

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-