

TUESDAY, 16TH OCTOBER, 1877.

The Committee met pursuant to notice.

PRESENT :

Hon. Major Atkinson,  
Hon. Sir George Grey,  
Mr. Johnston,  
Mr. Macfarlane,  
Mr. Montgomery,  
Hon. Mr. Ormond,

Hon. Mr. Reid,  
Hon. Mr. Reynolds,  
Mr. Rees,  
Mr. Stevens,  
Mr. Reader Wood.

Mr. Curtis in the chair.

Minutes of previous meeting read and confirmed.

Mr. Reader Wood moved, and the question was proposed, "That the Committee are of opinion that, taking into consideration the exceptional circumstances under which the liability was incurred, the Government were justified in paying the overdraft of the Thames Borough Council, and charging the amount as a provincial liability. The Committee beg to report the whole of the evidence taken in this case."

A debate arose thereupon.

Mr. Montgomery moved, and the question was proposed, That the motion before the Committee be amended by prefixing the following paragraphs :—

"The Colonial Treasurer, in September, 1876, whilst the Parliament was in session, promised the Mayor of the Thames Borough that the Government would recommend the House to pay the overdraft as a provincial liability—the Colonial Treasurer then thinking of bringing the question of provincial liability before the House during the Session. The matter was not brought before the House. On the 29th December, 1876, the officer administering the affairs of the Provincial District of Auckland, Mr. Reader Wood, included this overdraft as a provincial liability at the instance of Mr. Whitaker, who stated that the Government had promised Mr. Macdonald that the overdraft would be paid."

And the amendment being put, the Committee divided, and the names were taken down as follows,—

*Ayes, 3.*  
Mr. Montgomery,  
Hon. Mr. Reynolds,  
Mr. Rees.

*Noes, 6.*  
Major Atkinson,  
Mr. Macfarlane,  
Mr. Ormond,  
Mr. Reid,  
Mr. Stevens,  
Mr. Reader Wood.

So it passed in the negative.

And the original motion being put, the Committee divided, and the names were taken down as follows,—

*Ayes, 6.*  
Major Atkinson,  
Mr. Johnston,  
Mr. Ormond,  
Mr. Stevens,  
Mr. Reader Wood,  
Mr. Reid.

*Noes, 3.*  
Mr. Montgomery,  
Hon. Mr. Reynolds,  
Mr. Rees.

So it was resolved in the affirmative.

*Resolved*, on motion of Mr. Reader Wood, That the Chairman be directed to make a Report to the House, embodying the resolution agreed to.

The Committee then adjourned.