(Telegram.)

A STATEMENT under the heading "The Maraeroa Block," which appears in the New Zealand Herald of the 1st August, taken from the Waikato Times, has been brought under the notice of the Government, and I am directed by the Hon. Native Minister to request you will be good enough to state whether the paragraph is a correct report of your evidence before the Commission, and, if so, to be good enough to furnish your authority for the statement you are reported to have made that you were at liberty, under the power granted you by warrant, to do as you liked with the balance—i.e., the difference between the authorised rate per acre for any land and any lesser amount for which you were able to purchase an interest—and could give it as a bonus, if you wished, to any Native you chose. Please reply by urgent telegram, collect, and name any blocks in which you so acted, to whom the amounts paid, and the amounts.

To W. H. Grace, Esq., Kihikihi.

T. W. Lewis, Under-Secretary.

(Telegram.)

Kihikihi, 10th August, 1889.

In reply to your telegram of yesterday, I have to state that the evidence I gave before Commission Court here was not in connection with Maraeroa Block, but in the case of Karawhira Kapu, and the report which appeared in the New Zealand Herald of 1st instant is incorrect, for I did not say that I "was at liberty, under power granted by warrant, to do as I liked with the balance, and would give it as a bonus to any Native I chose."

In reply to last portion of your telegram, I state that I have not acted at any time in the manner inferred in any block bought by Government, therefore cannot name any Natives or any

amounts.

W. H. GRACE.

T. W. Lewis, Esq., Under-Secretary, Native Department, Wellington.

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