

1. That in the event of the Colony of New Zealand paying to the New Zealand Company in London, on or before the 5th day of April, 1857, the full amount of the share capital of the said Company, viz.,—£200,000 (Two Hundred Thousand Pounds), in addition to the interest due to the Company on the sum of £268,370 15s., under the Acts of Parliament 10 and 11 Victoria, c. 112, and 15 and 16 Victoria, c. 72, up to the date of such payment, the said Company will abandon all claims upon the said Colony under the said Acts.

2. That in the event of this arrangement being carried out, the sum that may be found to be in the hands of the said Company on the 4th July instant, in excess of the interest due to that date, under the said Acts, is to be debited to the Company, in part payment of the interest of the sum of £268,370 15s., to accrue between the said date and the date of paying the sum of £200,000 as aforesaid.

3. That in the event of this arrangement being carried out, all sums which may be received by the said Company from the Colony of New Zealand, subsequently to the said 4th July instant, in excess of the interest accruing on the sum of £268,370 15s., are to be debited to the said Company in part payment of the sum of £200,000 as aforesaid.

4. But that if payment of the said sum of £200,000, and the said interest, be not made on or before the said 5th day of April, 1857, then all sums which may have been received by the said Company subsequently to the said 4th July instant, are to be carried to account in conformity with the provisions of the said Acts of Parliament, as interest in the first instance, and on that being satisfied, in liquidation, *pro tanto*, of the capital sum of £268,370 15s., specified in the said Acts.

(B.) That Mr. Mangles be requested to communicate the foregoing to Mr. Adderley, and on his assenting thereto on behalf of the Colony of New Zealand, to make application to Her Majesty's Government (in company with Mr. Smith and Mr. Hutt, or either of them) on the subject of bringing in a Bill to enable the Directors to make arrangements for a compromise of the debt owing to the Company under the Acts above mentioned, upon such terms as may be agreed to by a general meeting of the shareholders specially convened for that purpose.

(C.) That a letter be drafted to Lord John Russell, apprising him of the negotiations in progress with Mr. Adderley, but stating that the Directors have at present no power to carry the same into effect (or to accept less than the sum specified in the Act referred to), and submitting that, under the circumstances, the Government will probably have no objections to bring in such an Enabling Act as is required.

Adjourned.

DOWNING STREET,
4th July, 1855.

SIR,

With reference to my despatch of this day respecting the New Zealand Company, I wish you clearly to understand that Her Majesty's Government interfere in this matter solely with a view to put an end to this embarrassing question.

If the Colony prefers to leave matters as they are, the Act of Parliament must be left in vigour, and the Company will expect the full payment of the sum awarded to it by the highest authority in the realm.

I have to add that, by a letter received this morning, the Directors inform me that although they are prepared to recommend this proposal to the shareholders, the acceptance of each individual shareholder would be necessary to make it binding, unless Parliament should give the necessary powers, and they request me to introduce a Bill to that effect this Session.

I have however judged it best to leave this grant of the necessary powers to form part of the final Parliamentary arrangement.

I have &c.,

(Signed)

J. RUSSELL.

Governor Gore Browne, &c. &c. &c.,
New Zealand.