

The Company by this time had deemed it prudent to waive its claim to Colonel Wakefield's 20,000,000 acres, and gratefully accepted the offer of an acre of land for every 5s. expended upon colonization. The terms of the agreement "were not only such as we have no hesitation in accepting, but that, in the liberal judicious principles on which they are framed, we see ample ground for the fullest confidence in the spirit in which Her Majesty's Government is prepared to execute them."⁽¹⁾ It is stated that the Company's representatives had a large share in the drafting of this agreement⁽²⁾, and they certainly had a powerful friend in Lord John Russell.

The Company was formally incorporated on the 12th February, 1841. In addition to the regular clauses applicable to joint-stock companies, the charter embodied the terms of the agreement, and capital was increased from £100,000 to £300,000, of which two-thirds were to be paid up within twelve months, and power was given to further increase the capital to £1,000,000.⁽³⁾

Although the Sydney Land Act had been suspended, Lord John Russell announced his intention of instituting a Commission to inquire into the titles or claims to land in New Zealand⁽⁴⁾. On the 20th January, 1841, Mr. William Spain, an English attorney, was appointed by a Warrant under the Sign-manual and sent out from England armed with the full powers of the Crown "to investigate and determine titles and claims to land in New Zealand, with an absolutely unfettered discretion," and to give special attention to the Company's affairs.

6. THE PENNINGTON AWARDS.

In pursuance of the first provision of the November agreement, the statements of the Company's expenditure were examined by Mr. Pennington, and on the 28th April, 1841, he passed accounts totalling £132,982 9s. 8d., and awarded the Company 531,929 acres.⁽⁵⁾ On the 11th January, 1843, a further expenditure of £45,165 14s. 6d. was admitted, and a second award made, for 180,664 acres. In accordance with the former of these awards, an intimation was made to the Company that Lord John Russell would "forthwith transmit to the Governor of New Zealand a copy of Mr. Pennington's report, with instructions to make to the Agent of the Company the necessary assignment of land in pursuance of the terms of the agreement," and such instructions were given in a despatch dated the 20th May, 1841.⁽⁶⁾ Governor Hobson, however, insisted on the Company proving the validity of its purchases from the Natives to the satisfaction of the Commissioner of Land Claims (Mr. Spain), and this led to much wordy warfare between the Company and the Colonial Office, while the unfortunate settlers in New Zealand were unable to obtain their titles to the land for which they had in good faith paid.

7. THE COMPANY'S NATIVE POLICY.

With reference to reserves for Natives made by the Company within their purchases, the 13th clause of Lord John Russell's agreement dated the 18th November, 1840, made the following provision:—

"It being also understood that the Company have entered into engagements for the reservation of certain lands for the benefit of the Natives, it is agreed that, in respect of all the lands so to be granted to the Company as aforesaid, reservations of such lands shall be made for the benefit of the Natives by Her Majesty's Government in fulfilment of, and according to the tenor of, such stipulations; the Government reserving to themselves, in respect of all other lands, to make such arrangements as to them shall seem just and expedient for the benefit of the Natives."

In his evidence before the New Zealand Committee of 1840 Edward Gibbon Wakefield, in reply to a question as to the terms upon which the 20,000,000 acres purchased by his brother, Colonel Wakefield, for the Company had been acquired from the Natives, said,—

"The terms were a payment, in the first instance, of various goods such as the Natives require, but which the Company regard as a mere nominal price; they had paid for their waste lands a much higher price than had commonly been paid by other purchasers in the first instance; but the consideration which they offered to the Natives, and which they regarded as the true purchase-money of the land, was the reserved eleventh, which eleventh by means of the expenditure of the Company would acquire in a very short time a higher value than all the land possessed before—as, for example, the Company have purchased all our lands, let me say, in New Zealand for £10,000, the price of goods paid to the Natives in the first instance, but the land which we have reserved for the Natives has become by means of an expenditure in sending out a colony so valuable that we could sell that reserve here in London, if it were desirable for the good of the Natives, for £30,000 now; and, if the colony goes on, it is clear that within a few years from this time the land may be worth £100,000. Supposing the whole of the Company's territory to be 20,000,000 of acres, the quantity reserved for the Natives will be nearly 2,000,000. I feel, myself, quite satisfied that if the measure were to proceed in the best way every acre of land reserved would be worth at least 30s., so that there would be an endowment of £3,000,000 sterling in the course of time as a Native provision."

(1) Mr. Somes to Lord John Russell: App. 12th Rep.

(2) "The Colonization of New Zealand," by Dr. J. S. Marais.

(3) Charter of Incorporation of New Zealand Company, dated 12/2/41.

(4) Lord John Russell to Governor Sir George Gipps, 21/11/40: Parliamentary Papers, 1841.

(5) Great Britain—Papers relating to New Zealand, 1842.

(6) *Ibid.*, 1844: and House of Commons Report on New Zealand, 1844.