

R E P O R T.

THE Select Committee appointed to inquire into the whole of the circumstances connected with the acquisition and transfer to provincial administration of the Tairua and Pakirarahi blocks, in the Province of Auckland, and of all dealings whatsoever therewith by either the Colonial or Provincial Governments up to the present date, have the honor to report as follows :—

The Tairua block, of 36,000 acres, was conveyed by the Natives to the Queen on the 7th December, 1872, without any reservation being expressed in the body of the deed, except of certain timber rights, to which the Committee will presently allude.

The purchase of this block from the Natives was concluded as stated by the Native Minister. It was one of several blocks reported on by Mr. Preece, in respect of which the recommendation required by the Immigration and Public Works Amendment Act had been made by the provincial authorities.

On the 24th June, 1874, the Tairua block was proclaimed waste lands of the Crown, subject to be dealt with in accordance with the land laws for the time being in force for the Province of Auckland. No reservation was notified in this Proclamation. On the 25th July, 1874, Mr. Mackay wrote a letter to the Provincial Government, stating that there was a reserve of 1,000 acres at Tairua not yet defined on the ground. On the 15th July, 1874, the conveyance of the Tairua block from the Natives to the Queen was registered. On the 14th April, 1875, the surveyor appointed by the Provincial Government reported the desirability of reserving a valuable site for a township in the Tairua block. On the 15th May, 1875, the Provincial Government heard that this same town site was about to be surveyed on behalf of the Natives, and Mr. Mackay did not report the special selection of this reserve until after this survey had been made; and on the 2nd July, 1875, the Provincial Government first learnt positively that it had been selected by the Natives as their reserve of 1,000 acres in the Tairua block, and that the Natives had leased it to an interpreter named Guilding, in Mr. Mackay's employment. He (Mr. Guilding) had had full knowledge of the transactions connected with this reserve from the signing of the original deed assigning the Tairua block to the Queen. Mr. Guilding, it appears, subsequently admitted Mr. O'Halloran, another clerk in Mr. Mackay's employment, as a partner in this lease.

It appears that Mr. Mackay was not cognizant of this transaction prior to its completion, and he states in evidence that he expressed his disapproval of it.

Mr. Guilding was an interpreter, and Mr. O'Halloran a clerk engaged and paid by Mr. Mackay both in his public and private business.

The Committee are of opinion that the leasing of this reserve by persons employed by Mr. Mackay, and presumably with special information on the subject, not accessible to the public generally, is open to the gravest objection.

The facts relating to the acceptance by Mr. Crippen, a clerk of Mr. Mackay's, of a share in the Prospectors' Claim, are as follows :—

The prospectors requested their agent, Mr. W. A. Graham, to offer a share in this claim to Mr. Mackay, the General Government Agent. Mr. Graham did so, and Mr. Mackay refused to accept it, giving as his reason that it would perhaps be made use of against him in his official capacity. Mr. Mackay was then asked if he would like to give it to Mr. O'Halloran. He objected to Mr. O'Halloran receiving it, as he was connected with him by marriage; but he suggested that Mr. W. A. Graham might give it to Mr. Crippen, "who had been a faithful servant of his." The share was accordingly given to Mr. Crippen, and subsequently, as appears from Mr. O'Halloran's evidence, the share was divided equally between Mr. Mackay's two clerks, Mr. O'Halloran and Mr. Crippen.

It appears from documents before the Committee that this share was very shortly afterwards sold for a sum of about £2,000. Mr. O'Halloran acknowledges that he received £700 or £800 for his half-share.

Mr. Mackay states positively that he himself has no interest in the claim, direct or indirect.

The Committee consider that this transaction was highly improper, and that, while Mr. Mackay declined the share himself, he should have peremptorily refused to allow any of the persons in his employment to accept it.

The terms upon which Mr. Mackay was employed upon the purchase of the Tairua and other blocks are narrated in the correspondence between him and the Public Works Department in the year 1872, and subsequently in papers laid on the Table this year (C. No. 3). From the 1st August, 1869, till January, 1872, Mr. Mackay had been engaged in business negotiations with private individuals, under which he had arranged for acquiring certain rights to timber, and it was made a condition of his undertaking the acquisition of these lands for the Crown, that the arrangements for the timber which he had previously made on behalf of private individuals should be respected.

Under these engagements the Provincial Government have acquired about 150,000 acres of