

## INTERIM REPORT No. 7.

THE Committee, having considered the reference dated the 5th September, 1883, have the honour to report,—

That they have considered the interim report of this day referred back to them by the House.

That the Committee have confirmed the report of the 4th September, laid on the table of the House on Tuesday, which was arrived at by a full meeting of the Committee, and have expunged from their proceedings the report of this day, which was referred back to them, it not being supported by the evidence.

5th September, 1883.

F. J. Moss,  
Chairman.

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MINUTES OF PROCEEDINGS.

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TUESDAY, 4TH SEPTEMBER, 1883.

*Present*: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Hon. Mr. Dick, Hon. Mr. Johnston, Mr. Peacock, Mr. Wright.

The following order of reference was read, dated the 3rd September, 1883: *Ordered*, That the letter of the Controller and Auditor-General, laid on the table of the House on the 3rd September, be referred to the Public Accounts Committee to report thereon forthwith.—(*Hon. Major Atkinson.*)

On motion of Mr. Peacock, *Resolved*, That Mr. FitzGerald, the Controller and Auditor-General, be examined.

Mr. FitzGerald, Mr. Reid, and Mr. Gavin were examined.

The Hon. Major Atkinson and the Hon. Mr. Johnston made a statement to the Committee.

Motion made, (1) That, in the opinion of the Committee, the Controller-General did rightly, in the circumstances, in reporting the matter in question to Parliament. (2) That the money is public money within the meaning of "The Public Revenues Act, 1878."—(*Mr. Dargaville.*)

Adjourned till 2.45 p.m.

The Committee reassembled at 2.45 p.m.

*Present*: Mr. Moss (Chairman), Hon. Major Atkinson, Mr. Barron, Mr. Dargaville, Hon. Mr. Dick, Sir G. Grey, Hon. Mr. Johnston, Mr. Montgomery, Mr. Peacock, Mr. Wilson, Mr. Wright.

The Chairman informed the Committee that he had received permission of the House for the Committee to meet while the House was sitting.

Motion made and question put, That the Committee adjourn till after the report of the Allegations of Member for Auckland West Committee is brought up to the House.

The Committee divided.

*Ayes*, 3.—Mr. Barron, Sir G. Grey, Mr. Montgomery.

*Noes*, 5.—Hon. Mr. Dick, Hon. Mr. Johnston, Mr. Peacock, Mr. Wilson, Mr. Wright.

Motion negatived.

Motion made, That, in the opinion of the Committee, the Controller-General did rightly, in the circumstances, in reporting the matter in question to Parliament. That the money is public money within the meaning of "The Public Revenues Act, 1878."—(*Mr. Dargaville.*)

Amendment proposed, That all words after "That" be omitted, in order to insert "the Controller seems to have acted with proper motives in sending the memorandum to the House. That, in the opinion of the Committee, there was nothing in the minutes from the Controller and Auditor-General (which are attached, as is also the letter from the Chairman of the Harbour Board, intimating that he has lodged a sum to the credit of the Minister for Public Works at the Bank of New Zealand at New Plymouth) to make it apparent to the Treasury that a direction from the Treasurer to transfer the deposit to an account to be named was a matter of urgency. That the Controller did not verbally inform the Secretary to the Treasury that, in his opinion, such a direction was a matter of urgency until yesterday morning. That the Secretary had no opportunity of informing the Treasurer of this until 1 o'clock yesterday, when the Treasurer directed him to ascertain from the Controller what should be done under the circumstances. That the Secretary thereupon asked the Controller and Auditor-General how, in his opinion, the money should properly be dealt with, and that the Controller and Auditor-General declined to give an opinion on the subject. That it appears that, had the Controller and Auditor-General understood that the Secretary to the Treasury asked the question by direction of the Treasurer, in order that the Treasurer might give effect to the Controller's minute, the memorandum by the Controller and Auditor-General to the House would not have been sent. That the money deposited is public money; but that no further action need be taken by the House, as it is the intention of the Minister for Public Works to immediately repay it to the Harbour Board, in accordance with the expressed wish of the House."—(*Hon. Mr. Johnston.*)

Question put, That the words proposed to be left out stand part of the question.

The Committee divided.

*Ayes*, 4.—Mr. Barron, Mr. Dargaville, Sir G. Grey, Mr. Montgomery.

*Noes*, 6.—Hon. Major Atkinson, Hon. Mr. Dick, Hon. Mr. Johnston, Mr. Peacock, Mr. Wilson, Mr. Wright.

Resolved in the negative.

Question put, That the words of the amendment be inserted instead thereof.