

Committee are convinced that the scrip was tendered by Mr. Rhodes, and accepted by the Receiver of Land Revenue, in perfect good faith, under the impression that it was valid and negotiable in Canterbury for the full amount named upon it; and that no charge whatever can be made against either of them in regard to these transactions.

5. That, though the scrip could not have been used in Canterbury, it could have been used in the purchase of land in Auckland to the amount of its face-value.

6. From the evidence of Mr. Whyte the Committee find that, by a personal interview with Ministers, in Wellington, immediately after the sale of Ellesmere lands, Mr. Whyte obtained irregular and illegal concessions from Ministers as to the use of his scrip in the payment of Ellesmere lands purchased by Mr. J. G. Murray, in Christchurch, which gave illegal currency in Canterbury to a large quantity of scrip held or conditionally sold by Mr. Whyte.

7. From the evidence of the late Minister of Lands, Mr. Richardson, the Committee find that he not only put but that he still puts a construction upon the laws under which he was required to act not consistent with the provisions of the 1888 Act, and that he disregarded or misunderstood the decision of the Court of Appeal in the case of Paterson and Another *versus* Humphries.

8. By documents and dates laid before it, the Committee find that the land officers in Christchurch overlooked or disregarded their latest instructions when accepting scrip to the value of £998 14s. from Mr. A. E. G. Rhodes, M.H.R., on behalf of Mrs. Jessie Rhodes, in payment for Crown land sold to her on the 25th March, 1891.

9. The Committee find that information that scrip would be accepted in payment for the Ellesmere lands was obtained in a semi-private manner from Ministers or officials by persons who thus obtained an undue advantage over the general public. In justice to the public, and to the public revenue, there can be no doubt that, if scrip was to be accepted at all, timely notice should have been given to the public to that effect.

10. However much these irregularities are to be regretted, the colony is clearly bound by the actions or errors of its Ministers and officers, and has now no practical remedy for them. The purchasers, in all cases, have complied with the demands of our land officers, and there is no ground to justify a demand for a refund from Mrs. Jessie Rhodes, or for withholding a title for the land purchased after her agent has complied with all the conditions demanded from him by the land officers.

11. The Committee approve of the action of the present Minister of Lands in disallowing the surcharge against the late Receiver of Land Revenue at Christchurch.

22nd August, 1893.

J. M. SHERA,
Chairman, Public Accounts Committee.

MINUTES OF PROCEEDINGS.

[NOTE.—Other business than that relating to the scrip transactions is not printed, and where other business occurs it will be shown by a line of asterisks.]

TUESDAY, 1ST AUGUST, 1893.

Present: Mr. Shera (Chairman), Mr. Guinness, Hon. Sir J. Hall, Mr. G. Hutchison, Mr. J. Mills, Dr. Newman, Hon. the Premier, Mr. Saunders, Hon. Sir Robert Stout, Mr. Tanner, Hon. Mr. Ward, and Mr. Wright.

Minutes of the previous meeting read and confirmed.

Order of reference of the 26th July, 1893, read by the Clerk.

The Hon. J. B. Whyte, M.L.C., and Messrs. Rhodes and Richardson, Ms.H.R., and Mr. C. O'H. Smith, Auditor, Lands and Survey Department, attended the Committee.

The Committee took into consideration the question of the Land Scrip.

Mr. Smith and Mr. Rhodes gave evidence, which was taken down by the reporter.

The further consideration of the question was adjourned until to-morrow.

The Committee then adjourned until to-morrow at 11 o'clock.

WEDNESDAY, 2ND AUGUST, 1893.

Present: Mr. Shera (Chairman), Mr. Guinness, Hon. Sir J. Hall, Mr. G. Hutchison, Mr. Mills, Dr. Newman, Hon. the Premier, and Mr. Saunders.

Minutes of the previous meeting read and confirmed.

The Hon. Mr. Whyte, M.L.C., Mr. Rhodes, M.H.R., and Messrs. Barron and Smith attended the Committee.

Mr. Barron, Under-Secretary of the Lands and Survey Department, and the Hon. J. B. Whyte gave evidence, which was taken down by the reporter.

Resolved, on the motion of Mr. G. Hutchison, That the Hon. the Premier be asked to obtain the Law Officers of the Crown's opinion upon the following points:—

1. Was the scrip issued to C. B. Knorpp on the 28th January, 1890, under the Forest Trees Planting Encouragement Acts exercisable after the 30th June, 1889, or (with sanction and certificate given) after the 31st October, 1890?

2. Was such scrip exercisable to any value exceeding £500 whether in one or more provincial districts?

3. Was such scrip exercisable elsewhere than in the Provincial District of Auckland, within which the trees were planted; and, if so, to what extent?

The Committee then adjourned.