

1889.

NEW ZEALAND.

TAUPONUATIA COMMISSION,

(MEMORANDUM BY UNDER-SECRETARY, NATIVE DEPARTMENT, TO THE HON. NATIVE MINISTER.)

*Laid on the Table by the Hon. Mr. Mitchelson, with leave of the House.*MEMORANDUM for the Hon. the NATIVE MINISTER *re* TAUPONUATIA COMMISSION.

IN accordance with your instructions, I have requested Mr. Sheridan, the Chief Clerk and Accountant in the Native Land Purchase Branch of the Native Department, to remark, for your information, upon the Commissioner's Report on Issue No. 3, especially the last paragraph, which is as follows: "With regard to the promise made by Mr. Grace of the payment of a bonus for services to Karawhira, he explains that, in exercise of his discretionary powers as a Land Purchase Officer, he has always considered himself empowered to make such payments under the head of 'Contingencies,' provided he does not exceed the price per acre authorised by the Government to be paid for the land; that he has on several occasions exercised this power; and that these payments appearing in his accounts under the head of 'Contingencies' have never been questioned by the department." I attach Mr. Sheridan's minute hereto.

It is a part of Mr. Sheridan's duty to carefully examine all vouchers for land-purchase payments, and to call my attention to any matter not strictly in order. He is a careful and experienced accountant, and it would be impossible that any such payments as are stated to have been made could have passed without question. I certainly am not aware of ever having approved of any payments of the sort.

The sworn evidence of Mr. Grace does not appear to support the statement made by the Commissioners—namely, "that Mr. Grace had on several occasions exercised the power of paying bonuses, and that these payments appearing in his accounts under the head of 'Contingencies' have never been questioned by the department." This statement, as Mr. Sheridan points out, is directly contradicted in Mr. Grace's telegram in reply to mine of the 10th of August, when Mr. Grace, on being asked to name any blocks in which he so acted, to whom the amounts were paid, and the amounts so paid, replied, "I have never acted at any time in the manner inferred in any block bought by the Government, and therefore cannot name any Natives or any amounts."

Mr. Grace's agreement with Karawhira Kapu was, as I have already pointed out in previous minutes to you on the subject, irregular and unauthorised by the department. It did not come to light until some considerable time after Mr. Grace had left the service, and on its becoming known to the Government they refused in any way to recognise it.

I would also add that no Land Purchase officer has any authority whatever to deal with land purchase payments in the manner Mr. Grace appears from his evidence before the Commission to have intended, or to make any arrangement with storekeepers as from the same evidence he appears to have done.

I have addressed you a separate memorandum on the subject of the legislation required in connection with the boundary question and Pouakani.

Native Office, Wellington, 3rd September, 1889.

T. W. LEWIS,
Under-Secretary.*Re* THE AGREEMENT BETWEEN W. H. GRACE AND KARAWHIRA KAPU.

No authority that I am aware of was ever issued to Mr. Grace which would warrant his entering into such an agreement. The discretionary powers of a Land Purchase Officer, under which he claims to have acted, if any, are extremely limited, as the telegraph affords ready means of communication with head-quarters in all cases of doubt or difficulty. I have read through the evidence taken before the Commission, and cannot find the statements by Mr. Grace, as contained in the three last lines of the report. At all events, these statements are not correct. Mr. Grace has never paid any bonuses as alleged. He states so himself in the telegraphic correspondence attached. I have satisfied myself by a perusal of his accounts.

28th August, 1889.

P. SHERIDAN.