

1877.

NEW ZEALAND.

LETTER FROM THE HON. MR. RUSSELL, ENCLOSING LETTERS
REFERRED TO BY THE HON. MR. ORMOND IN HIS SPEECH OF
6TH SEPTEMBER, 1877, TOGETHER WITH STATEMENT BY
THE HON. MR. RUSSELL.

No. 1.

The Hon. H. R. RUSSELL to the Hon. Sir W. FITZHERBERT.

SIR,—

I have now the honor respectfully to address you again on the subject of the letters referred to in Mr. Ormond's attack on Sir George Grey, the honourable member for the Thames.

I was present in the gallery on the 7th September, when the letters were laid on the table by Mr. Whitaker, and I then addressed to you the letter which you read to the House, objecting to my private letters being read without my permission.

My reason for then objecting was that I was wholly unaware of the contents or purport of the letters in question, written some ten years ago; and, although I felt sure they could contain nothing damaging to Sir George Grey, I thought they might possibly in part refer to other persons and things, that ought not to become the subject of public gossip, and possible misrepresentation.

I was attacked by a very severe illness on the evening of the 7th, before I left the House, and have been ever since almost entirely prostrated and unable to attend to business.

A few days ago, however, I made a friend apply to Mr. Locke for the letters which had been irregularly laid on the table by Mr. Whitaker, and ordered by you to be removed. Having obtained possession of them, and finding they can be all, without exception, properly laid on the table of the House in accordance with the resolution, I beg now respectfully to forward them to you—eleven letters in number and two reports, as per subjoined inventory.

I have the honor to remain, Sir,

The Hon. Sir William Fitzherbert,
Speaker of the House of Representatives.

Your very obedient servant,
H. R. RUSSELL, M.L.C.

LETTERS.

- No. 1. H. R. Russell to S. Locke, dated 29th September, 1867.
- No. 2. H. R. Russell to S. Locke, dated 9th October, 1867.
- No. 3. H. R. Russell to S. Locke, dated 12th October, 1867.
- No. 4. W. H. Grace to Alfred Cox, dated 12th December, 1867.
- No. 5. Alfred Cox to S. Locke, dated 22nd December, 1867.
- No. 6. H. R. Russell to S. Locke, dated 26th December, 1867.
- No. 7. H. R. Russell to S. Locke, dated 30th December, 1867.
- No. 8. H. R. Russell to S. Locke, dated 15th January, 1868.
- No. 9. H. R. Russell to S. Locke, dated 2nd February, 1868.
- No. 10. G. S. Whitmore and H. R. Russell to S. Locke, dated 18th March, 1868.
- No. 11. H. R. Russell to S. Locke, dated 3rd August, 1868.
- No. 12. Copy extract from Dr. Hector's journal, sent to H. R. Russell, about Taupo country, and forwarded by letter to Mr. Locke.
- No. 13. Copy Mr. Locke's report to Mr. Russell, about his proceedings in relation to land at Taupo on behalf of the proposed company.

Enclosure 1 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR SIR,—

Wellington, 29th September, 1867.

I write a line to say that Mr. Cox will probably be up by the "St. Kilda" next Friday, to make arrangements for starting for Taupo. We have seen St. George, who has given us much valuable information about the country, but it is not of a very satisfactory kind, so far as the quality of the soil and grass go, at the north end of Taupo.

I suppose you will be ready to go at a day or two's notice. The Land Court meets on the 24th October at Taupo, and St. George goes back to be there at that time. In haste,

S. Locke, Esq.

Yours always,
H. R. RUSSELL.

P.S.—I have written to Whitmore on the subject, as it is agreed now to take him into the whole concern, the Governor for reasons of State thinking it better at present that he should not be in the concern. Another moneyed man will be in his place however. Cox has letters from the Governor.

Enclosure 2 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR SIR,—

Wellington, 9th October, 1867.

Cox will be up by the steamer of the 29th, and I hope to be able to go with him and Whitmore at that time.

I enclose you the letters from the Governor to the Natives, and if you think it desirable to go on a week before to find out the different owners, and get information about the country, I think it might be well, and would save time afterwards. You can tell the Natives we are to follow. Whitmore's name had better not be mentioned to them at present, I think. The Council will be over in about ten days I fancy, and then you will be free to go, I presume. I think it of much importance that you should be at Taupo before the Court is held there on the 28th, as probably persons may be there looking for land, who will commence negotiations with the Natives, and thereby give us much trouble. I shall write you probably by the steamer of the 18th, but if you do not hear again from me before I return home, you are to consider that Cox and I wish you to go on in advance of us to pave the way and save our time, if you can manage it. Take great care of the letters.

S. Locke, Esq.

Yours always,
H. R. RUSSELL.

I shall send the Governor's letters on the 18th, having read them first.

Enclosure 3 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR SIR,—

Wellington, 12th October, 1867.

I enclose the Governor's letters, omitted in my last; please take good care of them.

Dr. Hector and I will be at Waipukurau about the 26th, I think; but I think you will probably have left for Taupo before then. Write me before you go, where we shall find you. Dr. Hector takes up a good man with him, but I think we should also have a trusty Native to take charge of commissariat, &c. McLean can no doubt procure us that when Cox and I are ready to start from Napier. You can have some one in readiness, however, if wanted to accompany us, about the 2nd November.

S. Locke, Esq.

Yours always,
H. R. RUSSELL.

Enclosure 4 in No. 1.

Mr. W. H. GRACE to Mr. A. COX.

SIR,—

Auckland, 12th December, 1867.

On my return from Napier to Taupo, I found that you had made an offer to the Natives for a quantity of land, including a piece which for some time passed I have been negotiating for my brother, and had so far concluded as to feel justified in going to Napier to make arrangements for sheep to send on it at once.

I feel sure you could not have been aware of this when you made them an offer.

It appears quite clear that the Natives acted under a misconception, and I find that there are great differences of opinion amongst them on the matter.

I shall be glad if you will so arrange as to leave out the piece I had agreed for; it comprises about one-fourth of the whole.

Hoping you will excuse my addressing you,

A. Cox, Esq.

I remain, yours truly,
W. H. GRACE.

P.S.—Letters addressed W. H. Grace, Parnell, Auckland, will be forwarded to me.

Enclosure 5 in No. 1.

Mr. A. Cox to Mr. S. LOCKE.

MY DEAR LOCKE,—

Raukapuka, Orari, 22nd December, 1867.

I regret that you should have experienced difficulty and delay in the discounting of my bill. It was too bad, after getting the clerk at the bank to fill in the form, that Mr. Braithwaite should have discovered any irregularity. However, I enclose you another, about which, if there be any difficulty on the ground of informality, let the matter rest until I turn up by the end of January, and I will substitute a cheque for the amount.

By the same mail that brought your letter there came one from a Mr. Grace, son of the missionary, I suppose, in which he states that at least one-fourth of the country included in my lease from the Maoris is what he has been "negotiating" for for some time past, and coolly asks me not to include this in my arrangement. I enclose his letter, which will show you what he is after. I shall write a few lines to him myself.

Touching the company business, whatever you do, don't lose your temper; don't, for my sake, pitch up the thing because of any injudicious meddling on the part of Whitmore or any one else. I have cautioned Whitmore and Russell both against even the appearance of anything like independent negotiation before the Maoris. It seems to me that promptitude and decision are all equally essential in conducting this matter to a satisfactory issue. I hope to be up by the mail steamer in January—that is, by end of the month. Hold out to then, whatever you do. Meanwhile, believe me,

Yours sincerely,

ALFRED COX.

Enclosure 6 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR SIR,—

Mount Herbert, 26th December, 1867.

I have received yours of 23rd December, and am happy to learn that Captain Birch's block does not interfere with the one we are after.

I had a long letter from Dr. Hector last week, and he has sent me two sketches, with a particular description of the country. I send you a copy of these for your private guidance as our negotiator. You will see that Captain Birch comes very close to us, and if Johnston has gone up again, with young Birch, and probably several others, I would apprehend that we shall be interfered with. It is of the utmost consequence to our company that we get sufficient extent of country. Then, again, as to McLean's negotiations, unless the Birches have taken a part of his country, he must be after a part of ours, and I have no doubt he intends to get hold of an immense block if he can. I offered to him to join our party, but he has declined; so I conclude he thinks he can do better without us. On all these grounds, I see the greatest necessity for very prompt action. Could you not go up again at once, and use your influence on the spot? We must be prepared to sow some ground-bait I suppose, and you must use your discretion as to this; and I shall at once provide the needful.

Your terms for the negotiation are to be as you state—£300 if the blocks are got, and two guineas per day and extra expenses if unsuccessful; and I am relying on your experience and influence to carry us through successfully.

The fixing of the rents will be the principal thing after you get the promise of the country. We must not pay too high, as there is no doubt, from Hector's report, that the climate over a large area of the country about the Rangipo and Patea is severe for a long period each season. Please pay particular notice to what he says on the subject. It won't do to pay too high rents at first, like Cox, unless we get corresponding advantages. I had a few lines from Cox last steamer, and I shall hear from him again by the mail steamer, now arrived, I suppose. I hope he will return on the 15th January.

You should read the enclosed extracts from Hector's journal very carefully along with his sketches; and you will please keep these entirely to yourself and for the use of our party, as Hector does not wish his remarks to become public. It has cost me a good deal of valuable time to-day to copy it, so I hope you will study it carefully.

Write me as soon as you have anything to say, and let me know your probable movements.

Yours truly,

H. R. RUSSELL.

S. Locke, Esq., Napier.

Enclosure 7 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR LOCKE,—

Mount Herbert, 30th December, 1876.

I have seen Colonel Whitmore, and had a long talk with him over our Taupo affairs, and am more than ever satisfied that it is necessary for you to go on to Patea and Taupo without a day's unnecessary delay, otherwise our interests are sure to suffer, and the end will be that our great scheme will dwindle down into something that won't be worth taking up. With active parties teasing and tempting the Natives on the spot, our waiting policy is sure to end in failure. From Hector's sketch I can't see where parties can get runs without encroaching on our block of 250,000 to 300,000 in the Patea, and I imagine that both McLean and the Birches are contesting the country with us. You can only find this out on the spot, and I earnestly hope that you will be able to go up at once, and to devote the necessary time to make arrangements that will be considered binding by the Native owners.

I have arranged with Whitmore to start about the 15th of January, but you would require to be there some time previously to see the Native owners and to go carefully over the blocks, so that when we arrive there may be no difficulty about the terms, after we have also gone over the country.

Let me know by return of bearer when you can go, and if you want any further instructions. I am now very anxious on the subject, as absent partners will be likely to attribute blame to me and Whitmore.

Did I send you Hector's sketches and Patea memorandum? If not, I have mislaid them, and can't find them to make a copy for you. It will be a great pity if they are lost, but you must just do the best you can without them, and Whitmore can give you a very good sketch of the country.

Yours in haste,

H. R. RUSSELL.

S. Locke, Esq., Napier.

Enclosure 8 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR SIR,—

Mount Herbert, 15th January, 1868.

I am alarmed to hear that Birch and Johnston are making preparations to take possession of the Patea, west of the Rangitikei, which is what Hector described as the cream of the whole country, and which we ought to have had. I am also disappointed to hear that you have not been to the interior yet. The distance is not much, and your personal presence and influence would have done much to counteract the workings of our rivals.

I have a messenger at Wanganui now to know what Buller has done, and if he is prepared to go back and meet Cox and me in the end of the month.

I hear Hamlin has gone up a second time, but it is not like your going yourself. I am now very much afraid we shall be beaten, or at all events deprived of a good portion of our intended runs. I have been all along relying on your activity and influence, which induced me to recommend you to our party in the first instance as negotiator. I now wish I had gone up with you myself, and kept you to the mark till the thing was secured. Cox's visit was a mere farce.

I hope your assurances in the letter of the 6th, and on previous occasions, will turn out correct, but I am very desponding.

S. Locke, Esq.

Write me per Mr. Davis on Saturday.

Yours in haste,

H. R. RUSSELL.

Enclosure 9 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR LOCKE,—

2nd February, 1868.

Mr. Davis tells me you start on Tuesday for Taupo. I have not a syllable from any one to say what you have been able to do, but I hope our prospects now look somewhat brighter. Cox has gone on to his own place, and Whitmore writes me he will wait for me till Tuesday morning; but I have had a little return of the diarrhœa from which I was suffering, and can't think of leaving home now until Wednesday. If I continue better I propose, however, to be at Havelock on Wednesday night; to the Club to breakfast on Thursday; do some business in Napier in the forenoon; and to Rissington that night, starting for Taupo on Friday morning. Mr. Davis and a Maori will accompany me with a tent, pack-horse, and spare saddle-horses, as I intend to do the thing well and comfortably, and not be hurried or starved.

Leave word where I shall find you. I have told Whitmore to do the same.

Yours in haste,

H. R. RUSSELL.

Enclosure 10 in No. 1.

The Hon. H. R. RUSSELL and the Hon. Colonel WHITMORE to Mr. S. LOCKE.

MY DEAR LOCKE,—

Waipukurau, 18th March, 1868.

We find that Messrs. Donnelly and Shaw are endeavouring to get a run near our block, and believe it to be that next Birch, to the westward. They are employing the man (Williams) who got Birch his run, and who remains there, as also does young Donnelly. Under these circumstances we think it desirable that you should be made aware of the risk we think we are running of losing that piece like Birch's, and to urge you to take some further steps to secure the land still left. Directly you have concluded, we wish you to let us know when Melville Smith and a few hundred wethers may be sent up to take possession, and try the winter.

Sincerely yours,

G. S. WHITMORE.

H. R. RUSSELL.

Enclosure 11 in No. 1.

The Hon. H. R. RUSSELL to Mr. S. LOCKE.

MY DEAR SIR,—

Wellington, 3rd August, 1868.

I communicated your telegram to Mr. Cox, and he wishes you to make a full report of what was done by yourself and Mr. Hamlin in the matter of the company's proposed runs. Be so good, therefore, as to send this by return of first steamer, and the matter shall have immediate consideration.

Yours truly,

S. Locke, Esq., Napier.

H. R. RUSSELL.

P.S.—About Purotanghia, I am not satisfied to take Monaeena's obligation for the expense of the surveys, as there are other parties interested. I shall see Tareha, whose people are claimants and likely to get a good slice, and if he agrees to reimburse the expense, I shall authorize the survey to be made, on condition that it shall be paid out of future rents, and not from the past or current year. The station has hitherto been nothing but a loss.

Enclosure 12 in No. 1.

MEMORANDA by Dr. HECTOR about the Country at Tongariro, Rangipo, and Patea.

29th November.—Snowed up in the Rangipo Valley. Snow deep on the mountains, and lying on the plains at their highest level in the dividing line between the Waikato and Rangitikei Rivers. Altitude, 3,200 feet, so the district must be a very exposed one to have such weather at this season. Natives say that in winter the snow is never more than 2 feet, and only lies for a week or two at a time, but lower down only for a day or two.

Rangipo Run.—I enclose sketch of the country, roughly done, on a scale of about eight miles to the inch

Good natural grass-land, coloured yellow; poor natural grass-land, coloured brown; bush, coloured dark-green; worthless, left blank.

Soil, volcanic. Partly pumice, but of a richer kind than near the lake. The rest of rich feruginous tuff or ash beds, and the washings from the scoria deposits. In the good portions the grasses are good, and of five kinds chiefly. Best pasture is in the Rotoaira Valley and spurs of Tongariro, for a distance of eight or ten miles south. Towards Waikato River, and for whole width of the Rangipo Plain south of this distance, the pasture is very much inferior; towards the river being scrubby and only the light-yellow subsoil, and south, where it is high land, the prevailing grass is the big red snow grass, that grows in tussocks 12 inches through, and 2 to 30 inches high, and as harsh as bent grass. Great part of the surface wet moorland, covered with dwarf subalpine shrubs, and can only be reckoned as summer feed. The greater part of the valley near the snow line, and all the spurs between Tongariro and Ruapehu utterly worthless. The country may improve some distance to the south after crossing the desert, which is seven or eight miles.

From Rotoaira Valley along the Waikato, west side, down to the lake, there is a narrow strip of good country, but a deal of fern and scrub in most places. Towards the outlet of the river the land is rich alluvial, with rank soft pasture only fit for cattle, except a narrow strip on the spurs of the hills. On the east side of the Waikato, above Rotoaira, there are some fine rolling pumice terraces, but soil light, and pasture ditto. Above the same point the bush of the Kaimanawa Range descends to the river until the head of the plains is reached, when the bush disappears, and the land is clear right over the mountain tops, and will make capital summer pasture.

I consider the area of good country in the Rangipo has been very much over-estimated, and there is hardly too much for one good run, and certainly not more than for two. This is, of course, not including the Patea country. Besides, the Natives will not lease the best land near Rotoaira, which they wish to keep for their own use. To be able to use the spurs of Tongariro, it is absolutely necessary to have the land near the lake, however, and it would also be well to secure all the country on the slopes of the hills west side of the Waikato down to Lake Taupo, and to buy certain parts of the rich land near the mouth of the river, as there is sure to be settlement there when the country is opened up.

Taking the previous boundaries, and extending the run down to the west side of the Waikato to Lake Taupo, there are not more than 50,000 acres of first-class pasture, and 120,000 acres second-rate, remainder only partially available in fine seasons during a few months. By crossing the Waikato, and taking in the downs near the mouth of the river towards Waimarini and the open part of the Kaimanawa Ranges, the area of second-class land would be about doubled, but hardly any added to the first-class land.

As to access, I think there must be a good pass from Patea to Napier, between the Kaimanawa and Ruahine Ranges, as a half-caste came through that way the other day with a horse in a day and a half, and knew nothing of the country before. The road to Rangitikei is sure to be open some day. They say it is quite level; no bad creeks, and only three days through the bush. The access to Lake Taupo is quite easy, so that, on the whole, there is no difficulty on that score.

2nd December—Patea Settlement: I re-open my letter to say that I have now seen the Patea country, and to enclose a sketch of it. It is by far the best sheep country I have seen here. The whole extent of open land is not far short of 500,000 acres; and cut into very convenient blocks by streams, that form good boundaries. It is a perfect sheep country, according to my notions, although the grass, in many places, is not so rank as in the small patch about Rotoaira. The nature of the grasses is the same as in the middle district of Otago. The wooded part of the Kaimanawa Range is only a narrow strip facing the Rangipo Plain and the Taupo Lake. They form a crescent—the Kanuku towards the triangular space thus formed to the east, and the whole of the included space; and south to the edge of the bush, a distance of twenty miles, and west to the bush line along the west bend of the Wangaehu, is available country, ranging in altitude from 5,000 to 1,800 feet. With few exceptions, the sample seen along the Patea tracts gives a poor impression; and I do not think that more than one or two white men have been the way I went. As for the tract usually travelled towards the Wanganui River, that keeps over the spurs of Ruapehu, and conveys the impression that the country is a desert.

I turned the south part of the Kaimanawa Ranges, and took the horses half a day, and camped in a beautiful valley on the Moroowhango—the middle head stream of the Rangitikei. I then went due east on foot, on the ranges, which, though pretty high, are such that you could take a dray over to where the country begins, and get a view of the country towards Hawke's Bay. The distance is nothing to Napier, and I am sure you could ride easily to it in a day from Waipukurau. This is a perfect table (2,300 feet) land, cut by valleys at the back of the Ruahine and Korueka Ranges, and completely cutting them off from the Kaimanawa Range. There may be a sharp drop from this down to the Napier level, but, even if so, you could dray up to it, and drive drays on the table land, and pack for a short distance.

I found Birch at the Patea Settlement, negotiating for a piece of the open country—I think, from native report, from Rangitikei to the base of the Ruahine Range. You should ride up this way as soon as possible, and try to get the block to the west of the Moroowhango up to the branch of the Wangaehu

that comes out at Ruapehu, and bounded by the bush, as I have marked on the sketch. Bring a Native to Patea—this settlement. This will bring you to the plateau country; then get a guide to the Rangipo track; but make up your mind to camp out one night. When out of the bush, and on to the plain at the base of Ruapehu, and past the swamps at the head of the Hautapu River, you will cross a deep gully leading to the Wangaehu; leave the track there and start off to the right on the grassy downs for a clump of bush which is on the Moroowhango River, where it comes out of a gorge. There is beautiful country farther up the valley, but this will be sufficient to enable you to judge. From thence ascend a spur to a ridge you will have observed bearing to the west, and this will bring you down again on to the track on the plain, where the waters divide between the Wangaehu and the Waikato. From this it is eighteen miles to Rotoaira, down the Rangipo Plain. Thence three days will take you back to Napier by the north track. If you go right through without halting, it will take you seven days; but allow yourself double that time. If you do not care about Rangipo, come to Patea, then north to the place I have described on the Moroowhango, and straight back to the gap, down to Napier. This you can do in five days.

Enclosure 13 in No. 1.

REPORT by Mr. S. LOCKE to the Hon. H. R. RUSSELL and Others.

GENTLEMEN,—

In compliance with your request, I forward a report of what was done by Mr. Hamlin and myself in respect to the preliminary negotiations for lease of certain blocks of land at Patea, Tongariro, and Rotoaira.

Before going further, I wish to state what I understood as the country to be leased, as it has always appeared to me that some misapprehension existed respecting that point. The district described to me at Wellington, and the district which I have always endeavoured to obtain for you—and if circumstances had not prevented I believe I should have succeeded in obtaining—is that portion of the country stretching from Lake Taupo along the east slopes of the Tongariro and Ruapehu Mountains, including the country about Rotoaira, crossing the Onetapu desert to where the West Coast road enters the bush, so as to include the Kariti (Murimotu) Plains, having the Taupo Lake to the north; the Pihanga Mountains, Rotoaira Lake, Tongariro and Ruapehu Mountains, and the forest on the west;—forest to the south, and the boundary to the east, to be taken so as to include all the intervening plains, taking as good a boundary as could possibly be got. I bring this forward for the purpose of stating that I did not understand when I undertook the negotiating of these lands that the Patea proper was included; on the contrary, the portion most pressed on my notice at the time was the land about Rotoaira and the spurs of Tongariro. I was aware at that time that other parties were in treaty for what is known as Patea proper and Opaoko, although I was quite ignorant of the Messrs. Birch's intention of obtaining land in that district. There has always been some confusion about this matter, greatly owing, I believe, to not knowing the country. I remember speaking to Mr. Cox, and, I think, to others, on the subject more than once. After the full and explicit description given by Dr. Hector of the country, I cannot pretend to enlarge upon his report, excepting to say that I think he has somewhat over-estimated the extent, but, as he had instruments, &c., with him, he would be able to ascertain a very near approximate of the contents; and, as far as the capabilities of the district as a sheep country, and whether sheep will thrive there in the winter, can be ascertained by the inspection of the Messrs. Birch's flock in the spring.

I first entered into communication with the owners of the country for the purpose of leasing it, when I went to Rotoaira, in the month of November, 1867, with Mr. Cox and Colonel Whitmore, carrying letters of introduction from His Excellency Sir George Grey. The principal owners were then at the West Coast, and not likely to return for some time—the Natives at the Rotoaira Pa said not until after Christmas. The purpose for which I had come was thoroughly explained to the people present, who stated that at a meeting to be held on the West Coast the arrangements respecting the division, &c., of the lands in the neighbourhood of Tongariro were to be settled, and that after that they would be willing to lease; further, that they did not expect their chiefs back until after Christmas, but that as soon as they returned they promised that I should be informed, which promise I subsequently found they would have kept had I not been back in the district before they had all returned. Ihakara arrived from the West Coast on the same day that I arrived at his pa. (I wish here to state that Mr. Birch passed Rotoaira a few days previous to my arrival there, and on his way to Napier leased a run at Patea from some of the Natives there, which was out of the district for which I then understood I was to treat for.) It was not until my return to Napier that I ascertained that the Messrs. Birch had obtained a run in the Patea country. During the month of December I received letters from Mr. Russell and Colonel Whitmore, requesting me to go to Rotoaira for the purpose of carrying on the negotiations. I replied that I knew that the proper parties to deal with had not arrived, on which Colonel Whitmore desired me to engage Mr. Hamlin at once, and follow after myself. I therefore asked Mr. Hamlin to go and see the Natives, and endeavour to collect them, to commence the preliminary arrangements, &c. Mr. Hamlin accordingly started on the 4th of January, and I followed on the 13th of same month. On my arrival at Pakihiwi, Ihakara's Pa, I met Ihakara, just arriving that day from the West Coast. Ihakara was very indignant that any land had been leased during his absence. I here ascertained that Mr. Hamlin had seen all the Natives of that neighbourhood, and had done all he could to forward the object for which he came, and had gone on to Rotoaira, for which place I at once started. I met Mr. Hamlin near Rotoaira, who informed me that Heteraka and the other owners, at their own request, would come to Ihakara's pa to meet us. I therefore turned back to wait at Ihakara's pa. We waited there to 23rd of January, and as no Natives of note, excepting Karaitiana, appeared, and as it seemed they were not prepared to go fully into the subject,

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

principal chiefs there; but I believe he did not proceed to Taupo till November, more than two months after Sir George's interview with me, on the 29th August; and then he went on behalf of the proposed company, and his agency was extended so as to embrace the whole country proposed to be leased by the company. Up till this time Dr. Buller was arranging the negotiation from the Wanganui side for the lands originally intended to be included in the proposed company's operations.

On 6th September last, I heard from the gallery of the House of Representatives, with astonishment, the statement made by Mr. Ormond that Sir George Grey blew hot and cold, and used his position and power in the matter to extort a share from us. This is absolutely and entirely false, and without a shadow of foundation. Sir George Grey never had anything to do in any shape with the proposed partnership between Colonel Whitmore, Mr. Thomas Russell and his friends, Mr. Buller, Mr. Cox, and myself; nor was such a thing ever mooted between any of the parties.

I heard also, with astonishment, Mr. Ormond say that he had letters of mine in his possession which would amply verify and prove all that he had said as to Sir George Grey having "prostituted his position," and as to his "rank hypocrisy." From my very distinct recollection of the matter, I knew that no letters of mine could possibly give any colour whatever to such terrible charges against Sir George Grey.

I have since seen those letters, which contain nothing in the slightest degree giving even a colour to these charges. Mr. Ormond tried to make a great point by quoting a passage from one of the letters, in which I urged Locke to go up again and use his influence on the spot, and to sow some "ground-bait." The sowing of "ground-bait" is deliberately stated to be part of the instructions issued by the director of the association with which the Governor was connected; but the letter thus quoted first is really dated 26th December, three months after Sir George had intimated to me, as before narrated, that he would not go on with the proposed lease. The term "ground-bait" was the common expression used by Native land agents, and merely meant the necessity of advancing some money during the progress of the negotiation, which the practice of Government agents had made it necessary for private parties to follow.

Before the first of the letters was written (on 29th September) a full month had elapsed since Sir George Grey informed me he could not join with Mr. Cox and me in the lease of Rotoaira. The letters which he was good enough to give us were simply introducing Mr. Cox and myself to the Natives as trustworthy persons well known to him, with whom arrangements might safely be made as to leasing their lands.

Mr. Ormond, last of all, quotes from another letter, in which I inform Mr. Locke that the Governor, for reasons of State, thought it better at present that he should not be in the concern. This letter is the one of 29th September, referred to above, and is dated one month later than the date (29th August), on which Sir George Grey had informed me he would not go on with the proposed lease. When I used the words "at present," I had solely in view what Sir George had said to me about his desire, if he returned to the colony, to have a site for a chateau at Rotoaira.

As soon as the session of Parliament was over, and the news of the proposed company's operations got wind, the Taupo District was overrun by station-seekers from different parts of the country, and especially from Hawke's Bay. Among others I met Mr. Ormond in Taupo, and I was informed that he and another person were in treaty for a large block of country, over 300,000 acres, belonging to Renata Kawepo, of Hawke's Bay, situated between the Ruahine Mountains and the Rangitikei River, and which formed part of the country that our proposed company intended to lease if possible.

I went up in the month of February, 1868, to examine the country carefully, and spent a full month in doing so.

The result of my examination was that I declined to have anything to do with it, and I advised the gentlemen associated with me to abandon the idea. They followed my advice, and no company was ever actually formed.

H. R. RUSSELL.

Wellington, 2nd October, 1877.