

Todd is in Invercargill. Aitken, his storeman, is now in Hokitika, and he superintended the picking over. After the potatoes were sent down no complaints were made, but they were informed by letter that they were the best that could be procured. The statement that the potatoes were condemned by the Inspector of Nuisances, and then sent down, is utterly false. I was not in the slightest degree interested in the purchase of these potatoes. Mr. Todd bought up all the seed potatoes that could be obtained at that late season of the year. Mr. Barff further says, “—to force settlement on conditions under which people sent as special settlers become a burden upon the country, while at the same time they were possibly leading, as represented to him, almost the life of pigs.” I can only say, from personal visits, and from the mouths of the settlers themselves, that this is quite incorrect. So far from such being the case, in February, 1878, I conversed with the great bulk of the settlers, and found them well satisfied with their treatment and condition, but they required somewhat more assistance from the Government until they had more fairly established themselves. Again, Mr. Barff speaks of “scores of letters received pointing out details of mismanagement.” Hearing that Mr. Barff had received correspondence, and expressed himself in terms, that considerable cause of complaint existed, I had an interview with Mr. Barff. He then made a statement somewhat similar—that he had scores of letters, but he had not got them with him. I requested him to furnish me with distinct charges on particular points, but he failed to do so, and yet has subsequently reiterated these charges in his place in the House of Representatives.

With reference to Mr. Reeves's statements, it is impossible for me to tell what allegations may have been made to that gentleman; I can only say that, so far as I know, the statement that there has been gross mismanagement, and that there has been gross jobbery and speculation, is entirely without foundation. The fact is completely the reverse. With reference to his further statement that the establishment of the settlement has been for the private interest of any individual or individuals, that is utterly untrue. The settlement was started, as I have already shown from the official documents, solely for the public interest; and, as far as I am myself concerned, I may say that my private interests have suffered very materially through my public duties in connection with the settlement. I may take this opportunity of saying further that but for the interest which I had, partly direct and partly indirect, as at one time owner and subsequently agent for the steamer “Waipara,” the expense to the Government in connection with the settlement would have been at the most moderate computation one-half more, if the work could have been accomplished at all, which I very much doubt. With vague charges like these it is utterly impossible to contradict anything. The charges must be made specific for me to deal with them. I certainly think that persons making such statements ought to be called upon either to substantiate or withdraw them. The subsequent statements in Mr. Reeves's speech are equally without foundation and incorrect. The first goods for the settlement were purchased by the Resident Agent himself without any restriction, just as a country storekeeper would manage for his own business. Subsequent to that, the first few things that were required were sent for to the Superintendent's office, and the orders were handed to Mr. Todd to procure the goods in the same way. This was pending the adoption of the system of getting supplies, and, subsequently to that, tenders were called for for everything, and everything was procured by public tender, the tenders being opened and decided upon by the executive, with myself, while I was in charge of the settlement. The goods, when required from time to time, were taken by the steamer “Waipara,” and the reason was that she was the only local steamer available, and that some of the goods required to be delivered not only at Jackson's Bay, but at the Okura, where the other steamer trading, the “Maori,” could not enter. There were also intermediate ports—Abbey Rocks, Bruce Bay, Paringa, and Haast—which required to be supplied with small quantities of goods which they could not have obtained unless a steamer had been subsidized for the purpose of calling there, as was done in former years by the County Councils. By sending the goods by the “Waipara” this took the place of a subsidy, and so these intermediate places were supplied without additional cost to the Government. There was no other steamer trading except the “Waipara,” and the monthly trips of the “Maori.” The charges made were considerably less than those before authorized, when the steamer was subsidized. These charges were those stated in my previous letter, the subsidies varying from £100 to £160 per trip. The charges authorized when the steamer was subsidized were £3 10s. per ton. The charge made to the settlement was £3 per ton, with a deduction of 10 per cent., which the Immigration Department said they were in the habit of getting. In case of passengers, £3 was the authorized rate; the charge made to Government was £2 10s. From a return attached to the letter referred to you can see the dates of the sailing of steamers, and the names of ports called at. From a further reference to a return laid before Parliament, I see that, during the year when the bulk of the carrying was done, the gross amount of the receipts by the steamer averaged £118 per trip, being less than the amount formerly paid by the county governments by way of subsidy alone, without considering the freight which the steamer carried independently of subsidy. I may just refer to one instance in which the Government felt they ought to charter a steamer to fetch up a man and his wife from Jackson's Bay. They paid £200 for a steamer, which went on one day and returned the next. I take this opportunity of disproving the statements made, that the settlement was established for the benefit of the owner or owners of any steamer.

I may mention a case of a particular class of flour, for which I was agent, and which was sent from my store without tenders being called for. This was pending the making of proper arrangements for the supply of stores by tender. I do not know of any other steamer that would have entered into these rivers. I feel sure the “Lioness” would not have gone. She has never been into any of these rivers. No communication has been received from the owners offering the “Lioness.” The s.s. “Tui” conveyed some settlers from Wellington to Jackson's Bay, but she did not enter any of the rivers, and was subsequently withdrawn from the coast trade. There is a statement made that the Executive Officer recommended that no inquiry should be held. A reference was made to me, as Executive Officer, as to whether an inquiry by Royal Commission should be appointed, and I objected on the ground of expense. In February, 1876, I suggested that some person should be appointed. I telegraphed to the Government suggesting that the Under Secretary for Immigration, who was at Dunedin, should visit