

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.