

of the Nelson purchasers, and the resolutions have for the most part been acted upon and treated as binding by all parties concerned.

2nd. We are of opinion that Colonel Wakefield having had authority to bind the Company, and having done so by his assent to the resolutions, it was not competent to the Directors subsequently to add the qualification in regard to the meaning of the word "arbitration" in the 2nd clause.

3rd. We are of opinion that the resolutions in question did form one of those contracts in regard to Lands or existing engagements with reference to the settlement at Nelson, which by the surrender of the Company's Charters, have devolved on Her Majesty's Government. It appears that the word existing must be taken as referring to engagements existing at the time of the surrender of the Charter, not of the passing of the Act 10 & 11 Victoria, cap. 112.

We have, &c.,

(Signed)

{ A. G. COCKBURN.
{ W. P. WOOD.

Right Hon. Earl Grey, &c., &c., &c.

No. 55.

Downing Street,

1st September, 1852.

Sir,

I have to acknowledge your despatches of the numbers and dates specified in the margin, conveying memorials from Wanganui, Nelson, and Wellington, and a letter from Messrs. Fell and Seymour, of Nelson, on the subject of the Land Claimants' Ordinance, and of the New Zealand Company's terms of purchase at Nelson and Wellington.

Altho' the several parties who thus address you, are not wholly agreed as to the measures to be taken with respect to these complicated land questions, yet the memorials afford abundant evidence that the settlers in general are satisfied of the impolicy of maintaining the price of land fixed by the Company's terms of purchase at Nelson, Wellington, and New Plymouth.

You have acted fully in accordance with Lord Grey's directions in obtaining this strong expression of opinion; but I had already become so satisfied, from other evidence, of the general inclination of the colonists, that I had felt myself justified in already giving you directions to place the land affairs of these settlements on such a footing as you might find advisable, and have only to refer you to my despatch of the 21st July last, No. 34, in which those directions and observations on the legal position of the case are contained.

I defer any more particular notice of Messrs. Fell and Seymour's memorial, until the fuller report, which you propose to send, respecting the subject of it, reaches me.

I have, &c.,

(Signed)

JOHN S. PAKINGTON.

Governor Sir George Grey, &c., &c., &c.