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time, and accompanying as it did the boundaries which for the first time were to include Mr. Russell's purchases, is the strongest possible proof that Mr. Russell was not to be interfered with, and, for the reason given by Mr. Mackay and that only, the lands were included in the Proclamation. This again affords evidence of the strongest character that Mr. Russell's claims and the arrangement with Mr. Mackay have been fully and completely recognized and sanctioned; and, notwithstanding all this, a very small portion of the land which Mr. Russell could have claimed is now being asked for.

The Hon. the Minister of Lands, Wellington. I have, &c.,

EDWIN HESKETH.

No. 17.

The Commissioner of Crown Lands, Auckland, to the Hon. the Attorney-General.

I have the honour to forward, for your information, the accompanying copy of a letter from Captain Steele, in which, on behalf of Messrs. Grant and Foster, he signifies his acceptance of the terms and conditions transmitted to you in my letter of yesterday's date relative to the proposed sale of a part of the Te Aroha Block as a special settlement for a party of Lincolnshire farmers. You will, however, observe that he stipulates that such acceptance is to be regarded as conditional upon the extinguishment, by the Government, of Mr. T. Russell's claim; and he asks that a written I have, &c., D. A. Tole, assurance to that effect may be given to him.

The Hon. the Attorney-General.

Commissioner of Crown Lands.

Auckland, 8th October, 1880.

Enclosure in No. 17.

Captain W. Steele to the Commissioner of Crown Lands, Auckland.

Auckland Club, 8th October, 1880. SIR,-I have the honour to acknowledge the receipt of your letter of the 7th instant, covering resolutions passed at a special meeting of the Waste Lands Board, called to consider certain modified conditions proposed by me, on behalf of Messrs. Grant and Foster, for the purchase of a portion of the Te Aroha Block, containing 17,600 acres. I beg to say that, as agent for Messrs. Grant and Foster, I accept the terms and conditions as stated in your communication, on the understanding that Mr. Russell's claim be extinguished; and I am anxious to receive your written assurance to that effect. As a number of settlers may shortly be expected to arrive here for the purpose of settling upon the above-named block, I beg to express a hope that no time be lost in settling Mr. Russell's claim, so as to prevent disappointment or obstacle to the occupation of the land upon their arrival in the colony. I may add that I have telegraphed to my principals the acceptance of the Waste Lands Board's proposals. I cannot conclude without expressing my sincere thanks to you personally, and through you to the members of the Waste Lands Board, for the courtesy, patience, and consideration shown to me in this matter. I have, &c., W. Steele,

D. A. Tole, Esq., Commissioner of Waste Lands, Auckland.

Agent for Grant and Foster.

No. 18.

MEMORANDUM from the SURVEYOR-GENERAL to the CHIEF SURVEYOR, Auckland. Russell's Claim, Te Aroha.

General Survey Office, Wellington, 25th October, 1880.

Chief Surveyor, Auckland. By direction of the Hon. the Minister of Lands I forward herewith copy of his letter to Mr. Hesketh on the subject of Mr. Thomas Russell's claim, Te Aroha. Referring to your personal interview with Mr. Rolleston on the subject of your investigating above claim, he desires me to state that, "should it appear on inquiry that there are unsatisfied claims, the Government will be glad if he (you) will make recommendation of such a course as will, while adjusting these claims, enable Government to proceed with negotiations for the settlement of the land by Messrs. Grant and Foster and others." I forward file of correspondence in connection with Russell's claim, marked as in margin [L. 80-2471]. James McKerrow, Surveyor-General.

No. 19.

The Hon. the Minister of Lands to the Commissioner of Crown Lands, Auckland. Wellington, 23rd October, 1880. You can inform Captain Steele, for Messrs. Grant and Foster, that Government will agree generally to terms of settlement proposed by Land Board in respect of the whole area applied for by them, subject to any modifications in detail which may be found necessary. Mr. Russell's claim will be

dealt with independently. The Commissioner of Crown Lands, Auckland.

WM. ROLLESTON.