

I refrain from referring to those parts of your letter which deal with the formation of a company, and the part taken by Mr. Mullins in it.

A copy of your letter has been sent to the Agent-General, who will no doubt offer such explanation as he may consider necessary. On page 4 you refer to a telegram which was sent by the Premier to the Agent-General. It does not seem to have any bearing on the complaints of Mr. Mullins, but it is necessary to refer shortly to your allegations.

The Government fails to see the justice of your statement that the Agent-General's action was unjustifiable. You had issued to the public a prospectus containing calculations which experience showed could not be justified by events. You had appealed to the Agent-General for the purpose of receiving from him a statement of the policy of the Government, and had applied to him for aid in your negotiation with the Government and the public in England. The object you had was to procure a communication which would show that your various proposals were not at variance with the policy of the Government. It is difficult to see how the Agent-General, having been appealed to by you, and having afterwards been applied to for information by the British Government, and having been furnished by this Government with so strong an expression of opinion, could honestly have withheld it.

I have no intention of questioning your good faith, or of suggesting that the calculations published were not believed by you to be quite correct; but upon their being made known here they were regarded as so exaggerated that it would not have been right to have allowed them to influence intending settlers. In the opinion of the Government there was a general concurrence on the part of those who had had experience in such matters.

You complain that an expression of opinion as to emigration was not sent by the Premier to the Home Government. Now, if you refer to your letter of the 29th October, you will see that you expressed a desire that you should receive an intimation of the Government policy. You did not state your wish that the Government should communicate with the English Government; yet you now express surprise that the Premier did not communicate with the English Government after the receipt of Lord Knutsford's communications. It is difficult to see how you could have been helped by such a communication. Your scheme had not been submitted in any definite form. So far as it had taken practical shape, the inducements which you held out to intending emigrants seemed illusory, and your mode of dealing with them indefinite.

As to the general propositions which you put forward, the Agent-General in his letter to you of 12th November, 1888, stated: "In reply, the Agent-General desires me to assure you that it is quite unnecessary to ask such a question of the New Zealand Government, whose desire in regard to crofter immigration has long been perfectly well known to the Imperial authorities." In this statement the Government concurs.

I now come to that part of your letter dealing with the negotiations which took place subsequent to your return to New Zealand.

Up to the time when Mr. Mitchelson and myself went to the East Coast for the purpose of inspecting certain blocks of land, you, although requested by the Premier, the Colonial Secretary, and the Native Minister on various occasions to furnish full information, supplied none. The Government agreed to negotiate for the purchase of certain blocks on three conditions. First, that the land was suitable for settlement; second, that the price was sufficiently low to admit of its being advantageously disposed of to intending settlers after setting apart enough to effect the next and third object—namely, to return a portion of the land to the original owners, and thus settle a Native difficulty which had arisen. All negotiations were entered upon with these three conditions in view, and you were informed that only subject to their fulfilment could anything be done.

I am aware that you made a proposal that £42,000 should be advanced by the Government upon certain land, but that proposition was in no way assented to. I may say that nothing could have been agreed to which could have interfered with free action by the Lands Department in the administration of the land after being acquired by the expenditure of public money. I, therefore, fail to see how you could have carried out your proposition to repay Mr. Mullins. Certainly no proposition likely to have been entertained by the Government would have placed money at the disposal of any private person; nor do I understand how the Pakowhai Block could be dealt with apart from the other blocks owned by the East Coast Company.

As to your statement that unfortunately the Government have done nothing to carry its promises into effect, I have to say: (1.) That you have not correctly stated the promises which were made by the Government. (2.) That the Government has fulfilled every promise made by it or on its behalf, and has given careful consideration to every proposition submitted. It has had the land valued, and it was only after Ministers saw that, by giving effect to the proposal to purchase, a serious loss would be entailed upon the colony, that it reluctantly abandoned the hope of arranging a difficulty which is retarding settlement upon the East Coast.

As to the closing paragraphs, the Government has shown no hostility, open or otherwise, to any legitimate effort to encourage emigration from Great Britain to New Zealand. What it did, was to intervene, in order to prevent persons from being the victims of hopes which, in the opinion of the Government, must have proved illusory.

The letter written to you by the Premier, of the 24th January, 1889, set out clearly the position taken up by the Government, and was to that extent a compliance with your request to be put in possession of the Government's views. The advantages which the colony would derive from the introduction of labour and capital for the purposes of colonisation, and from the settlement of the Native land difficulty upon the East Coast, were fully appreciated by the Government; but it believed, and still believes, that the advantages of your scheme as set forth in your pamphlet could not have been realised, and that the results would, therefore, have been detrimental to the credit of the colony.

I have, &c.,

G. F. RICHARDSON,
Minister of Lands.

W. L. Rees, Esq., M.H.R.