

FLAXBOURNE CHARGE

THE Select Committee, to which was referred the charge against the Government made by the honourable member for Stratford, Mr Hine, in connection with the purchase by the Government of the Flaxbourne Estate for closer settlement, has to report as follows :—

1. The charge is against the Government, of which the late Right Honourable Mr. Seddon was Prime Minister, and is as follows :—

“ That in or about the year 1904 the Government having taken steps to acquire compulsorily the property known as the Flaxbourne Estate and appointed a member of the Legislature—to wit, Thomas Kennedy Macdonald, a member of the Legislative Council—as their Assessor, and knowing or believing that by reason of his being a member of the Legislature the said Thomas Kennedy Macdonald could not be paid any remuneration for so acting as Assessor, sent the then partner of the said Thomas Kennedy Macdonald, one Alexander Lorimer Wilson, to make a casual inspection of the said property and paid him an exceptional and wholly extravagant fee therefor, with the intent or object of indirectly remunerating the said Thomas Kennedy Macdonald or his partner or firm for the services of the said Thomas Kennedy Macdonald as such Assessor as aforesaid.”

2. At the hearing Mr M. Myers appeared as counsel for Mr Hine, and Mr C. P. Skerrett, K.C. with him Mr Sharp, watched the proceedings on behalf of the Hon. T K. Macdonald.

3. The evidence taken at length shows :—

- (a.) That in the year 1903 (the late Right Hon. Mr. Seddon being then Minister in charge of the Land Purchase Department) the Seddon Government took steps to acquire compulsorily the Flaxbourne Estate, situated in Marlborough, and containing 56,000 acres, and proceedings in the Compensation Court were taken to determine the claim of the owners to the sum of £410,000, as compensation for the taking of the estate. The Honourable T. K. Macdonald, M.L.C., was appointed Assessor for the Crown.
- (b.) In December, 1903, Mr A. L. Wilson (who was a land and estate agent and land valuer carrying on business in Wellington in co-partnership with the Hon. T K. Macdonald) was instructed to proceed to Flaxbourne to inspect the estate and to make a complete investigation and valuation, and to make a confidential report on the character and value of the Flaxbourne Estate, and to confer and advise with Messrs. Findlay Dalziel, and Co., the Solicitors for the Crown, thereon, and as to the witnesses which it was desirable to call, and generally to assist such solicitors by his advice.
- (c.) That it was agreed that Mr Wilson should receive the sum of £165 for his services.
- (d.) Mr Wilson accordingly made such inspection and report, and rendered the aforesaid services, and was paid the sum of £165 for his work.
- (e.) That the said Hon. T K. Macdonald at divers times applied for payment for his services as Assessor in the Flaxbourne arbitration case, claiming remuneration of between £500 and £600 on the basis of the fee paid to Clifford's Assessor
- (f.) That payment of the claim of the Hon. T K. Macdonald was personally declined by Sir Joseph Ward on the ground that there was no written record of any arrangement in regard thereto made with the late Mr Seddon, and this refusal to pay the claim was on the 23rd May 1908, confirmed by Cabinet.

FINDING.

4. The Committee is of opinion that Mr A. L. Wilson duly rendered and performed the aforesaid services, and was regularly and properly paid therefor in accordance with the authority for payment certified to by Dr Findlay Counsel for the Crown, and approved by the late Mr Seddon, and that such payment was not made with the intent or object of indirectly remunerating the Hon. Mr Macdonald either alone or as partner of the late firm of Macdonald, Wilson, and Co. or remunerating Mr A. L. Wilson for the services of the said Hon. T K. Macdonald as such Assessor as aforesaid.

The Committee passed the following resolutions :—

1 Referring to the third charge against Mr. Symes, the Committee desires to express the opinion that it is a matter of regret that a confidential communication written by Mr Walter Symes to Mr McCluggage, which by universal custom is always treated as private, should have been ignored and made public by those into whose hands the letter passed.

2. The Committee is of opinion that legislation should be passed making it illegal for a member of Parliament to act on his own behalf or on behalf of any other person in negotiating the sale of an estate to the Crown.

J A. HANAN, Chairman.

25th November, 1910.

SPECIAL REPORT.

THAT this Committee records its appreciation of the able services rendered by the Chairman, Mr J A. Hanan.

25th November, 1910.

W FRASER (for the Chairman).