

1893.

## NEW ZEALAND.

## LAND ON THE EAST COAST

(CORRESPONDENCE BETWEEN THE AGENT-GENERAL, MR. W. L. REES, AND  
MR. WILLOUGHBY MULLINS, RELATIVE TO TAKING UP).*Return to an Order of the House of Representatives, dated 20th July, 1893.**Ordered, "That there be laid before this House copies of all correspondence between the Agent-General, W. L. Rees, and Willoughby Mullins, with reference to taking up land on the East Coast."—(Mr. HOUSTON.)*

## No. 1.

Mr. A. BARRON to W. L. REES, Esq., M.H.R.

SIR,—

Lands and Survey Department, Wellington, 11th June, 1891.

Referring to your letter of 29th August last, No. 576, and the reply of the Hon. Mr. Richardson dated the 23rd January, No. 64/1, I have the honour to transmit copies of further correspondence as follows: A. Memorandum No. 528, from the Agent-General, dated 3rd April, 1891, enclosing (1) Letter from Mr. Kennaway to Mr. Mullins, 13th March, 1891; (2) Letter from Mr. Mullins to Mr. Kennaway, 24th March, 1891; (3) Letter from Mr. Kennaway to Mr. Mullins, 30th March, 1891. B. Memorandum No. 625, from the Agent-General, dated the 17th April, 1891, covering a further letter from Mr. Mullins.

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

I have, &amp;c.,

A. BARRON.

## No. 2.

MEMORANDUM from the AGENT-GENERAL to the Hon. the PREMIER, *re* Mr. Rees and Mr. Mullins.

IN continuation of my memorandum of the 3rd April, No. 528, I now enclose a further letter from Mr. Mullins. The letter was suggested to him by his solicitor, and on being submitted to me I told him that I accepted it, and there would now be an end of the matter.

13, Victoria Street, S.W., 17th April, 1891.

F. D. BELL.

## No. 3.

Mr. W. MULLINS, to the SECRETARY, Agent-General's Department.

DEAR SIR,—

41, Coleman Street, London, E.C.

Referring to your letter to me of the 13th ultimo, I regret that I unintentionally led you to believe that I paid to Mr. Rees personally the sum of £500 therein referred to, instead of to the Co-operative Colonisation Association (Limited), and that therefore he should recoup me that amount.

I had no intention of imputing anything of the kind to Mr. Rees, and I am very sorry that I have been the means of causing a wrong statement to be published.

The Secretary, Agent-General for New Zealand,  
13, Victoria Street.

Yours, &amp;c.,

WILLOUGHBY MULLINS.

## No. 4.

MEMORANDUM from the AGENT-GENERAL to the Hon. the PREMIER, *re* Mr. Rees and Mr. Mullins.

ON receiving the memorandum of the late Minister of Lands (24th January last, No. 5), covering correspondence between the Minister and Mr. W. L. Rees on the subject of a correspondence with

Mr. Willoughby Mullins, I informed Mr. Mullins of the exception taken by Mr. Rees to a paragraph in my letter to the former gentleman of the 22nd April last year; and I also informed Mr. Mullins of the statements contained in Mr. Rees's letter relating to him, desiring him to say whether those statements were admitted by him, and pointing out that if they were so admitted he ought to have informed me of the facts.

Mr. Mullins thereupon called here, and admitted the truth of Mr. Rees's statements. He acknowledged that the statements he had made to me in April last year were without foundation: that he had paid the £500 (referred to in the correspondence) not to Mr. Rees, but to the Association then being promoted by Mr. Rees and himself, as the price of five hundred shares; that he had himself been an active member of the Council of that Association; that the £500 had been expended, with his knowledge and sanction, for the purposes of that Association; and that these facts had all been concealed by him from me. Upon his making these admissions, I called upon him to express his regret in writing for the injustice he had done to Mr. Rees, which he promised to do. Instead of doing so, however, he simply wrote to say that he had not intended to make any imputation against Mr. Rees personally. I have now told him that it cannot be permissible for any one to take such a course, and have again invited him to express his regret for having misrepresented the case as he did at his interviews with me last year. Copies of the correspondence with Mr. Mullins are enclosed.

I do not think it is any business of mine to refer to the correspondence between the late Minister of Lands and Mr. Rees, beyond remarking on two points: In the first place, the paragraph in my letter to which Mr. Rees takes exception was not a statement of mine at all, but a recital of statements made to me by Mr. Mullins, which he has now acknowledged to have been incorrect, and in concealment of the true relations which had existed between Mr. Rees and himself. In the second place, I do not observe in Mr. Rees's letter to the late Minister of Lands any explanation of the only point which appeared to me of any importance last year—namely, the offer which Mr. Rees had made to Mr. Mullins to sell the latter's son three hundred to five hundred acres of land privately, at £1 per acre less than other people would have to pay, on condition of Mr. Mullins assigning the five hundred shares in the Association to himself and Wi Pere. Mr. Rees apparently still considers that this proposal was "perfectly reasonable and perfectly just." I do not.

F. D. BELL.

Westminster Chambers, 13, Victoria Street, London, S.W., 3rd April, 1891.

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No. 5.

Mr. W. KENNAWAY to W. MULLINS, Esq.

DEAR SIR,—

13, Victoria Street, S.W., 13th March, 1891.

I am directed by the Agent-General to inform you that, in a letter addressed by Mr. W. L. Rees to the New Zealand Government, that gentleman takes exception to a certain paragraph of my letter to you of the 22nd April last year as being incorrect.

The paragraph was as follows: "From what you have stated at several interviews here, as well as from the reference to the matter in both your letter and Mr. Rees's, the Agent-General has understood that during that gentleman's visit to this country you paid him a sum of £500 as the price of five hundred shares in a company then intended to be formed for the colonisation of certain lands belonging to Wi Pere and other Native chiefs, which company, however, was never actually established."

As the Agent-General did not at the time, and has not since, received any correction from you of the statements contained in that paragraph, he would be obliged by your informing him whether the paragraph in question contains any inaccurate statement so far as you are yourself concerned.

Mr. Rees, in the letter to which I have referred, makes certain statements relating to yourself, an extract of which is annexed. I am desired to inquire whether these statements are admitted by you. The Agent-General thinks that if they are true, you ought to have informed him of them at the time, as they are certainly inconsistent with any claim on your part that Mr. Rees should "recoup" you the sum of £500 mentioned in his letter of 17th February, 1890.

I am, &c.,

W. Mullins, Esq.

WALTER KENNAWAY.

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Enclosure in No. 5.

EXTRACT from Mr. REES's LETTER to the MINISTER of LANDS, 29th August, 1890.

"MR. WILLOUGHBY MULLINS took five hundred shares in the Co-operative Colonising Association (Limited), which was afterwards duly registered under the Joint Stock Companies Acts. He was one of the provisional members of the Council of that Association, afterwards becoming a permanent member. All moneys were expended under his direction and sanction, and he continued to act until the company was voluntarily wound up, which step was also taken with his express sanction, and since my return from England. The total amount of money which I received from the Association for travelling and other expenses during a period of nearly six months amounted, so far as I recollect, to £40, which, I think, was the exact sum. My costs and expenses while attempting to make the company successful were at least ten times that amount. The moneys of the Association, including the £500 paid in by Mr. Willoughby Mullins, were disbursed by the Council, of which body Mr. Mullins was a constant and active member, in the registration of the company, printing, advertising, rent, furniture, and other legitimate and proper expenses, together with a part cost of sending a detachment of colonials to New Zealand. Out of the whole funds of the association I received nothing directly or indirectly except the £40 already mentioned."

## No. 6.

Mr. W. MULLINS to W. KENNAWAY, Esq.

DEAR SIR,—

41, Coleman Street, E.C., 24th March, 1891.

The paragraph in your letter of 27th April last was incorrect in several respects, and I ought to have called your attention to it at the time.

Without going into the matter in detail, it is due to Mr. Rees to say that I did not intend to convey that I had any legal claim upon Mr. Rees; but I understood him to wish to give me an advantage with reference to acquiring some of the land in question, which would, in fact, recoup me what I had paid to the Association for my shares. I did not intend to make, and do not make, any imputation upon Mr. Rees personally.

I am, &amp;c.,

WILLOUGHBY MULLINS.

W. Kennaway, Esq., New Zealand Government Offices, Victoria Street, S.W.

## No. 7.

Mr. W. KENNAWAY to W. MULLINS, Esq.

DEAR SIR,—

13, Victoria Street, S.W., 31st March, 1891.

I am directed by the Agent-General to acknowledge the receipt of your letter of the 24th instant, which is very different from what you promised him you would write at the interview you had with him some days ago.

At that interview you admitted the truth of Mr. Rees's statements affecting yourself. You acknowledged that the statements you had made to the Agent-General in April last year were without foundation; that instead of your ever having paid £500 to Mr. Rees himself, you had paid it to an association called "The Co-operative Colonising Association (Limited)," then being promoted, as the price of five hundred shares; that you had yourself been an active member of the Council of that Association; that the £500 had been expended with your knowledge and sanction for the purposes of that Association; and that these facts had all been concealed by you from the Agent-General.

Upon your making these admissions the Agent-General called upon you to express your regret for the gross injustice you had done to Mr. Rees, and you promised to do so. Instead of that you merely say that you did not intend to make any imputation against Mr. Rees personally. Surely on reflection you will see that it is not permissible for any one to take such a course, and the Agent-General once more invites you to express your regret for having misrepresented the case, as you did at your interviews with him last year.

I am, &amp;c.,

WALTER KENNAWAY,

Secretary, Agent-General's Department.

Willoughby Mullins, Esq.

## No. 8.

Mr. W. L. REES to the Hon. the MINISTER of LANDS.

SIR,—

Victoria Arcade, Auckland, 29th August, 1890.

I have the honour to acknowledge the receipt of your letter dated the 31st July, and numbered as above, enclosing copies of correspondence as follows: (a.) Memorandum from Agent-General to Minister of Lands. (b.) Letter from Mr. W. Mullins to Agent-General. (c.) Letter from myself to Mr. Mullins. (d.) Letter from Mr. Kennaway (by direction of the Agent-General) to Mr. W. Mullins. I beg to apologise for the delay in answering your letter, which delay has arisen from stress of private business since its receipt.

I shall now proceed to answer the points raised in the above correspondence.

I desire to point out that in the letter quoted (d), evidently written under the personal direction of the Agent-General, a serious misstatement occurs. In the paragraph, "From what you have stated at several interviews here, as well as from references to the matter in both your letter and Mr. Rees's, the Agent-General has understood that during that gentleman's visit to this country you paid him a sum of £500 as the price of five hundred shares in a company then intended to be formed for the colonisation of certain lands belonging to Wi Pere and other Native chiefs in the provincial district in question, which company was never actually established," the Agent-General has made a statement which is not only incorrect, but, to the best of my belief, incorrect within the knowledge of Sir F. D. Bell. At the request of the Agent-General, papers were transmitted from the office of the Co-operative Colonising Association (Limited) to himself, as Agent-General of New Zealand, which clearly showed the nature and details of the transaction referred to.

Mr. Willoughby Mullins took five hundred shares in the Co-operative Colonising Association (Limited), which was afterwards duly registered under the Joint Stock Companies Acts. He was one of the provisional members of the Council of that Association, afterwards becoming a permanent member. All moneys were expended under his direction and sanction, and he continued to act until the company was voluntarily wound up, which step was also taken with his express sanction, and since my return from England.

The total amount of money which I received from the Association for travelling and other expenses during a period of nearly six months amounted, so far as I can recollect, to £40, which I think was the exact sum. My costs and expenses while attempting to make the company successful were at least ten times that amount.

The moneys of the Association, including the £500 paid in by Mr. Willoughby Mullins, were dispensed by the Council, of which body Mr. Mullins was a constant and active member, in the registration of the company, printing, advertising, rent, furniture, and other legitimate and proper expenses, together with a part cost of sending a detachment of colonials to New Zealand. Out of the whole funds of the Association I received nothing, directly or indirectly, except the £40 already mentioned.

My efforts in England failed, owing greatly to the telegram sent by the Government to Sir F. D. Bell, and which was unjustifiably allowed by that gentleman to be publicly read in the House of Commons. Subsequent to the arrival and promulgation of that telegram I had yet reasonable hopes of success if Sir Harry Atkinson had officially recognised and acknowledged the letter of Lord Knutsford, in which the Secretary for the Colonies inclosed my correspondence to the Premier of New Zealand. Through some unaccountable cause the Premier of New Zealand failed to reply officially to the Secretary for the Colonies; this, in addition to the telegram already sent, completely destroyed all hope of my success, and I then returned to New Zealand. The Co-operative Colonising Association (Limited) continued in existence for some time after this, Mr. Mullins still being an active member of its executive, but, as I before said, was voluntarily wound up.

On my return to New Zealand I saw the Premier, who requested me to furnish the Government with all information necessary to enable the Government to consider the propriety of taking over the Native Land Company's lands in the interests of the Natives. Subsequently, a considerable amount of correspondence, both by letter and telegram, took place upon this subject, and ultimately, in January, 1890, I requested the Government to advance a sum of £42,000 by way of mortgage upon two of the blocks of land, Pakowhai and Paremata, and 10,000 sheep. By appointment I met the Native Minister and Mr. Murray, the then managing director of the Bank of New Zealand, at the Bank in Auckland, when it was agreed that if the liquidators of the company assented to the price the Bank would accept it, and Mr. Mitchelson would recommend to the Government the adoption of my proposals.

The liquidators did assent, and on the 17th February Mr. Mitchelson telegraphed to me that the Cabinet had decided to acquire the blocks of land mentioned in my letter, provided the report of the Minister of Lands and Surveyor-General were favourable, and suitable terms were arranged. My proposition to the Government was distinct and clear, that they should advance to Wi Pere and myself a sum of £42,000 on mortgage of these two blocks and the sheep, and we should have power to cut up and dispose of these lands, the Government reserving to itself the right of fixing such a price as would repay them for their advances. On the same day that I received the final telegram from Mr. Mitchelson, which I understood as closing the matter, I wrote to Mr. Mullins the letter above mentioned (c).

On my return from England I told the Natives, for whom Wi Pere and myself were acting, of the failure of our mission, and the cause of it. The Natives were well aware that certain emigrants had been sent out by us, including Mr. Mullins's son, with the expectation of being able to take up portions of the Pakowhai Block, and they knew also that Mr. Willoughby Mullins had invested £500 in the formation of the Co-operative Colonising Association (Limited). The Natives generally desired Wi Pere and myself to do the best we could for those who had thus come to New Zealand, and to see, if possible, that they suffered no loss.

The Pakowhai land, which, under the terms of an arrangement with the Government, we proposed to cut up for settlement, being 2,500 acres of the best portion of that block, we estimate at the value of from £8 to £10 per acre. This price would have enabled us to pay the Government their charges upon that land, £20,000, leaving 2,500 acres and 5,000 sheep clear for the Native owners.

It was under these circumstances, and acting on the request of the Natives that we should shield any person who had invested money to aid the Natives from loss, that my letter to Mr. Mullins was written. The proposition was perfectly reasonable and perfectly just. Unfortunately, the Government has done nothing further to carry its promises into effect, and so put it out of the power of Wi Pere and myself to fulfil the offer contained in my letter to Mr. Mullins.

I cannot close this correspondence without expressing my surprise at the action of the Government throughout. By their open hostility in the matter of the telegram, and their culpable negligence in not answering Lord Knutsford's letter, they destroyed the possibility of a successful scheme of colonisation. They impressed Her Majesty's Government that they were adverse to all immigration; they prevented the introduction of capital and labour for the purposes of settlement in the colony; and they defeated the effort being made by Wi Pere and myself, at enormous cost of money and trouble, for the advantageous settlement of the Native Land Company's difficulties and the preservation of the rights and interests of the Natives in their lands.

As it seems that the Government has allowed this matter to drift, and there is no hope of its repeated assurances to myself and Wi Pere being fulfilled, I shall petition Parliament for redress on behalf of the Native owners of these lands.

The Hon. the Minister of Lands, Wellington.

I have, &c.,

W. L. REES.

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#### No. 9.

The Hon. the MINISTER of LANDS to W. L. REES, Esq., M.H.R.

SIR,—

23rd January, 1891.

I have the honour to acknowledge the receipt of your letter of the 29th August, 1890, with reference to certain correspondence between the Agent-General, Mr. W. Mullins, and myself, arising out of your proposed colonisation scheme on the East Coast.

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.

## No. 10.

The Hon. the MINISTER of LANDS to W. L. REES, Esq.

(Telegram.)

ON the 31st July I forwarded you copies of correspondence between Mr. Willoughby Mullins and the Agent-General with reference to the Pakowhai Block, will you please reply as requested as soon as you can conveniently do so.

W. L. Rees, Esq., Gisborne.

G. F. RICHARDSON.

## No. 11.

The Hon. the MINISTER of LANDS to W. L. REES, Esq.

SIR,—

31st July, 1890.

I have the honour to forward herewith copy of a letter from the Agent-General, covering correspondence with Mr. Willoughby Mullins on the subject of a letter lately received by that gentleman from you, with reference to his son acquiring a farm out of the Pakowhai Block, on the East Coast, at a less price than the land would be offered to the general public.

The Government will be obliged by your affording such explanation with reference to the statements in your letter to Mr. Mullins as you may desire to make.

W. L. Rees, Esq., Gisborne.

I have, &amp;c.,

G. F. RICHARDSON.

## Enclosure 1 in No. 11.

MEMORANDUM from the AGENT-GENERAL to the Hon. the MINISTER of LANDS *re* Mr. W. L. Rees's Colonising Proposals.

I BEG to enclose copy of a correspondence with Mr. Willoughby Mullins on the subject of a letter lately received by that gentleman from Mr. W. L. Rees. I have not been able to answer Mr. Mullins's inquiry as to the acquirement for the Government of the blocks of land mentioned by Mr. Rees, but the Hon. the Minister will see that I have discouraged the idea that Mr. Rees would be in a position, if the land were so acquired, to dispose of any part of it privately at a lower price than the public could buy it.

F. D. BELL.

Westminster Chambers, 13, Victoria Street, London, S.W., 29th April, 1890.

## Enclosure 2 in No. 11.

Mr. W. MULLINS to the AGENT-GENERAL.

SIR,—

41, Coleman Street, E.C., 16th April, 1890.

Having received a letter from my son, J. H. Mullins (who is at Gisborne, and is desirous of settling upon Crown land in this neighbourhood), with which was enclosed the letter from Mr. W. L. Rees, of which I beg to transmit herewith a copy, I shall feel greatly obliged by your informing me if the Government has acquired, or is about to acquire, the Maori lands therein mentioned, of which the Bank of New Zealand is the mortgagee. Also if, in such case, Mr. W. L. Rees will be in a position to lawfully secure conveyance of from three hundred to five hundred acres thereof to my son or me, at £1 per acre below the purchase-price fixed by the Land Department for the respective sections, as proposed by him. I should not venture to thus trouble you, merely for the protection of my son's and my interest, my warrant for so doing being that it appears to me most unlikely that Mr. W. L. Rees would be officially empowered, either by the Government, the Maoris, or the Bank, to thus at the cost of one or other recoup me the £500 to which he alludes.

I have, &amp;c.,

WILLOUGHBY MULLINS.

The Agent-General for New Zealand.

## Enclosure 3 No. 11.

Mr. W. L. REES to W. MULLINS, Esq.

MY DEAR SIR,—

Gisborne, 17th February, 1890.

As your son is writing to you by this mail, I accept the opportunity which his letter gives me of explaining the present position of matters here. Since my arrival in New Zealand I have been in constant communication with the Government upon the question of the Native land entrusted to Wi Pere and to me, and their interference with us while in England.

From the first, Ministers have expressed their regret at the consequence of their unwarranted action, but it is only lately that they have determined to assist us in our endeavours to effect a settlement of these lands.

The Cabinet have decided to take over from the Bank of New Zealand two of the blocks held by that institution under mortgage—namely, Paremata, 8,000 acres; and Pakowhai, 5,000 acres. As soon as this is done I shall be able to give your son land for a farm. No doubt he will have told you his opinion of the district and the people. He has now been here for nearly twelve months. He has been working, and seems in excellent health and spirits. He proposes to take up from 300 to 500 acres of Pakowhai, which will, with a properly directed expenditure of about £2 10s. per acre, carry about 2,000 sheep. The soil is excellent, the climate genial, and the scenery very beautiful. No better place for a home could be found in the colony, or perhaps the world. Two thousand sheep will bring in £500 a year clear of expenses, while such a farm will be capable of producing meat, fruit, vegetables, and dairy-produce for its owner. I propose to let your son have

his farm at £1 per acre less than other people pay, on condition of your assigning your shares (500) to Wi Pere and myself. It will be necessary that your son should have power to draw the necessary funds for clearing, fencing, and purchase of stock. I would suggest that all money be spent at this end under the sanction of the manager of the Bank of New Zealand and myself, as I feel to a large extent responsible for proper expenditure. Reports could then be sent to you from time to time as to progress, &c. The year's experience will be of great value to Jack, and I think he will settle down to and make an excellent farmer. Mr. Birrell and the Fords are all doing well. I shall, with God's blessing, be able to settle them also upon good farms in a short time.

Willoughby Mullins, Esq.

I am, &c.,

W. L. REES.

Enclosure 4 in No. 11.

Mr. W. KENNAWAY to W. MULLINS, Esq.

DEAR SIR,—

13, Victoria Street, London, S.W., 22nd April, 1890.

I am directed by the Agent-General to answer your letter of the 16th instant, covering copy of one you had received from Mr. W. L. Rees.

The Agent-General informed you personally the other day that he had received no information from the New Zealand Government of such steps as are referred to by Mr. Rees having been taken, with regard to the two blocks of land called Paremata and Pakowhai; and he also expressed the opinion that if those blocks were to be acquired by the Government, the disposal of the same would be regulated by the Land Acts in force within the provincial district, adding that he could not conceive of any power Mr. Rees could have to dispose of from three hundred to five hundred acres of that land privately, to yourself or your son, at £1 per acre below the price at which it was open to the public.

From what you have stated at several interviews here, as well as from the references to the matter in both your letter and Mr. Rees's, the Agent-General has understood that during that gentleman's visit to this country you paid him a sum of £500 as the price of five hundred shares in a company then intended to be formed for the colonisation of certain lands belonging to Wi Pere and other Native chiefs in the provincial district in question, which company, however, was never actually established. It now appears from Mr. Rees's letter to you that the transfer of these five hundred shares to himself and Wi Pere is the condition on which the above-mentioned three hundred to five hundred acres would be conveyed by him to your son; but the Agent-General entirely agrees with you that it is most unlikely Mr. Rees would be placed either by the Government or any one else in a position to recoup you in the way he proposes for the £500 you had paid to him for the shares. The transaction about the shares having, however, been a private one between yourself and Mr. Rees, the Agent-General does not think he or any one else can properly interfere, so long, of course, as any proposal relating to the land was one that could legally be carried out.

The Agent-General proposes to send this correspondence to the Government for their information.

I am, &c.,

Willoughby Mullins, Esq.

WALTER KENNAWAY, Secretary.

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