

we arranged that they should inform me when they were prepared to conclude the matter, and then I would return. Shortly after that I was through ill health unable further to hold communication with them, and, being now ignorant of the intentions of the company, I have not of late attempted to reopen the subject, although I should imagine there is every chance of success this summer of obtaining the country at a low rate. Should such be the intention of the company, I would suggest that they employ Mr. Hamlin, as I fear I am unable at present to undertake the matter so as to pay that attention I should wish, although I will with the greatest pleasure render every service I can free of charge.

No. 2.

STATEMENT BY THE HON. H. R. RUSSELL, READ IN THE HOUSE OF REPRESENTATIVES BY MR. STOUT.

ABOUT ten years ago, during the session of 1867, Mr. Cox, Mr. (now Dr.) Buller, Colonel Whitmore, myself, and Mr. Thomas Russell, acting for himself and some friends, agreed to join together to ascertain if a large tract of country in the centre of the North Island, near inland Patea and Ruapehu, could be taken up as stations for sheep, if found suitable, and if leases for twenty-one years could be obtained after passing the land through the Court.

A partnership was, I understood, first suggested by Mr. (now Dr.) Buller, who professed to know the country, and to have had an offer of a considerable portion of it from the Native owners, but who had not capital enough to undertake so large a concern on his own account.

Before I came down to attend the session of Parliament, early in August, Colonel Whitmore had written to me on the subject and asked me to join in the undertaking.

After I arrived in Wellington (about the middle of August) the subject was discussed by myself and the parties above named on several occasions. Talking one day to Mr. Cox about the matter, I said to him, "I am on very friendly terms with Sir George Grey; you also know him; he can very likely give us some information, as I suppose it forms part of the country that he spoke of in the South a few months since. Let us go and see him." Thereupon we went to see Sir George Grey at Government House. I asked him if he could give us any information about the country between Patea, Ruapehu, and towards Taupo Lake. Sir George said that he thought there was a large extent of country well adapted for sheep-farming, and that he had passed through it last year. He remarked that the Natives had been very solicitous for him to take up the country about Rotoaira and the Rangipo Valley as a sheep-run. He further said that he had formed a plan in his own mind to get stations formed in that inland district by Europeans who would pay rent to the Natives; and also to make a settlement at or near Taupo, so as to colonize the interior, and thus assist in doing away with the Native difficulty. We continued talking, and I told him that a number of us together were thinking of taking up a run of considerable size towards Patea, including the Murimotu and Wangaehu Downs. Sir George did not ask us who the other persons were, nor did we tell him. I said to him that, so far as our information went, our plans did not include the lower portion of the Rangipo Valley nor the Rotoaira. I thought it right to say this, because of what Sir George had said about the Natives having requested him to take up those places himself. The interview lasted only a short time, as Sir George appeared to be very busy. We then went away. I turned back to say something to the Governor about another matter after Cox had left the room. I did not sit down, and just as I was again going away, Sir George said, "Russell, I would not mind going into the Rotoaira run with you and Cox; and, as I am likely to be away from the colony for a considerable period, you would be better able to manage the thing, so as to carry out my plans for the benefit of the Natives as to reserves, schools, and other things. You can tell Cox this, and if you like to come and see me we will talk about it another day." I then went away, and I told Cox what Sir George had said. A day or two afterwards Cox and I went to wait upon Sir George Grey, and we talked over the subject at considerable length. At last Sir George asked us to put down on paper our ideas about an arrangement, and come again and see him about it. We then left. Some days later (on the 29th August), Sir George sent for me early in the forenoon, and I went to him alone. I am sure Mr. Cox was not there at that interview. Sir George said he had sent for me to tell me that he had received a despatch intimating his recall at an early date, and that, after due consideration, he had come to the conclusion not to have anything to do with the run-matter, as his motives would be sure to be misrepresented. He promised, however, that he would assist Cox and me as far as he could, and that he would write to the Maori chiefs that we were well known to him as trustworthy persons, and that he believed they would do well to lease their lands to us. He further offered to advance £10,000, at 4 or 5 per cent. interest (the regular rate of interest being then from 8 to 10 per cent.), to assist us in the run, if we would carry out his plans for the benefit of the Natives. On my leaving, Sir George remarked that if he came back to the colony at a future time he should like to have the chance of putting up a chateau for summer occupation at Lake Rotoaira, under the shadow of Tongariro, an idea which he had for some time indulged in. To which I replied, that if we did lease the land, we should take care to reserve him that option. I then went to Cox and told him what had passed between Sir George and me, and we agreed to throw the Rotoaira and Rangipo Block into the general concern in connection with the proposed company, and at once to inform the parties interested of the Governor's offer to give us letters to the Rotoaira and Rangipo chiefs, recommending us as good tenants for their blocks. This was accordingly done.

At the second interview it was suggested that some person conversant with Native matters should be sent up to Rotoaira at once to ascertain all particulars as to the area, rent, disposition of the Natives, and other necessary things, prior to anything being done. I spoke of Mr. Locke, who was then in Wellington, and, after we had left Sir George on that occasion, I sent for Mr. Locke, with whom I had several interviews, and explained the matter to him. The result was that he undertook to proceed at once to Tokano and Rotoaira, furnished with letters from Sir George Grey to the