

an extension of time and a variation of letter was a statement showing that between only 2⁵/₈ acres to private individuals in

An interim reply to this letter from Grey would not be able to recommend ment embodied in the Loans Act.⁸² The

directors to Earl Grey, enclosing a formal notice under section 19 of the Loans Act, in which the company advised that it was 'ready to surrender the Charters of this Company to Her Majesty, and all claim and title to the lands granted or awarded to them in New Zealand'.⁸³

Section 19 of the Loans Act provided that, if the company advised the Crown by no later than 5 July 1850 that it was ready to surrender its charter and lands in New Zealand, then, among other consequences, all the company's lands in New Zealand would 'thereupon revert to and become vested in Her Majesty as Part of the Demesne Lands of the Crown'. On 5 July 1850, company secretary T C Harrington wrote to William Fox, who had succeeded the late Colonel Wakefield as the company's principal agent in New Zealand, enclosing a copy of the section 19 notice and advising that, as a consequence, the company had discontinued its colonising operations in New Zealand as from 5 July 1850.⁸⁴

Soon after the cessation of the company's business, several shareholders wrote to Earl Grey seeking a reprieve.⁸⁵ Earl Grey responded to this letter, sending a copy to the company, on 22 July 1850.⁸⁶ He denied that the British Government had in any way caused or contributed to the company's lack of success. He then dealt with the directors' complaint that they had expected that a large area of demesne lands would be placed at the company's disposal clear of native titles. As to this, he said:

That it was anticipated from the first that there were native titles to land in New Zealand, which would require to be extinguished, and that this could only be effected by purchases by the Company, is abundantly clear. The Act of Parliament [ie, the Loans Act 1847] (section 6.) expressly states that the compensation, if any, to be made to the aboriginal inhabitants of New Zealand, for the purchase or satisfaction of their claims, rights, and interests in the demesne lands, is to be regarded as among the first charges on the Company's income to be derived from the sale of them. Consequently, it clearly was not contemplated that the demesne lands would, or could, pass at once into the Company's hands free of all pecuniary liability for the extinction of native titles. And in the despatch communicating the agreement to Governor Grey (June 19th, 1847), his Lordship informed the Governor 'when

80. Harrington to Earl Grey, 18 June 1850, BPP, vol 7, [1398], pp 5-10

81. BPP, vol 7, [1398], p 11

82. Hawes (for Earl Grey) to Harrington, 1 July 1850, BPP, vol 7, [1398], pp 11-12

83. Harrington to Earl Grey, 4 July 1850, BPP, vol 7, [1398], pp 2-3

84. Harrington to Fox, 5 July 1850, BPP, vol 7, [1398], p 4

85. Drane and others to Earl Grey, 9 July 1850, BPP, vol 7, [1398], pp 15-18

86. Hawes (for Earl Grey) to Drane and others, 22 July 1850, BPP, vol 7, [1398], pp 18-23