

1894.
NEW ZEALAND.

WASTE LANDS COMMITTEE

(REPORT OF, ON THE POMAHAKA ESTATE PURCHASE INQUIRY, TOGETHER WITH MINUTES OF EVIDENCE, CORRESPONDENCE, AND APPENDICES).

Report brought up 12th October, 1894, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

TUESDAY, THE 10TH DAY OF JULY, 1894.

Ordered, "That the whole transactions in connection with the purchase of the Pomahaka Block, under 'The Land for Settlements Act, 1892,' be referred to the Waste Lands Committee for investigation, with power to take evidence on oath, and call for persons and papers, and to report to the House."—(Hon. J. McKENZIE.)

REPORT.

The Committee to whom was referred the inquiry into the whole transactions in connection with the purchase of the Pomahaka Block from Mr. John Douglas under "The Land for Settlements Act, 1892," beg to report as follows:—

The inquiry commenced on the 4th September, and closed on the 2nd October, 1894, and the evidence of thirteen witnesses was taken.

It appears that when addressing the Waihemo electors during last election Mr. M. J. Scobie Mackenzie spoke at Palmerston, as follows:—

"Let it be clearly understood, I am far from suggesting corruption in connection with my opponent in this contest. I say again that I don't even include him (Hon. J. McKenzie) among the political players. I think his intentions are excellent, and that he is doing the best he can for all classes of settlers. But a man with unlimited power is apt to be acted upon unconsciously in all sorts of ways. Take this last Pomahaka purchase, for instance. I believe it to be a downright bad purchase, a much worse one than Cheviot. I only know the land by repute, but it is a cold, ungenerous soil. It is purchased on the eve of a general election. The owner of it is an influential man in this immediate neighbourhood. He employs a number of men, and may influence a number of votes. His nephew is head of one branch of the Minister's department. The land has been for sale for many years. I heard it myself offered for sale at the same price, I think, ten years ago. It has been rented for a long time at 6d. per acre rent, which is 5 per cent. on a capital value of 10s. per acre. I believe even at that rent the land was about to be thrown up. Now, all these things may be mere isolated facts; there may be no connection between them at all. But a Minister's mind may be influenced unconsciously by the pressure of his friends, by the fear of his enemies, by fifty circumstances which have no direct connection with corruption, but which lead in that direction. I want you to remember this: It has never been the policy of the English law or custom to invest any individual with unchecked power over his neighbour."

His opponent, the Hon. J. McKenzie, took these remarks to convey a charge of corruption against himself, and made a public reply at Palmerston. Considerable discussion followed in the Dunedin newspapers, and both Mr. Scobie Mackenzie and the editor of the *Otago Daily Times* demanded a searching inquiry, on the grounds that the purchase was an improper one and the price absurdly excessive.

With a view of securing the fullest investigation, the Committee specially invited both these gentlemen to attend the proceedings, and also asked them to name what witnesses they thought should be called, the Committee offering to pay all expenses.

The editor declined to attend, and said he had no witnesses to name. He had written merely as a public journalist.

Subsequently, whilst the inquiry was in progress, this gentleman in his leading columns stated that the Committee was only taking such evidence as would suit the Minister and the department, but that the evidence of those who, "if properly examined," could tell "the real story," was not