ten shillings an acre upon the land thus selected will certainly be within its value, and in putting this price upon it they are guided not by its actual and present selling value, but they bear in mind the price per acre at which the Company's land was taken by the Government, viz., five shillings an acre all round.

Your Committee consider that, having regard to the fact that the best portions have been picked out, and the value of the remainder consequently deteriorated, the price which they have assigned to the portions alienated will be admitted by the House to be certainly within the mark. The money value of 180,000 acres will accordingly amount to the sum of £90,000. But, in addition to this, it is to be borne in mind that the cost of surveying this land has also fallen upon the Colony, and this expense, together with the expenses attending the investigation of the claims and grants thereon, which your Committee have also in evidence, can not be reckoned at less than twenty thousand pounds (£20,000).

And it must further be borne in mind that the process of carrying out the Company's contracts is not yet completed. Fresh claims daily arise, which can only be duly satisfied by an award in land, and a still further diminution of the number of acres which the Company has pretended to hand over to the Crown for the service of the Colony, and upon the value of which the debt was originally computed. So that, in fact, the process which has been going on is this—This Colony has been compelled to purchase a certain number of acres from the New Zealand Company, but out of the estate so surrendered to it, it has been found necessary to give up a large portion to satisfy outstanding liabilities of the Company.

Your Committee feel assured that the injustice of this proceeding must be manifest to every one; and that, as a measure of the merest equity, a re-adjustment of accounts ought to take place, and the debt charged upon the Colony be at all events reduced to an amount corresponding to the real value of the property which the Company has surrendered to it.

But there is another feature of the case upon which your Committee feel it their duty to offer a few remarks. It will be in the recollection of the House that the Company was charged in Parliament with having concealed from Lord Grey, in 1847, facts which it was their duty to have communicated to him, and thus by a process to which it is impossible to apply any other term than that of

fraudulent, to have obtained from him the arrangement which resulted in the Colonization Act of 1847, under which Parliament advanced a large sum of money to the New Zealand Company, and the debt which the Colony is now called upon to pay was contingently saddled upon it. It was maintained in Parliament, by Sir W. Molesworth, that the Company obtained from Lord Grey these terms so favourable to itself by carefully concealing from his Lordship the amount of its liabilities, although it had promised to lay them before him in the most open and unreserved manner; and it was at the same time maintained that the Company had practised a gross deception on its land purchasers at Nelson by withholding from them all knowledge of a legal opinion which the Company had announced to the Nelson settlers that it was about to obtain with a view to the mutual adjustment of the differences between them, but which opinion, when obtained showed that the Company was liable to return to the Nelson land purchasers their original purchase money with interest and compensation for losses; and further, that while they concealed this opinion, they made use of a second opinion, favourable to themselves, obtained under questionable circumstances, in order to induce the Nelson purchasers to assent to a compromise of their legal rights. The documents illustrative of this subject will be found in the Parliamentary papers, ordered by the House of Commons to be printed on the 1st July 1852.

On the first part of this charge, viz., the deception practised upon Earl Grey, it is not the intention of your Committee to offer any remarks. The correspondence on the subject is before the world, and your Committee feel themselves unable to add anything to a charge which in their opinion is substantially and fully proved in the letters of Mr. Cowell to Lord Grey; but as regards the fraud practised on the Nelson settlers, they are enabled to speak with the authority which must attach to personal experience, and opportunities of obtaining evidence upon the spot.

It is not, however, the intention of your Committee to follow this matter into all its details; for these they would refer the House to the evidence they have taken, but they submit to the House the following propositions as capable of complete and unanswerable demonstration.—

1. That the first legal opinion obtained by the Company and in favour of the claims of the Nelson settlers was not made known to them as promised.
2. That the Company's principal Agent did in Nelson, in 1847, read to the Nelson land purchasers extracts from the second legal opinion, which went to show that they had no legal rights.
3. That the arrangement finally come to between the Company's Agent and the land purchasers was most substantially affected by the promulgation of that legal opinion, and in particular it was in consequence of the effect produced by it that an arrangement was finally come to by which the Nelson land purchasers agreed to take land alone as compensation for their losses, instead of land or money at their option, which, in the original agreement agreed to by them on the proposition of the New Zealand Company, was the condition expressed in the second of the Resolutions of July, 1847, which are to be found in the papers laid before Parliament relating to New Zealand.

The last points to which your Committee have directed their attention have been the amount placed by the Imperial Parliament at the disposal of the Company, originally by way of loan, and eventually by way of grant, for colonizing purposes, the objects of such grants, and their application.

Your Committee have regarded these grants as having been made by Parliament, in great measure with a view of promoting the colonization of these islands—and viewed in that light, they form a legitimate subject of enquiry for this House. The application of these large sums (amounting together to £236,000) could only be ascertained with accuracy by examination of the Company's ac-

counts. That to some extent the application of them has been at least questionable, appears from the fact that the Government Commissioner himself disapproved of it.

Your Committee have themselves investigated, as well as they could, the Company's accounts, from which they gather the following facts:—

1st. That out of the Parliamentary grants a considerable sum was lent by the Company to its own shareholders, and lost.

2nd. That other large sums were laid out, ostensibly in the purchase of private estates (an object which does not appear to have been in contemplation by Parliament), but really to buy up troublesome claims for compensation—a matter purely concerning the Company's private interests.

3rd. That further sums of considerable magnitude were appropriated by the Directors of the Company amongst themselves, on account of past fees. Your Committee make no remarks upon this item, except that it does not appear to them as properly coming within the objects of the Parliamentary grants.

Upon the whole, your Committee are of opinion that there is sufficient ground for urging on the Imperial Parliament and the Home Government a claim for relief in respect of the Company's charges on the Land Fund.

Your Committee feel assured that the House will disavow, with perfect truth and earnestness, any desire to repudiate a claim which the Company can fairly establish against the Colony in virtue of property surrendered to it. But with equal earnestness and justice, they conceive that it becomes the Colony to protest against a debt fixed upon them on calculations proved to be utterly fallacious, under circumstances justifying more than a suspicion of disingenuous suppression of the truth, and by the operation of which they are burdened with the payment of a large debt, a very considerable portion of which is certainly unrepresented by any assets.

The practical mode in which this may be best done appears to your Committee to be, by this House forwarding Addresses to both Houses of Parliament as well as to Her Majesty, praying that a Parliamentary enquiry may be instituted into the nature, origin, and circumstances of the Company's claim, with a view to ascertaining what amount of that debt is justly chargeable on the Colony, or whether, having regard to the circumstances in which it originated, the Colony, ought not to be entirely relieved from it.

In conclusion, your Committee beg to express their regret that the great press of business this Session, the actual physical impediment in the early part of it, the interruption to the labours of the House occasioned by the prorogation, and the short time finally allotted to them to complete labours of very considerable magnitude, have prevented them from bestowing more care on the preparation of this Report; and in particular from taking that amount of evidence which might have been desirable. But they submit that their report, though not entering with fulness of detail into all the ramifications of the subject, does not seek to establish any proposition which is not capable of demonstration; and as far as it goes, they submit it to the House with a confident reliance upon the accuracy and justice of the positions, sought to be established by it.

ROBERT HART,

Chairman.

MINUTES OF THE PROCEEDINGS OF THE COMMITTEE ON THE NEW
ZEALAND COMPANY'S DEBT.

MEMBERS OF THE COMMITTEE:—

Messrs. Fitzgerald,	Messrs. Macandrew
Forsaith,	O'Neill,
Greenwood,	Picard,
King,	Monro,
Ludlam,	Sewell,
Mr. Hart, Chairman.	

Committee met on Wednesday, 5th July, 1854.

Present :—Messrs Hart (in the chair), Picard, Forsaith, King, O'Neill, Macandrew, Monro, Ludlam.

The Hon. Francis Dillon Bell, Esq., was also present to give evidence. In answer to the preliminary questions of the Chairman, he described himself as Commissioner of Crown Lands, of Wellington.

The Chairman then asked :—

Have you had any, and what opportunities of becoming acquainted with the extent of land in the colony, exclusive of the Province of Auckland, the native title to which had been extinguished prior to the surrender of the New Zealand Company's charter ?

I have, in the course of my various occupations, 1st, as an officer of the Company, and speaking without opportunity of referring to official documents, and dealing for practical purposes with round numbers, I may say that the native title to the greater portion of the middle island, excepting, indeed, some claims since extinguished in the Nelson and Otago Provinces, was extinguished prior to the the surrender of the Company's charter. But with respect to Wellington, speaking also in round numbers, the extent of land to which the native title had been extinguished was under 400,000 acres, and that in New Plymouth the amount was under 50,000 acres, I believe, under 40,000.

Can you state in round numbers the number of acres in each Province, distinguishing, if practicable, the different Districts ?

In the middle island the districts in which the native titles were extinguished, were Nelson, Canterbury, and Otago, and in the North Island, Wellington and New Plymouth.

Do you know if any land has been parted with by the New Zealand Company since 1847 ?

A large quantity, close upon 180,000 acres, including all the claims of compensation, settled up to this time.

Have you had any, and what opportunities of becoming acquainted with the amount of land which has been awarded to the purchasers of land from the Company in satisfaction of their claims for compensation ? Can you state what amount of these lands have been selected, distinguishing the provinces and districts ?

I have put in a statement in answer to this question, and with respect to Nelson and New Plymouth will obtain information. No compensation has been awarded in Canterbury and Otago, but a small portion of the other compensation land, under 1,000 acres, has been selected in Canterbury Province.

In the selection of these lands, has any attempt been made to maintain the value of the residue of the land in these districts, or have they been selected so as to reduce the average value of the remaining lands.

The unavoidable result was so as to reduce the average value of the remaining lands, by reason of the most available land in the various Settlements having been placed at the disposal of the compensation grantees. Some attempt was made to maintain a fair system of selection, but the obvious result was, where the quantity of available land was so limited, to depreciate the value of the remainder.

Can you state what will be the probable final expense in surveys for the purpose of completing the contracts of the New Zealand Company?

I made a calculation that the probable whole expense would not be much less than 20,000*l.* I am speaking of the expense subsequent to the surrender of the Company's charter and their giving up possession of the lands; in the Province of Wellington an expensive surveying staff has been kept up for the last three years, and almost wholly occupied with surveys connected with the completion of the Company's contract.

Has that expense been increased by the acts or omissions of the Company or its officers or any of them?

I should say very largely increased by the omission of the Company to execute the surveys which it ought to have completed before it surrendered its charter. The Company's officers executed all the surveys for which the Company provided funds before that surrender; but that was much the smaller portion of the whole.

Will you state what, in your opinion, was in England the supposed selling price of land in New Zealand when the rate of 5*s.* per acre was fixed upon by the British Government for the purchase of the whole land of the Company, to be charged as a debt with interest?

It varied, in different parts of the Colony, from 20*s.* to 40*s.* per acre. The Government price was 20*s.*, and the Company had different prices in the different Settlements, selling price now varies from a minimum price of 5*s.* per acre under the Government regulation now in force, to a maximum of 5*l.* per acre, under the Regulations of the Canterbury Association. I allude, of course, to rural land only, and not to town and suburban land, the maximum of which I speak is in force within a block of 2,500,000 acres at Canterbury, being the original block of the Association; but the lower price of 5*s.* and 10*s.* per acre prevails over by far the greater part of the Crown Lands of the country, if the selling prices are maintained, and the proportion of the gross proceeds of sale reserved for the Company be also maintained, the burden of the debt will fall unequally on the different Provinces.

Do you know any other circumstances tending to increase or diminish the Company's claim?

I know of none whatever to increase it; but I have always thought it altogether monstrous that any portion of the Company's claim should be maintained in respect of that land which it had given away in compensation, subsequent to the passing of the Act by which the claim was established. I also consider that the whole expense of completing the contracts of the Company throughout its Settlements, being in fact the principal object for which Her Majesty's Government made the arrangements of which that Act formed a part, and which provided for very large advances of money to the Company from the British Treasury, ought to be in equity and fairness deducted from the Company's claim, for I am quite sure, having myself an intimate knowledge of the circumstances as they appear in official records, that if the Parliament and Government had known that the Company would both fail in completing its contracts with the settlers, for doing which they received the money, and would grant away, without consideration, a large proportion of the land in respect of which the charge was created, the Colony would never have been placed in the position which the Acts of Parliament, creating the charge, have placed it at the present time. Another ground of diminution in the claims arises from the fact, that while the Colony has now to bear the whole future expense of extinguishing the Native title, the Company still receive a fourth of the gross proceeds of sale of that land, without making any contribution towards the cost of acquisition. Thus, if a district cost 10,000*l.*, to buy from the natives, and sold for 40,000*l.*, the Colony would have to pay 20,000*l.*, besides the whole cost of administration and survey, before receiving any portion for its own use. On the two first items of compensation land and expense of surveys there should be a reduction of not less than 60,000*l.* of the debt. As to the latter question of contributing towards the extinction of the Native title, I can form no calculation of what would be a fair reduction, but it certainly would be a large one; for I think it obviously fair that wherever any money was paid to the Company from the proceeds of sales of land purchased from the Natives since 1830, the Company should also bear part of the cost of acquiring that land. I think the imposition of the Company's debt without such a contribution on land acquired from the Natives since the time when the charge came into operation most unjust.

By Dr. Monro :—Can you inform the Committee what was the amount of land over which the Native title was extinguished by the New Zealand Company in May, 1847?

I will endeavour from memory to do so : in the Province of Otago there was a block of 400,000 acres ; in Nelson, the Blind Bay and Wairau Districts, which might contain 100,000 acres ; in Wellington there was none to which the native claim was finally settled, though towards the end of 1847 arrangements were completed by Col. M'Cleverty for acquiring about 300,000 acres, the negotiations for which were very forward in May : at New Plymouth, the quantity was about 30,000 acres.

The Company's estate then actually acquired, and in process of acquisition, would appear to be about 850,000 acres?

Yes, at the time named (May, 1847).

In your opinion, could the Company have fulfilled its contracts with its land purchasers, out of lands to which it had itself extinguished the native title?

Certainly not.

The large purchases in the Middle Island to which you have referred, were made by the Company, acting as the agents of the British Government, and with money advanced by Parliament?

They were, in point of fact, made by the Government in every case, and though the Company nominally paid the purchase money, the British Parliament provided it ; for the Company were admittedly insolvent in 1845, and all the purchases from the Natives which they paid for since that, were paid for out of Lord Stanley's loan of 100,000*l.*, or Earl Grey's loan of 156,000*l.* and not with any money raised by the Company itself,

Were you in Nelson in July, 1847?

Yes.

You took part in the adjustment of the land question at that time, made by the resident land purchasers?

Yes.

Have you any knowledge of Colonel Wakefield having brought over with him a legal opinion by which the Company was advised that it was under no legal liability to the Nelson Settlement?

I believe he did.

Did you hear anything at the time of the Company having received an adverse opinion?

No, nor till long after : nor if I had heard of it should I have taken the part I did in the adjustment, and I believe I may say, as Chairman of the Committee of Land Owners at the time, that none of them would either.

Do you consider any large portion of the land over which the Company had extinguished the native title in May, 1847, to have been of a valuable character?

No. A very small proportion was so ; by far the largest part was mountainous and inaccessible, and unfit for agricultural purposes. I speak, of course, of those districts with which I am personally acquainted ; but I think my general impression to be correct.

By Mr. Macandrew : Subsequent to the retirement of the Company considerable lands had been acquired in the Otago Province, to the extent of several millions of acres?

Yes, I believe so.

By Mr. Picard : Was there not a large portion of the land at present comprised in the Nelson Province, in which the native title had not been completely extinguished prior to the surrender of the Company's charter?

Yes, there were some considerable native claims which had not been extinguished at that time over a large portion of the Nelson Province, but not specifically in particular districts of it.

The Committee adjourned until 10 o'clock on Friday, 7th July.

ROBERT HART, Chairman.

FRIDAY, 7TH JULY, 1854.

Committee met pursuant to adjournment.

Present :—Messrs. Hart (in the chair), O'Neill, Ludlam, King, Forsaith, Picard, Macandrew, and Dr. Monro.

Donald M'Lean, Esquire, of Auckland, Native Land Commissioner, was examined, but the notes of his examination not being in accordance with the Standing Orders of the House, his further examination was postponed until Friday, the 21st.

Committee adjourned to Monday, 10th instant, at 11 o'clock.

MONDAY, 10TH JULY, 1854.

Committee met pursuant to adjournment.

Present:—Messrs, Hart (in the Chair), O'Neill, Ludlam, Picard, King, Macandrew, Dr. Monro.

Mr. Macandrew examined.

By the Chairman: Name and place of residence?

James Macandrew, of Dunedin.

Are you acquainted with the New Zealand Company's operations in Otago?

Yes.

Have they any property there?

Yes.

What?

According to the terms of purchase they were entitled and bound to purchase two hundred of each, town, suburban, and rural properties, of which a certain number have been selected, but what number I cannot tell.

Have they selected lands in proportion to the quantity they have actually sold?

I believe much beyond it, and the selections which have been made are the most valuable in the settlement.

From your general information what should you suppose to be the value of the properties?

I cannot tell the number selected, I believe they are more than twenty.

Then for any information respecting this private estate we must send to Otago?

Yes.

Why do you say that the properties of the Company in Otago are some of the most valuable?

They were selected early by the surveyors who knew the localities. Some of those in the town originally priced at 12*l.* 10*s.* are now worth 250*l.*, and are increasing in value as the place progresses.

Do you know what is being done with those lands?

Since leaving home I find from an advertisement in a newspaper that the Commissioner of Crown Lands is disposing of the town properties, and I think of the suburban properties too, at the original prices.

Did the Company fulfil all its engagements with the Otago settlement?

Yes, it did.

Had the Company any absolute title to land in the Otago settlement in 1847?

They had a grant under the seal of the colony to 400,000 acres, which, minus the quantity which had been sold at the time of their retirement, reverted back to the Crown.

How many acres had been sold?

Certainly under 50,000 acres.

Mr. King examined.

By the Chairman:—Name and residence?

Thomas King, of Taranaki, settler.

How long have you resided at Taranaki?

Thirteen years.

Do you know what land the Company had in Taranaki in 1847?

I should say about 55,000 acres.

Of these how many had they sold?

They had chosen 7,000 acres outside the block, and I should say 12,000 within it.

Mr. Wakefield examined.

By the Chairman:—Name, residence, and profession?

Edward Gibbon Wakefield, of Wellington, settler.

Have you had opportunities of becoming acquainted with the circumstances which led to the imposition of the New Zealand Company's debt upon the colony; and, if so, can you describe them to the Committee?

I have had the best possible opportunities, having been the principal founder of the Company, and its principal managing director from the time of its foundation till the summer of 1846, allowing for intervals of absence occasioned by illness, and other occupation at a distance from England. I consider the first origin of the Company's debt to have been the arrangement made between the Company and Lord John Russell in November, 1840, which led to Mr. Pennington's award. The part of that arrangement which laid the foundation of Mr. Pennington's award, was never cordially approved of by some of the Directors, including myself, or by a considerable number of the proprietors. By all of them, however, it was accepted, as a sort of compromise

between the merely political colonising objects of the principal founders of the Company, and the necessities of the pecuniary position of the Company, arising from the perpetual conflict with the Government in which the Company had been engaged down to that time. It will be recollected that a condition of the arrangement in question, which was insisted upon by the Government as a sort of equivalent for, or purchase money of, Mr. Pennington's intended award, was an addition by the Company of 200,000*l.* to their subscribed capital. In this way there grew up a condition of mutual engagements and obligations of a pecuniary kind, between the Government and the Company. However, Lord John Russell, by whom the arrangement was forced upon the Colonial Office, soon quitted that department of the Government and was succeeded by Lord Stanley, when the old war between Downing-street and Broad-street Buildings was revived and carried on with increased animosity.

Upon the Company, the effect of that war was ruin. That at least is my own opinion; and it will be found to have been the opinion of a Committee of the House of Commons, which, in 1844, was appointed to examine into a complaint, made by the Company to the House of Commons, of the losses which had been inflicted upon it by the proceedings of the Colonial Office, and of the local Government of New Zealand. That enquiry was led and principally managed by Lord Howick, who was the Chairman of the Committee, and who in the House itself had taken a very prominent and active part in the discussions which led to its appointment. The Committee contained a considerable majority of adherents of the Government of the day, besides one or two members who especially represented Lord Stanley as Colonial Minister. Nevertheless the Committee, after the most elaborate enquiry, reported substantially, that in their opinion the Company had been deeply wronged by the Government, and were entitled to redress.

The report was written by the Chairman, Lord Howick. It was not laid upon the table of the House of Commons till the very close, I think, of the Session of 1844, and was not printed for general circulation till long afterwards.

During the session and year of 1845, the Company, resting upon the report in question, adopted various means of pressing upon the Government its claim for pecuniary redress. In consequence of a peculiar state of parties, and of the anticipation of a change of Ministry, those efforts by the Company proved of no avail. But in 1846, Lord Howick having succeeded his father as Lord Grey, became the Colonial Minister of a Whig Administration; and one of the most active champions of the Company in the House, next to Lord Howick, namely, Mr. Hawes, became Under Secretary of State for the Colonies.

It was then confidently supposed by every body who knew and cared anything about the matter, as well those who had supported, as those who had opposed the Company's claim for redress, that such redress would be obtained without delay. Within a very short time, however, of Lord Grey's accession to power, it became known through private channels that he was indisposed to maintain in office the view of which he had been so warm an advocate in opposition. Many efforts were made to touch his sense of justice and honour. There are two which, as I recollect them very distinctly, it may be as well to state.

Amongst Lord Howick's coadjutors in the House of Commons as advocates of the Company's claim, had been Mr. Charles Buller, a Director of the Company, and their principal legal adviser and organ of communication with the Government. Under the new administration, Mr. Buller became Judge-Advocate-General. He was conspicuous among British statesmen for a comprehensive and minute knowledge of Colonial affairs, and for eloquence and skill in the advocacy of those principles of representative and responsible Government for Colonies, which have now, at last, their day of complete triumph. In that character Mr. Buller was, though unofficially, yet in a formal and acknowledged manner, associated with Lord Grey and Mr. Hawes in the Colonial Office, as a person to be consulted by the Colonial Minister on matters of importance, and to take a leading part in the House of Commons in the management of Colonial business for the Government. It was Mr. Buller principally, who informed the Company that Lord Grey was inclined to forget and betray himself as an advocate of the Company's claims. Upon one occasion, after he had made to some members of the Company a very unfavourable report of that description, he was induced by earnest persuasion to return to Lord Grey, and once more urge upon him the considerations which in this matter seemed to be dictated by a regard for consistency, truth, and personal honor. He came back from the interview to report what had passed, but instead of speaking, he laid his head upon the table, and exhibited strong emotions of disappointment and shame, and became so seriously ill, that he was excused from going into the subject at all at that time.

The second occasion to which I allude, arose thus: after Mr. Buller's failure in appealing to Lord Grey's sense of right, some mutual friends of his lordship's and mine imagined that if he and I could be brought together to converse upon the subject, his obstinacy might perhaps be overcome by my earnestness. Knowing him well, I was not of that opinion myself; but I reluctantly gave my consent to an arrangement, whereby an interview was to take place between Lord Grey and myself at Mr. Buller's house, and in his presence. We met accordingly. I was extremely unwell at the time, so much so, as to be scarcely able to stand. I managed nevertheless to lay before Lord Grey in the most respectful and conciliatory terms, my own view of what appeared to me to be the claims of the Company upon him, not merely with respect to their pecuniary losses, but also with respect to the disappointments and sufferings of the colonists in New Zealand, in consequence of their being continually subject to arbitrary Government, and deprived of all voice in the management of their own public affairs. Lord Grey when in opposition had been as strenuous in demanding free institutions for New Zealand as in demanding pecuniary redress for the Company. His manner in listening to me was cold and haughty, even to insult. In compliance with a promise which I had given before the interview, I patiently submitted, not only to this reception of my plea, but to a positive rejection of it, coached in rough, and almost brutal language. But I begged and prayed in vain; and the interview was concluded by Lord Grey's flinging out of the room in a pet, whilst I sunk exhausted by the effort and agitation of the meeting. A few days later I was struck with apoplexy; and from that time until late in the autumn of the following year, was entirely disabled from attending to any kind of business.

My incapacity changed the whole character of the direction of the New Zealand Company's affairs, which then fell into the hands of a few persons in whose minds sound principles of colonization and colonial government were as nothing compared with pounds, shillings, and pence.

They and Lord Grey soon came to an understanding. He wanted to get rid of the obligation imposed upon him by his previous career as a Colonial Reformer, and an advocate of the redress by the Imperial Government of the wrongs which the Imperial Government had done to the Company. They wanted to save the shareholders, including themselves, from further calls: to raise the value of New Zealand Company's shares in the Market: and to go on with a pottering make-believe of colonization, with funds supplied by the Government, as a means of avoiding the disgrace which would have attended upon an avowed abandonment of all the objects for which the Company was formed.

They made a bargain. The directors sold the honor of the Company and the interests of the Colony for money, to come through a parliamentary obligation upon New Zealand to recompense the Company for its losses; and with this purchase money Lord Grey bought exemption from the obligations of rectitude and honor.

That was the second stage in the building up of what is now called the Company's debt.

The third and last stage took place when the bill which has become the Constitution Act, was before Parliament. Sir John Pakington inherited the bargain into which his predecessor had entered, and felt bound in honor to carry it out. Consequently, when he proposed for the first time in the modern history of British colonisation, to hand over to the colonists in their General Assembly the entire disposal of the waste lands of the Crown, he also proposed to charge these lands with a per centage upon the proceeds of the sales of them, for the purpose of paying to the Company the sum of 268,000*l.*, with interest. Friends of New Zealand then in London most earnestly protested against this arrangement, and we had an interview with Sir John Pakington on the subject. He admitted that there was much force in our objections, but said that he was bound to carry out by some means or other the engagement to which his predecessor, Lord Grey, had pledged the honor of Her Majesty, in whom alone the British Constitution vested the lands of the Crown in the Colonies. We still protested. I think we had more than one interview: at any rate the subject was mentioned at different interviews. Though long severed from the wreck of the directors, and totally at variance with them, I wrote to them imploring that they would not persevere in asking that the colony should be saddled with so unjust and mischievous a burden, as to pay to the Company one-fourth of all the proceeds of land sales. They turned a deaf ear to me, relying on Lord Grey's bond and Sir John Pakington's honor. At last, however, Sir John Pakington was so much staggered by our repeated protests, that he made us a sort of offer. He said that he and his colleagues, having considered the matter, were disposed to give time for enquiry into the subject. We answered that that was all we wanted at the time. But then

(said he) if there is to be enquiry with time for making it, Her Majesty's Government must withhold the transfer of the waste lands to the Colonies until after the Company's claim shall be finally settled upon enquiry. He said that Her Majesty's Government would feel bound not to part with the means of satisfying any award that might be finally come to. The question, therefore, which we had to consider was whether we would accept the enquiry on condition that the transfer of the lands should be postponed, or would accept the immediate transfer of the lands subject to the debt as it stood without enquiry. I myself never had any doubt upon the question, but others were inclined to consider it. In the end, we were all of opinion that the burden of the debt was a trifle compared with the risk of some not improbable change of mind in the Colonial Office, which might for ever deprive the settlers of New Zealand of the disposal of the waste lands of the Colony. We were deeply impressed with the fact that this great concession had never been before made to any modern Colony; that its proposal was the result of considerations brought to bear on the individual mind of Sir John Pakington; that the Colonial Office had always vigorously and vehemently opposed such a sacrifice of its own power and patronage; that the actual administration of which Sir John Pakington was a member, was very unlikely to last long; and that, in all probability, his successor might be induced by the Colonial Office to recur to the policy of central management in Downing-street, in which that Department is known ever to have delighted. We therefore, so far as we could, and so far of course only as we were individually concerned, accepted the great boon, subject to what we deemed the comparatively small obligation.

Such is my view of the history of what is called the Company's Debt.

Are you of opinion that the debt has been justly imposed? And, if not, Why?

Most unjustly, in my opinion, and with equal impolicy. After having had the subject of the Company's losses so impressed upon my mind, as it would be by engraving on the mind, if the mind were material, I am intimately; persuaded that the obligation to make good the Company's losses, rests exclusively with the Imperial Government, which was the exclusive cause of them; and I claim in support of that opinion, the testimony of the Committee of the House of Commons, to which I have before alluded—a Committee which was not formed in a haphazard or careless way, but was deliberately made to comprise men of all parties in the House of Commons, with a majority of partizans of the Government accused, and men whose names have only to be looked at, in order to satisfy us of their being eminent, even in that assembly, for intelligence and the sentiment of honor.

Might there not have been circumstances in the Colony which brought about the ruin of the Company, irrespective of the hostilities between the Company and the Colonial Office?

I think not. I think if the Company had been let alone, they would have paid a fair dividend, replaced their capital; and there would now have been 200,000 settlers in New Zealand.

Committee adjourned to Wednesday, 12th instant.

WEDNESDAY, 12TH JULY, 1854.

Committee met pursuant to adjournment.

Mr. Wakefield being too unwell to give evidence, the Committee adjourned to Saturday, 15th July instant.

SATURDAY, 15TH JULY, 1854.

Some of the Committee being engaged on other Committees, no proceedings took place.

FRIDAY, 21ST JULY, 1854.

PRESENT :—

Mr. Hart, in the Chair.

Mr. King

Dr. Monro.

Mr. Sewell

Mr. M'Lean was present to give evidence.

In answer to the preliminary questions put by the Chairman,

Mr. M'Lean described himself as a Commissioner for the purchase of Native lands; resident in Auckland.

The examination was then continued by the Chairman.

Have you had any and what opportunities of becoming acquainted with the character of the Natives and their transactions.

Yes, I have known the Natives of New Zealand for these last fourteen years, and since the year 1844 I have had several transactions with them connected with the purchase of land. I have found them very fair in most of those transactions in adhering to their agreements when thoroughly understood.

Do you think any large number would repudiate an engagement?

Certainly not, if they thoroughly understood the nature of the engagement.

Looking at the New Zealand Company's purchase deeds, do you think that the Natives at the time understood them?

I do not think the Natives at the time understood them.

Why do you think so?

Because the subject was foreign to their ideas.

Is there anything on the face of those deeds to show that the Natives were aware of what they were doing?

I do not think that they were fully aware of what they were doing. They were aware that they received certain articles of goods for lands to which there were no defined boundaries, according to their understanding, and they were not under the impression that they were finally alienating that land, or any portion of it, but that they were merely giving a right to the Europeans to settle upon it as a protection against other tribes.

Looking at the names of the places mentioned in the deeds, and the names of the Chiefs signing, were those Chiefs entitled to dispose of all the lands mentioned in the deeds?

Certainly not of all the lands. I think the claims of the persons who signed were very limited in comparison with the quantity they sold.

How were the rights of the Natives to land to be ascertained?

By occupation, or conquest followed by occupation.

What do you mean by occupation?

I mean the right of cultivating, fishing, bird-snaring in the forest, and various other rights that the New Zealand tribes exercise over the district in possession.

What methods were open to the Government for obtaining possession of New Zealand for colonising purposes?

A fair and equitable purchase of the lands from the different tribes who had a claim to it throughout the Islands. I mean by a fair and equitable purchase, such a one as would take sufficient time to enquire into the rights of the different tribes. It was not possible to take possession of New Zealand for that purpose by conquest.

Did you know Mr. Barrett?

Yes; he was a whaler, residing in Queen Charlotte's Sound, and had a great deal to do with the Company's purchase. He was not competent to translate the deeds.

How many acres of land are there in this island?

28,000,000 of acres.

Of these, how many have been purchased?

4,500,000 of undisputed purchases.

Do you know what was the quantity in 1847?

Not more than 1,000,000 of acres.

How long do you suppose it would take to purchase all the land now unpurchased?

With an adequate staff, I suppose it would take from five to eight years.

What would be the annual cost of such staff?

I think I gave an estimate of it, including surveys, of about 6000*l.* a-year: but that expenditure would be in a great measure for surveys in subdividing that land for settlement.

What is the average cost price of the purchase of lands from the Natives?

In this Northern Island, in round numbers, 1*s.* per acre.

What is the general selling price by the Government?

Under the regulations of 4th March, 1853, the prices of rural land, with the exception of Canterbury and Otago Settlements, is 5*s.* and 10*s.* per acre.

Do you think the Company's debt ought to be charged on the Colony?

I think not. I think it a most unfair debt, because the colonists have derived very little benefit from it, and it has been paid at a time when the colonising operations of that body were about to cease, and exceedingly unfair in being charged upon lands which were not acquired from the natives previous to the date on which that debt was contracted. It is also unfair in diminishing the price which the natives would otherwise receive for their land.

Mr. KING was then examined by the Chairman.

Name, residence, etc. ?

Thomas King, of Taranaki, farmer, resident in New Plymouth thirteen and a half years.

Will you state your opinion, and such facts as you are acquainted with, relative to the claims of the New Zealand Company upon the Settlement of New Plymouth?

Yes. The Settlement of New Plymouth was founded by the Plymouth Company of New Zealand in 1840. It consisted of 60,000 acres of land purchased from the New Zealand Company. In 1841, the Plymouth was merged in the New Zealand Company. In 1840 the number of resident natives was inconsiderable, but after the arrival of the colonists great numbers returned from the South, whither they had fled when defeated by their enemies, the Waikato tribes; and from the North came large bodies who were released from slavery through the efforts of the Missionaries. These men disputed the purchase by the Company, annoyed the settlers in possession, and in some cases seized lands which had been improved by the occupants. In 1844, Mr. Commissioner Spain awarded that the 60,000 acres claimed by the Company had been fairly purchased from the native owners; but this award was shortly after set aside by Governor Fitzroy—the whole of the land was returned to the natives, and a small block of 3,800 acres, known as the Fitzroy block, was re-purchased with difficulty for the Company. This block comprised a town site of 800 acres, and a town belt and parks containing 250 acres. The residue, which had not been already selected by land purchasers, was then offered to actual settlers who had been ejected from land outside the block. A promise was at the same time held out that additional purchases would be made by the Government to enable the Company to satisfy the claims of such settlers as were unable at that time to obtain land. A money compensation was given by the Government to the ejected occupants for the loss of their improvements. In consequence of the suspension of the Company's operations, resulting from the embarrassed state of the land question and the contest between the Government and the Company, the Settlement was reduced to the verge of ruin. The capital of the land purchasers was exhausted, and in many instances they had no land. There was no employment for labour. Settlers were daily leaving in search of more promising fields for their enterprise, and those who remained had to struggle on amid difficulties of no ordinary character. In 1847 and 1848, two blocks of land were acquired by Governor Grey, containing about 20,000 acres, and numerous re-selections took place; the majority of the claimants, however, including most of the absentees, preferred waiting for the purchase of the more valuable lands which they had originally selected. During this time—viz., from 1844 to 1847—the Government refused or were unable to assist the settlers in consequence of its relations with the Company, and the latter body abandoned them to their fate, while it made the plea of their losses and sufferings a very strong engine for extorting favourable terms for itself from the British Government. After the Company had completed its arrangement of 1847 with the Government, and it had granted compensation to its settlers at Wellington, an agreement was entered

into between its agent, Mr. Fox, and the land purchasers of Taranaki, in which it was provided that the Company should, after satisfying the existing claims of purchasers, grant as compensation certain quantities of land to be selected out of the whole of such lands as the Company then held in the Settlement of New Plymouth, or in any lands which might hereafter be purchased in connection therewith. The land at that time in the possession of the Company was an unbroken forest, in which very few settlers were willing to select. I procured, before leaving Taranaki, from the Crown Commissioner there, an approximate statement of the assets and liabilities of the Company in respect of land in New Plymouth in October, 1850, a few months after the surrender of its charter, which I submit. By this statement it will be seen that, excluding lands in the town, the Company possessed only 15,000 acres to satisfy claims amounting to more than 17,000; but the question is not one of mere quantity. The claimants were not bound and would not consent to receive inferior land in satisfaction of their claims. I believe I am correct in stating that the whole of the 15,000 acres was forest, and absolutely unsaleable in the market at that time, for even with the very great demand which has recently arisen, the whole has not been sold, under Governor Grey's Regulations, at 10s. per acre. In my opinion, the claims exceeded by 20,000*l.* the value of the lands transferred by the Company to the Government. When I left Taranaki in May last, there were outstanding claims for 10,000 acres. The last block of land purchased from the Natives, and which is not yet ready for selection, cost 7s. per acre including fully one half of forest not saleable at 10s. per acre. The last portions, and such as the claimants will alone select, are worth, at this time, from 3*l.* to 5*l.* per acre.

New Plymouth has derived no benefit from the New Zealand Company since the suspension of its operations in 1844: on the contrary, that body has impeded the progress of the settlers, prevented them from obtaining the assistance of the Government, and left the Colony burthened with onerous land claims which it may take years to extinguish.

The Company has not yet expended the whole amount due to New Plymouth for emigration: for in the Company's Annual Report of 5th April, 1844, a sum of 1195*l.* 15s. 9d. appears to have been unexpended. In the subsequent Report—although I believe no expenditure had taken place between those periods, the amount is not brought forward. Having access only to the reports of the Company, I cannot, of course, state why the credit has disappeared. I believe that it is still due to New Plymouth.

What do you mean by the hostility of the Government to the Company?

The Committee were here interrupted by the meeting of the House, and obliged to stop proceedings, the last question put to witness being unanswered.

SATURDAY, 22ND JULY, 1854.

Committee met at 12 o'clock.

PRESENT—

Mr. Hart, in the Chair.

Messrs. Macandrew
Forsaith

Messrs. Sewell
O'Neill

Dr. Monro.

Mr. E. G. Wakefield was present to give evidence.

Mr. WAKEFIELD examined.

By the Chairman:—Have you read through your former evidence, and do you find it correct?

I wish to add to the statement as to my illness in the summer of 1846. I first became seriously ill in the autumn of 1844, and was thenceforth incapable of giving any regular attention to the affairs of the Company, though I did manage to attend to such part of them as may be called the political part, more especially as regards their dispute with the Colonial Office.

Referring to a portion of your former examination, might not circumstances occurring in the Colony, irrespective of the action of the Government, have ruined the Company?

Of course the answer must be that such circumstances might have occurred, but I do not think that they would. I have always been of opinion, (and this is the main part of the Company's case as laid before Lord Howick's Committee) that the adverse circumstances which did occur in the Colony were caused by the Colonial Office, operating through its agents, the officers of the local Government: for example: no one circumstance tended so much to paralyze the Company as the massacre of the Wairau, which, I believe, originated in the jealousy and hostility of the local Government towards the Company's Settlement at Nelson. I could offer many other examples, but it may be sufficient for me to say that, whenever accounts reached England of any impediment to the success and prosperity of the Company's first settlements, occasioned by the local Government, more especially with regard to the acquisition of land with a good title, the effect was to confirm and strengthen the impression that the Company was engaged in a desperate enterprise, and that any one who embarked his fortunes along with it must be either a visionary, or a person who had no fortune to risk. The grand impediment throughout as to the first Settlements—I mean Wellington, Nelson, and New Plymouth—was the state of the land question as respects Native title. My own conviction has always been, that until the large extinction of Native title in the Middle Island after 1846, the success of the Company's operations was impossible; and by the time the news of that extinction reached England, the Company had forfeited its high position in the public esteem by means of submitting to the Colonial Office in return for pecuniary aid.

When were the Directors of the Company first made aware that their title to the land was disputed by the Natives?

It would be impossible for me to give the exact date, but it was as soon as the news of the fact, as it occurred at Wellington, could reach England by the ordinary channels, ranging from 4 to 6 months; and the date of the fact itself can be readily ascertained by the Committee from some one who was at Wellington at the time.

Had the Directors reason to know, prior to November, 1840, that their title to the land was disputed by the Natives?

I cannot recollect with precision. The first emigrants landed in January, 1840. I think that they went on very comfortably with the Natives for some time, but how long I cannot say, though the fact may be readily ascertained from some one who was at Wellington at the time. When the date of the dispute of the title shall be ascertained, it will be easy to calculate whether or not the news probably reached England before November in that year.

It has been stated in a work entitled "Adventure in New Zealand," written by Mr. E. J. Wakefield, that on the 18th November, 1839, the Chief Te Raupera went on board the *Tory*, then lying off Kapiti, and stated to the leaders of the expedition that he had only sold Taitap and Rangitoto, Blind Bay, and Derville's Island, and that he should sell more land to the French ship: that the party in the cabin loaded him with reproaches, and he left the ship after drinking another glass of grog: that they apprehended, in consequence, the possibility of obstacles arising to the peaceful settlement of Cook's Straits, but relied upon the protection of the Government, if the Government should interfere, or that the settlers would be strong enough to defend themselves if the Government did not. Did the Directors know of this circumstance in November, 1840?

The book, I think, was published in 1844. If they received any despatch on the subject from their principal agent, who was the sole manager of the expedition, it will probably be found either in what is called the Company's "Fat Book," or in the Appendix to the Report of Lord Howick's Committee of the House of Commons. The reflections of the party in the cabin do not appear to me to deserve much weight, nor should I attach much weight to the fact itself, if it were clearly established, but should place it amongst a numerous class of similar facts which have occurred, probably, in all land-sharking operations in New Zealand, certainly in the greater part of them, where a Native who has gone through the process of what is termed selling land to Europeans, lays the foundation of a further claim whereby to obtain more blankets, muskets, gunpowder, and perhaps money. But I take the real object of the question to be, to ascertain whether or not the Company, at the time of that arrangement with Lord John Russell in November, 1840, were conscious of any serious impediment to the due observance by the Natives of bargains for the sale of land into which those Natives had entered with the Company's agent in 1839. My general impression is that they were not. I recollect that, at the time of the arrangement with Lord John Russell, every one connected with the Company was in a state of high spirits and of sanguine anticipation as to the prosperity of the first and principal Settlement. That state of mind on the subject in the Directors, the Proprietors, and the public, so far as the public cared

about New Zealand, was the immediate cause of the formation of a plan for another Settlement, I mean that of Nelson; and if I recollect right, the intention to found this new Settlement was first announced when the Directors, to commemorate their arrangement with Lord John Russell, invited his Lordship to a grand dinner, at the London Tavern, when he, as Colonial Minister, and other members of the Government, congratulated the public upon the cessation of all serious impediments to the success of the Company's operations. It would not be inconsistent with this general statement, if both Lord John Russell and the Directors had at the time received accounts of some objection by Natives to their own bargains with the Company's local agent, because, no doubt, both Minister and Directors would rely upon the Government as having the power to carry out the then intentions of the Government with regard to aiding the Company in acquiring plenty of land from the Natives. But I have no recollection of any such specific information having been received either by the Company or the Government.

Having regard to three questions and their answers, numbered 654, 655, 656, in the examination of Mr. Ward before the Select Committee of the House of Commons, in 1840, was it by further or second purchase, or by conquest, that the British Government were to be put in a position to complete the agreement of Lord John Russell in 1840 with the Company?

I see nothing in the questions or their answers which relates to the arrangement with Lord John Russell. The examination of Mr. Ward took place in July, and the arrangement with Lord John Russell in November; and certainly, at the time of the examination, the arrangement was not in anybody's contemplation.

Do you think that the New Zealand Company could have maintained its position in Port Nicholson without the aid of the British Government, having regard to the plan of the first and principal Settlement?

I think that it could. I believe that if the Company had never been interfered with by the agents of the British Government in the Colony, the first and principal Settlement would have been eminently successful. The first settlers, it should be remembered, framed a plan of Government for themselves, which they established in harmonious conjunction with the Native Chiefs on the spot. So long as that arrangement lasted, all went well. The fact has been over and over again stated in a variety of forms, and has never been contradicted. As matter of opinion, there has always been abundance of evidence as to the probability that the Company and its first settlers who were then acting together in perfect harmony would have been able to proceed with colonization, avoiding all serious differences with the Natives, if the first arrangements between the settlers and the natives had not been set aside by the Government. I have conversed on this subject with probably a majority of the first settlers of the more intelligent and thoughtful classes, and have invariably heard from them an earnest expression of opinion in favour of the happy issue of the Company's first proceedings if they had not been thwarted by the Government. Those proceedings comprised an elaborate and very complete policy, the object of which was the peaceful amalgamation of the two races, a policy which many believed would have accomplished the objects of its authors, and the body of first settlers who cordially adopted it, had they been permitted to carry it out. I have no doubt that both the Company and Lord John Russell were of that opinion at the close of 1840, and that in the anticipation of the great success of the Company then avowed by His Lordship and the Directors, they both had in view that thenceforth the Company would be permitted without hindrance from the Colonial office or its local agents, to carry out its native policy of peace and amalgamation,

What was the extent of the district over which the Government established by the settlers of the first expedition, and the natives, had jurisdiction, supposing it to have been lawful?

It was the jurisdiction of savages, to which the term "lawful" appears to me inapplicable. I cannot define its geographical extent, but I have no doubt that both by the first settlers and the Company's local agents it was deemed amply sufficient both in extent and character, for the purpose which it had in view, viz., the residence of the two races together in peace under one law to be framed by the more intelligent whites but also with the intelligent assent of the chiefs whose merely personal authority was paramount with their own race.

With hostile chiefs and tribe at Porirua, would not the Government of which you speak have been confined in its operations to the Hutt districts ?

I think not. I think it might readily have been extended to the Wairaiapa, and I know of no hostility from the natives to the whites anywhere in the neighbourhood of Port Nicholson except as such hostility was engendered by the proceedings of the local Government towards the first settlers whom that Government always regarded with extreme jealousy and dislike, and sought to injure by a variety of means including the most false representations to the natives with regard to mischievous designs of the settlers towards them. In saying all this, I am but repeating what was asserted by the first settlers themselves in every variety of official and unofficial form. There is a good deal of very authentic information on the subject the inevidence taken, both oral and documentary, by the select committee of the House of Commons in 1844 which I conclude is in the hands of this Committee.

Were the directors in the beginning of 1841 aware of the terms upon which the Government intended to deal with the private purchases effected prior to the session by the natives of the sovereignty to her Majesty ?

I cannot recollect exactly, but have no doubt that the fact is ascertainable in the most authentic manner by referring to documents published at or near the time, which are probably before the Committee.

Were the Company acquainted with the proceedings of the Committee of 1840 and the documents produced before that Committee ?

Of course they were, but I can only speak in a general way.

Does the immediate neighbourhood of Port Nicholson afford land sufficient to fulfil the terms of the prospectus of the Company for the first and principal settlements ?

The land there is much more hilly than was anticipated, but I think that in spite of that disadvantage, if the Company and first settlers had been fairly allowed to carry out their purpose so far as depended upon themselves and not upon the land, the land would, as respects value, have amply given effect to the prospectus of the Company. The hills were covered with exceedingly valuable timber; and if the capital of the first and principal settlement had been made what it was designed to be the, owners of land in those hills would soon have recovered their investments at the rate of £1 per acre, and a large profit besides. Moreover when the hills are cleared of timber they make pastoral ground of a valuable quality.

Committee adjourned to Wednesday 26th instant, at forty-five minutes past 10 a.m.

WEDNESDAY, 26TH JULY

Committee met pursuant to adjournmt.

Present :—Messrs. Hart, (in the Chair) King, Picard, O'Neil, Sewell, Macandrew and Dr. Monro.

Mr. King examined by the Chairman.

Have you read through your former evidence ?

Yes, and I find it correct.

In your former evidence you spoke of a contest between the Government and Company. What do you mean by that ?

I mean the conflict between the Government and the Company as to the interpretation of the agreement with Lord John Russell in 1840.

The Chairman read the evidence given by Mr. Wakefield at the last meeting of the Committee.

Conversation ensued.

Dr. Monro read some resolutions he had prepared, but did not move their adoption.

Committee adjourned to 10 o'clock to-morrow.

THURSDAY, 27TH JULY.

Committee met pursuant to adjournment.

Present :—Messrs. Hart (in the Chair), Picard, King, Macandrew, O'Neill, Forsaith, Sewell.

The Chairman stated that he had received a letter dated 24th July, 1854, from Messrs. Macandrew and Cargill, two members for the Province of Otago, relating to the New Zealand Company's Debt which he then proceeded to read.

This letter contained a proposition to relieve the other Provinces of New Zealand from the Company's Debt and charge it upon the Otago Province, solely upon condition of leaving the entire control of Waste lands of that Province and arrangements for immigration thereto, in the hands of the Provincial Council and Superintendent.

Discussion ensued.

Mr. Picard moved "That it is the opinion of this Committee that the proposal of Messrs. Macandrew and Cargill does not come within the scope of their enquiry. Carried.

Committee adjourned to $\frac{1}{2}$ past 10 to-morrow.

FRIDAY, 28TH JULY.

Committee met at 11 o'clock.

Present :—Messrs. Hart (in the Chair), Picard, Sewell, King.

Mr. Wakefield was present to give evidence and was examined by Mr. Sewell.

Can you give any information as to the localities in which the original purchases or supposed purchases of the New Zealand Company were made, and particularly as to any, and what were made in the Northern part of the Northern Island ?

At the time of its formation the Company purchased from Lieutenant Macdonnell certain alleged properties of his at Kaiara, and I believe elsewhere in that neighbourhood. It also purchased or rather inherited from a New Zealand Company which was formed in 1825, certain alleged properties or claims which that Company had acquired through its agent, Mr. Heard. These properties or claims were said to exist as to land in the estuary of the Thames and the Gulf of Shouraki, one or two islands, I believe. At the time of the purchase or inheritance, the Company hoped and believed that their acquisition would turn out to be valuable and they instructed their principal agent who led out a preliminary expedition for the purpose, amongst others of acquiring land from the natives on a large scale in the South, to establish the supposed rights of Lieutenant Macdonnell and the Company of 1825. The principal agent accordingly proceeded to the North in the ship *Tory* for the purpose of observing these instructions, but he soon discovered the utter invalidity of the alleged rights or claims. I believe he never thought of enforcing them before the claims commission, and at any rate I know that after his report on the subject reached the Directors, they thought no more about the supposed properties in the North but cast them out of their calculations as possessing no sort of value either present or prospective.

I have, no doubt, also, that these properties would have been abandoned though possessing some prospective value, because, after the Company became aware of the state of things in the North as respects the great number of natives, certain missionary influences connected with land, and the jealousy and ill-will of the local Government towards the Company, they deliberately adopted the policy of confining their operations to the South.

Do you remember the amount paid for the purchase of those rights ?

I cannot recollect it exactly, but I think that the sum paid or to be paid Lieut. Macdonnell was somewhere about £4,000. The acquisition from the Company of 1825 was not a mere purchase, but was mixed up with different matters. The Company of 1825 had expended a considerable sum in sending an expedition to New Zealand, I think about £20,000, all of which was lost ; they had obtained from the Crown the promise of a charter of incorporation, and when the New Zealand Company of 1839 was in the course of being formed, the Company of 1825 stood in the way with its prior claim for a charter. Negotiations took place between the two

bodies, and in the end the Company of 1825 merged into that of 1839, bringing with it all its assets, rights, and claims, as a consideration for which it received a certain amount of the joint stock of the Company of 1839. In this way the rights or claims of the Company of 1825 became the property of the Company of 1839 without any specific payment for them or estimate of their value as distinct from the value to the Company of 1839 of the retirement of the Company of 1825 as a rival before the public and before the Government with regard to a charter.

Then the amount paid to that Company was less for the purchase of their proprietary rights than for the cession of their prior claim on the Government for chartered privileges?

I could not say whether it was less or more. There was one payment to the Company of 1825 in return for a cession by them of their supposed property in New Zealand, of their prior claim to a charter, and their position before the public as the original Company for colonizing in New Zealand, but no distinction, so far as I remember, was ever made as to the respective values of the three things ceded by the Company of 1825 to that of 1839.

You state that the sum paid to the Company was near about 20,000*l*. Was that paid in money or in shares of the New Zealand Company?

I think that it was principally if not wholly paid in shares, though I fancy that I have some recollection of a payment in money. It is so long ago, that I cannot speak positively, but I imagine that the exact information may be obtained without difficulty from a variety of publications such as the parliamentary Blue Books or the Company's Reports.

Committee adjourned till to-morrow.

MONDAY, 31ST JULY, 1854.

Committee met at 11 o'clock.

Present—Messrs. Hart (in the Chair), Picard, Macandrew, Sewell, King, Dr. Monro.

Mr. Wakefield was present to give evidence.

Mr. Wakefield's examination. By Mr. Sewell.

Do you wish to add any thing to your former evidence?

It may be as well for me to add that inasmuch as the New Zealand Company's shares were at a par value at the time when some of them were transferred to the Company of 1825, payment to that Company in shares was tantamount to payment in money.

Was there not subsequently to the Company of 1825, an association formed in 1837?

Yes, its very origin dates from 1836, but it was not before the public till 1837.

Was that a mercantile adventure, or a Company formed for public objects?

It was an association of amateur colonizers formed for the purpose of inducing the Government and Parliament to undertake the systematic colonization of New Zealand. No member of it had any pecuniary interest, but it proved costly to some.

In 1838 there was, I believe a new association formed?

The association of 1837 fell to pieces through causes which are explained in the report and evidence of a Select Committee of the House of Commons in 1840, of which Lord Elliot was chairman. At the same time, and by the same means, there was broken to pieces and dispersed a body of persons who had intended to settle in New Zealand, if the objects of the association of 1837 had been attained. Some of these persons, however, made a rally after their defeat, and determined to send out an expedition to New Zealand, for the purpose of initiating some regular colonization there. They subscribed money, bargained for a ship, prepared to purchase goods to barter with the natives, allied themselves with Lieut. Macdonnell by some treaty, or conditional treaty, for the acquisition of his lands, and induced some persons of weight in the city of London to join them. But somehow or other they could not bring their projects to bear, and when the New Zealand Company of 1839 was formed, with Lord Durham at its head, and a very distinguished body of directors, this small Company of 1838 sold their possi-

tions, contracts, and arrangements to the greater Company, for a certain amount of its stock. It must not be considered, however, that the two Companies of 1838 and 1839 were not perfectly distinct, because in several cases the same person was a member of both. The small Company of 1838 may be considered as having been the preliminary basis of that of 1839 in the manner which is so common in the formation of important Companies, when some few take trouble, spend money, and transfer their position by sale to a more powerful body.

I will read to you the fifth paragraph from the first report of the New Zealand Company relating to the formation of the New Zealand Colonization Company of 1838, and the merging of that body in the New Zealand Company of 1839. Does that paragraph correctly describe the transactions ?

I think it does, for it seems to tally with the account of them just given by me.

Was the amount settled to be paid to the Company of 1838 by that of 1839 fixed at £40,000 worth of shares ?

Yes, that appears by the note appended to the paragraph which has just been read.

Had the Company of 1838 acquired any lands in New Zealand besides those acquired through the Company of 1825 ?

If I recollect right, the Company of 1838 did not acquire any lands from the Company of 1825. It may have treated with that Company, and it certainly treated with Lieut. Macdonnell, who assisted it with advice as to the purchase of goods from the natives.

Then the New Zealand Company of 1839 would have acquired the rights of the Company of 1825 direct from that body ?

That is my impression, and I think that a statement of the fact will be found in some of the public documents.

What was the equivalent which the Company of 1838 gave for the £40,000 worth of shares ?

First, their arrangements with Lieut. Macdonnell ; 2nd, the ship for which they had contracted for the first expedition ; 3rd, the goods which they had purchased for barter ; 4th, their position before the public ; and 5th, their position towards the Government as having been the first to comply with Lord Glenelg's demand that a Joint Stock Company should be formed with a charter from the Crown, as the only means by which Her Majesty's Government would concur in attempting to colonize New Zealand.

Do you know how much money the other Company of 1838 had embarked in that undertaking ?

The representation made by them was that they had actually expended about £20,000 on the purchase of a ship, goods, land claims, &c., and though I cannot speak to the fact myself, not having joined the Company of 1838 till near the end of their existence, and then only for the purpose of putting them out of the way of the then intended Company of 1839. I have no doubt that their representation were correct.

Can you give any information as to the sum paid or accounted for to the Company of 1825 for the purchase of their lands ?

I have already given it as being about £20,000, but for the purchase of other things as well as their lands.

Do I understand that the payment to the Company of 1825 was made in £20,000 worth of shares, in addition to the £40,000 worth of shares paid to the Company of 1838 ?

It was not in addition, because the transaction of the Company of 1839 with those of 1825 and 1838 were totally distinct.

Committee adjourned.

WEDNESDAY, 2ND AUGUST, 1854.

Present—Mr. Hart (in the Chair), Mr. Picard, and Dr. Monro.

The Honourable Mr. Seymour was present to give evidence, and was examined by the Chairman.

Name ? Henry Seymour.

Residence ? Nelson.

Occupation ? Land Agent.

Status ? Member of the Legislative Council.

Have you had any, and what opportunity of becoming acquainted with the dealings and transactions of the New Zealand Company, with the purchasers from it of land in the Province of Nelson ?

Yes ; as an original purchaser resident in Nelson since 1842, and as agent for absentee purchasers, being the proprietors of allotments.

By, Dr. Monro : Were you in Nelson in 1847 ?

Yes.

Do you recollect a certain meeting of owners of land and others which took place in that year to receive a proposition from the New Zealand Company with reference to the scheme of that settlement ?

I do. I was one of a Committee appointed at that meeting to promote an adjustment of the differences which then existed between the Company and its purchasers.

What was the nature of those differences ?

They arose from the non-fulfilment by the Company of its engagements with its purchasers ; chiefly caused by the improper selection of the site of the settlement, in a locality the physical formation of which, prevented the proper delivery of the land.

What was the result of the appointment of that Committee, and the deliberations of the land owners at that time ?

The Committee made a very full report, which was accompanied by certain resolutions. These were adopted by the purchasers, and form the basis of the re-adjustment of the scheme of the settlement, afterwards accepted by the Company's agents, and which subsequently proved a second and final agreement with the Company, commonly known as the resolutions of July, 1847.

I find here in papers relative to the surrender of their charter, presented to Parliament in 1851, a certain document headed " Resolutions of the Committee." Are they the resolutions to which you refer ?

Yes, they are.

Will you state in what sense the second resolution was understood with reference to compensation at the time those resolutions were agreed to ?

It was to secure to all the purchasers, and particularly to the absentees, the right to have their claims to compensation awarded by arbitration. Such claims being in addition to the advantages to be secured by the fulfilment of the other resolutions, which it was contended were not in themselves sufficient to satisfy the legitimate demands of the purchasers.

What was the nature of the compensation contemplated by the purchasers at the time ? Was it land or money, or either at their option ?

Much difference of opinion existed on this point. Many were content to accept their compensation in land, several were satisfied to take part land and part money, while a few required money compensation alone. This was the state of the question at that time the resolutions were adopted by the proprietors in July, 1847.

Then in fact, by the second resolution, it was left an open question whether the compensation was to be in money or land ?

Clearly so, and subject to arbitration not only as to the amount, but also whether any compensation was due or not.

Is it your opinion that the unanimity which it appears was essential to the arrangement, would have been obtained if the land purchasers had known beforehand that the Company would confine the compensation to land only ?

No, it certainly would not ; for independently of the few residents who claimed a money compensation, it would have been unwise in me to have accepted the principle of arbitration on behalf of my clients, unless the condition of money was included, in case any of them had been desirous of pressing such claim.

Do you recollect Colonel Wakefield being over at Nelson soon after the adoption by the purchasers of the resolutions of July ? Did he at any conference with them, read a legal opinion to the effect that the Company was not under any legal liability to its purchasers at Nelson ?

Yes, he arrived in Nelson in August. A meeting of the purchasers was called, and the opinion alluded to, or extracts thereupon, was read by Mr. Fox, the Company's Nelson agent. A deputation, of which I was one, was then appointed to confer with Colonel Wakefield and Mr. Fox, which led to the ultimate adoption of the July resolutions as a final agreement between the Company and its purchasers, the principle of money compensation in part, or in the whole being abandoned.

Did you hear any thing of an opinion favourable to the claims of the land purchasers having been obtained by the Company ?

No, not until years afterwards.

Is it your belief that the promulgation of this legal opinion by Colonel Wakefield operated so as to induce the land purchasers of Nelson to compromise their case with the Company ?

With some of them no doubt.

After reading the legal opinion, did Colonel Wakefield make it an essential condition of his acceptance of the arrangement, that the Nelson purchasers should take compensation in land, and not in money ?

Clearly so. The abandonment of money compensation was agreed to only after very serious discussion, and the expression of great disappointment and dissatisfaction.

Then it is your belief that the production of the legal opinion had very great weight in inducing the Nelson settlers to come to a compromise with the Company, and release that body from its legal liabilities towards them ?

That was no doubt the case with those who were previously desirous to obtain money compensation. It did not affect those who were content to take land, and accept the adjustment as settled irrespective of the money point.

By the Chairman : Did the Local Government ever interfere with the Company's management of the Nelson settlement ?

It has always been understood that Governor Hobson interfered with the selection of the site of the settlement.

How many acres of land are there in the Blind Bay district available for the purposes of settlement ?

About acres.

How many acres in the whole have been purchased under the scheme ?

106,731 acres.

How many by private purchasers, not reckoning the Company's private estate ?

86 631 acres.

Did the Company ever pay for that land termed its private estate ?

Not that could be ever discovered. The purchasers vainly required statements of accounts—none have ever been afforded them, although promised " by the next ship " year after year. The Trust Funds accounts have been compromised without any statement. All reckoning has been withheld. It is therefore out of my power to answer the question.

Had you not the accounts appended to the Company's reports ?

Those Reports, it is true, reached Nelson, but it was denied by the Company's Agents that they were accounts as between the Company and its Nelson purchasers. They were stated to be accounts between the Directors and shareholders only, with which the purchasers had nothing to do. I have not examined any of the Company's reports and accounts since the passing of the Resolutions of July.

Then when the Company speak of giving up its private estate at Nelson, purchased at the rate of 30s. per acre to what land does it refer ?

To one hundred allotments in the Nelson Settlement alleged to be purchased by it.

Did the Company deal with these allotments as private estate ? And what became of them ?

Yes, they were selected as all the other allotments were. They have been subsequently absorbed in the compensation awarded to the purchasers, with some some exceptions, which have been reserved by the Government for public purposes.

As a matter of fact, the Company speculated in allotments in its own scheme at Nelson, and never paid for them?

Yes, so far as the obtaining land at Nelson may be a speculation. With regard to payment that has never been ascertained. None of the published accounts of the Company that I have seen, exhibit this payment to the credit of the Nelson Settlement.

Are you aware whether the Company sold or otherwise disposed of any of its "private estate?"

Not for money, but many leases were granted by the Company's Agents, some of which contained clauses empowering the lessee to purchase at agreed fixed prices.

Were those prices enhanced beyond the 30s. per acre?

Yes, certainly.

Were any portions of those allotments otherwise disposed of?

Yes, in a few instances, by exchange for other land, with some of their purchasers.

FRIDAY, 4TH AUGUST, 1854.

Committee met at 2 o'clock.

Present :—Messrs. Hart (in the Chair), Sewell, Monro.

The Honorable Mr. Seymour was present to give evidence.

Mr. Seymour explained parts of his former evidence as the Chairman read it through.

He was then examined by Dr. Monro.

In the second resolution as originally agreed to on the 1st July, 1847, it stood that the compensation was to be either in money or in land?

Yes, the proviso for money was not only understood but expressed in words. These were subsequently withdrawn after the arrival of Colonel Wakefield.

A long desultory conversation then ensued.

Committee adjourned at 4 o'clock.

TUESDAY, SEPTEMBER 5TH, 1854.

The Committee met to-day at 11 a.m.

Present :—Mr. Hart, Dr. Monro, Mr. Sewell, Mr. Picard, Mr. O'Neill.

The Committee appointed Mr. Hart to act as Chairman.

Resolved—That the proceedings of the last committee be adopted.

Mr. E. G. Wakefield examined in continuation of former examination.

There being a question on Mr. Wakefield's former evidence the answer to which was _____ when the Committee

Mr. Wakefield proceeded to complete such answer.

I have an imperfect impression that one-half of the payment to the Company of 1825 was in money; not entirely in shares, as would appear by my answer to a former question, but the exact circumstances have been made public in a variety of forms.

By the Chairman—It appears by a note to the first Report of the Directors, (page 6) that the transfer of the rights of the Company of 1825 was in consequence of 400 shares and of a further sum to be paid out of the profits; do you know if there was any further sum paid?

My impression is, that the transaction as finally settled was according to the statement which I have made before; but it may have been that the £10,000 to be paid in money, as before mentioned by me, was to accrue from the profits of the Company.

At this long distance of time, I can only say that the mode of payment now spoken of was probably adopted. I have a recollection, but so faint as to be unworthy of much dependence, that members of the Company of 1825 had a special interest in the prosperity of the Company of 1839, over and above their interest as shareholders.

By Dr. Monro—Are we to understand that £60,000 out of the original

£100,000 subscribed by the New Zealand Company consisted of shares allotted to the Companies of 1825 and 1838, in consideration of their land and other interests in New Zealand?

I have just said (and the note referred to in the last question put to me confirms my recollection), that the Company of 1825 received only £10,000 in stock. If I am right on that point, not sixty thousand pounds' worth, but only fifty thousand pounds' worth of the first nominal capital of the Company of 1839 was contributed by the Companies of 1825 and 1838, which latter Companies with their rights, interests, positions, and property, formed the basis of the Company of 1839 which had nothing of its own to rest upon, except an idea, and men capable of giving effect to it.

Was the balance of the first £100,000 subscribed for in cash?

The whole nominal capital was probably first subscribed by applications for shares, and then by signatures to a trust-deed, whereby a valid stock was created. When any money was paid up upon the stock, I cannot recollect; but I have an impression that the whole was paid up in a short time so as to place the new shareholders upon a par with those of the Companies of 1825 and 1838, who exchanged their property for stock standing as paid up. The whole transactions, however, took place so long ago (15 years), and they have been so little in my mind ever since, that I make any statement concerning them, with doubt and hesitation.

By the Chairman—In Appendix C to the third Report of the Company there is an item of assets, viz., "Lands hitherto acquired in New Zealand," viz., at Kaipara, Hokianga, the Thames, Herd's Point, Waekeki, and Paroa, and the Port Nicholson Territory estimated at cost price only," £45,000, the value of the ship Tory and her stores, adventure per "the Tory," adventure "the Cuba," Colonial stores, provisions, arms, surveying instruments and stores being separately credited £33,382 2s. 4d. Do you know how the £45,000 was made up?

I imagine the sum to be made up of an estimated proportion of the sums paid to the Companies of 1825 and 1838 considered as purchase-money of land; but it may also include some payment to Mr. McDonnell, either directly by the Company of 1839, or through the Company of 1838. At any rate, this sum may be considered as the Company's estimate of what, at that time, and in one form or other, they had paid for the two millions of acres noticed in the foot-note of Appendix C to the third Report.

By Mr. Sewell—Am I right in understanding that a large or any proportion of a second subscribed capital of one hundred thousand pounds was not paid in actual cash, but in promissory notes of stockholders? Will you state whether you are aware of any such transactions, and, as far as you can from memory, furnish the particulars?

I remember that, not a large, but a small proportion was originally paid up with something like promissory notes, or, at any rate, something short of cash. But I also think that these securities were also redeemed by cash payments before the Company broke up. I never knew the particulars exactly, never having been a member of the Company's finance committee, nor ever having paid attention to their accounts.

It appears in the Company's accounts appended to their first Report that £101,555 10s. 0d. was laid out by the Company in investments. Can you state of what character these investments were? In 1842, that item of "Investments" appears to have risen to £212,990 18s. 2d. Can you inform us of the nature of those investments?

According to my best, but still imperfect, recollection, all such investments as those alluded to consisted of lending money to Messrs. Overland and Gurney, of Lombard-street.

Can you then explain an item appearing in the Company's Account of April 1842, to April 1843, of £67,568 5s. 2d. deducted from the investments of £212,990 18s. 2d., as for adjustment in the Company's claims against the Government for further lands?

I cannot at all bring to mind what it means.

In 1844, the shareholders of the Company had received £44,000 for dividends. Were not the payments for dividends made out of supposed profits, but really out of capital?

That question was a subject of much controversy at the time. Without ever understanding it thoroughly, I rather sided with those who believe that sufficient actual profits had been made by the sale of land-orders to justify a division of profits in the form of dividend.

My question is whether in fact these payments did not come out of capital, it having turned out that there were no profits at that time?

Some thought they did, others they did not. There certainly was, at that time, a visible profit, and most people believed that if the affairs of the Company had been then wound up, there would have been a balance of profit. Subsequent events altered the whole aspect of the matter.

By the Chairman—You are understood to have stated that, in your opinion, grounds do exist upon which, if properly stated, the British Government would relieve the Colony from the debt to the Company. Are you still of that opinion and if so, will you favour the Committee by stating them?

(Mr. Wakefield promised to give a written answer to this question).

The Committee adjourned sine die.

TUESDAY, SEPTEMBER 12TH, 1854.

The Committee met to-day at 10.30 a.m.

Present—Messrs. Hart (Chairman), Sewell, O'Neill, Picard, Ludlam, and Dr. Monro.

Mr. E. G. Wakefield attended to give evidence. After reading part of the written answer which he had engaged to prepare on the last day of meeting, he handed in the manuscript containing the same, together with the question to which it was a reply. The question and answer are in the following terms:—

You are understood to have stated that, in your opinion, grounds exist upon which, if properly stated, the British Government would relieve the Colony from the debt to the Company: Are you still of that opinion, and if so, will you favour the Committee by stating them?

I have never thought that the Imperial Government certainly would relieve the Colony from the burthen of the Company's Debt, but only that it might probably do so, if a claim for relief were presented on such grounds of justice and good faith as have more weight with the British Government than, as I believe, with any other Government in the world. But the question put to me involves the whole subject of the policy of the Colony with regard to this Debt; and I cannot answer it properly without stating a good deal more than my reasons for hoping that relief might be obtained by a particular mode of proceeding. There is a preliminary question which must be disposed of first. The object of the appointment of this Committee was to obtain some relief—a mere diminution of the Debt, by means of showing that the Company's claim to compensation for its losses has been over-estimated as to amount in money; that less was justly due than had been awarded by Parliament; that the account between the Company and the Colony ought to be re-opened with a view to some new adjustment, to be founded on calculations as to the outlay of the Company and its assets. Now, let it be supposed that the justice of such a claim will be placed upon indisputable grounds, and that the claims be presented accordingly. One effect will be, an admission by the Colony that it is justly liable to the Company for a considerable portion of this Debt,—for such an amount of compensation as may be justly due according to the principle of Lord Grey's bargain with the Company in 1847. Such an admission, which must inevitably accompany the utmost success of the labours of this Committee, would, not less inevitably, preclude the Colony from asking for that entire relief from the Debt which I firmly believe to be due by the Imperial Government, because that Government, through the Colonial office and its agents in New Zealand, was the sole cause of the Company's losses. Is it wise to forego a claim on the Imperial Government for complete relief, by means of asking for partial relief from the Company? This is a question of policy which comprises two distinct considerations. The first is, whether the utmost diminution of the debt for which grounds of justice and reason may be presented, is of sufficient importance, even if the Colony were sure of obtaining it, to be accepted as barring the

Colony from asking for complete relief by the Imperial Government. Individually, I think not. But now comes a far more important question. The Committee probably hope that the Imperial Parliament may be induced to re-open the account between itself and the Company. I am persuaded that nothing of the sort will ever be done; and however distasteful it may be to the Committee to hear my reasons for believing that their work will prove labour in vain, I must state them distinctly. Some of them were clearly stated by two of the members from Otago, in their proposal to the Committee that, on certain conditions, their Province alone should undertake to pay off the whole of the Company's Debt; and I beg leave to refer the Committee to their communication on that subject. I will, however, state all the reasons which weigh with me. In the first place, the transfer, by the Constitution Act, to the people of New Zealand, of the Crown's property in the Waste Lands was considered by every body as an unprecedented and most valuable boon; and until then, the Crown, whether as a trustee for the public, or through a prerogative right limited by Act of Parliament, was considered to be, and actually was, at perfect liberty (supposing that justice did not forbid it), to make such a bargain with the Company as to the waste Lands of the Crown in New Zealand, as that to which Parliament gave its final sanction in 1852. When before under examination by this Committee, I stated how Parliament might have been induced in 1852 to postpone a final settlement of the Company's claim, provided the friends of the Colony at home would have consented to postpone that other and far more important settlement of a great question of policy, which transferred the Waste Lands from the Crown to the Colonists. I am persuaded, therefore, that if ever Parliament should be induced to re-open the Company's account with the Crown, it will only do so on condition that, until the matter be settled, the Crown shall again have control over the waste lands so as to be sure of being able to satisfy any ultimate award. Such a condition would be agreeable to the admission that the Company has some claim on the Colony but it would never be accepted by the Colony; and the more when the Colonial public shall know that a single province is disposed to charge itself with the whole Debt, on condition that its local government be permitted to dispose of its waste lands without any restriction. On this ground alone, then, I am of opinion, that the labours of the Committee will be fruitless of everything but vexation, with the addition of considerable expense, if the claims on the Company should be pursued by an agency at home. But further, this Debt has been created by a series of Acts of Parliament; and I need not dwell on the profound habitual respect of the British people towards obligations entered into by the Legislature, and therefore, held to involve the good faith and honour of the country. Neither must it be forgotten that the two members of the Imperial Parliament, who publicly objected to the Company's Claim at the time of the passing of the Constitution Act, when both of them were in opposition--I mean the Duke of Newcastle and Sir William Molesworth--appear to have abandoned the subject as members of the Cabinet; the one by ceasing to think about it, as appears by His Grace's Despatch to Governor Sir George Grey of the 30th December, 1853; the other by declaring in the House of Commons that in obtaining a certain Return (which is before this Committee as a House of Commons Blue Book), he had done all that he felt bound to do in the matter. That Return, at least, establishes beyond all question, that Lord Grey as the organ of the Crown in 1846 and 1847, and for several years afterwards, was most deliberately a party to the Act of Parliament which laid the foundation of this Debt; and it is not an insignificant fact with relation to this subject, that the Duke of Newcastle has ceased to be Colonial Minister, and is succeeded by Sir George Grey, the relative and close political friend of Lord Grey who is bound by every consideration of public honour to stand to his bargain with the Company. On the whole then, I am convinced, that let the Colony do what it may in the way of complaint and reclamation, it will, in due time, as the money accrues, pay to the Company every shilling of this Debt. The time for successful reclamation has gone by. As is often the case, the call for re-opening a closed account would be made too late; and I can see profit for nobody in making it, except as persons here and at home would have to be paid for their services in pursuing the claim. The monstrous injustice of the matter of this burthen, and the cruel impolicy of the manner in which it operates, are, to my mind, unquestionable facts; and they

constitute strong incentives to declamation against the Company; but I am convinced that such topics, when urged on the Imperial Parliament, will be of absolutely no effect towards obtaining redress of the grievance in the manner now contemplated. Whatever we may say or do, we shall have to pay. We are buying, we shall go on paying with no comfort but that of abusing the Company all the while. Assuming this, I turn to the other course—that of recurring to the Report of the Select Committee of the House of Commons in 1844, and the Parliamentary debate on the subject of the Report in 1844 and 1845, for the purpose of urging on the Imperial Government and Parliament, the justice of a claim for relief to be afforded by them; that is, by their taking on themselves the compensation of the Company for its losses. An important item in such a claim would be the injurious manner in which the Debt operates through being a first charge of a quarter of the proceeds of all land sales. and this would be a reason for urging that the Imperial Parliament should at once interpose and satisfy the Company without delay. But the main point is, that a claim on the Imperial Government, instead of being at variance with English ideas of respect to obligations incurred by the Government, would be strictly in accordance with them. Parliament would be asked, not to set aside or suspend a series of its own Acts which have created a valuable private property, but to redress the wrong done by it in saddling the Colony with a payment which, according to ample evidence collected by the House of Commons, ought, in justice, to be provided for by itself. The claim on the Imperial Government which was made out in 1844 and 1845, has never been urged, because, in 1846 and 1847, the Company and Lord Grey got rid of it by satisfying it at the expense of the Colony. But it exists in full force, except as damaged by the lapse of time; and this damage, in no measure, affects the present justice of the claim, because until now the colony being subject to arbitrary Government, had no means of appealing with any weight to the justice of England. If an appeal to the justice of England, not for re-opening an account closed by Acts of Parliament, but for entire relief, on the principle of justice alone, were earnestly and carefully made by the General Assembly and all the Provincial Legislatures of New Zealand, I believe that it would meet with serious attention. The recent vote of the House of Representatives for relieving the Province of Auckland at the expense of the rest of the Colony could not fail to have weight in England, where the love of justice or fair play is a national characteristic, and the high class of moral sentiments, such as that which dictated the vote in question, are not deemed romantic, but operate effectually in the legislature when questions of justice are properly submitted to it. Nor should it be forgotten that, according to recent British policy with regard to the relations of the empire with its colonies, a standing colonial grievance, such as the unsatisfied claim of New Zealand in this matter, would be deemed anomalous and improper. For now establishing this claim the colony possesses sufficient means in its free legislature and as having ready prepared for use, all the evidence, as it was collected and published by the House of Commons, on which the claim would be founded. Much, of course, would depend on the manner in which the claim should be presented; but if the proceedings of the colony, in that respect, were marked by completeness of exposition, by a discreet judgment, and by earnestness and constancy of purpose, I believe that they would prove successful. At the worst, there is some chance, some hope of success. In the other case, there is neither hope nor chance, unless we are to believe that, Parliament will somehow be induced to make its engagements with the Company a single exception from its custom of absolute respect for private rights in the nature of property, created by itself. Let me repeat that I have no faith in the possibility of such an event. Consequently, according to my view, the Colony has now to choose between two courses—that of paying on till all shall be paid, with the trouble, vexation, and perhaps cost of resistance, and that of presenting, in the best possible manner, a claim founded upon a denial of the Company's just right to any compensation whatever from the Colony, and upon the principles of justice and good faith which dictated the Report of the Select Committee of the House of Commons of 1844.

By Mr. Sewell—You suggest that an effort should be made to relieve the Colony in toto, on the ground that the charge ought to be borne by the Imperial Government; may I ask, in what form you would suggest that that ef-

fort should be made, and whether through means of agents in England or not, and whether by endeavouring to obtain an alteration in the Constitution Act ?

There are two or three questions in one. With regard to the first, I answer, by the simultaneous action of the General and Provincial Governments. After the General Legislature or the Executive alone had drawn up the case from the evidence which is nearly all before the present Committee in the form of Parliamentary Blue Books, though they want a book which was published by the Company, (and of which there are several copies in the colony), containing the digested opinions of the first men in the House of Commons, on the subject of the wrongs done by the Government to the Company. Such case having been carefully made, I imagine that the proper course would be for all the the Legislatures and Executives in New Zealand to petition the Crown and Parliament for the desired relief. That would be the first step. It might be taken without employing an agent at home. An agent would only be necessary if agitation at home became necessary. In that case, I have no doubt that some able member of the House of Commons, capable of the highest order of the public business, but still only aspiring to a high position in his party, would be found to undertake the case of the Colony in the House of Commons, not for a salary, but for the practice, and also because the case is one to obtain the sympathy of English statesmen.

In making such an appeal, would you omit all reference to the Company's Compensation transactions subsequent to 1847 ?

On the contrary, I should expose and denounce them as having been incalculably mischievous to the Colony, by corrupting the people into a love of gambling speculations as to Waste Lands, and by causing a very injurious amount of monopoly as to the same.

May I ask, whether, in your opinion, it would be desirable to apply to Parliament to confirm some plan of relief for the Province of Auckland ?

I think it would ; and the more, because I am persuaded that the decision of the House of Representatives on that matter might prove, a valuable aid in pursuit of the whole colony's claim upon the British Government for justice, on a principle analogous to that which guided the House to the proposal for entirely exempting Auckland.

The Committee adjourned at noon.

