

*Resolved*, on the motion of Mr. Tanner, That copies of the draft report be supplied to members of the Committee for consideration before the next meeting.

Mr. Guinness raised the question of the printing of the evidence.

*Resolved*, That the further consideration of the question of printing the evidence be adjourned. The Committee then adjourned *sine die*.

TUESDAY, 22ND OCTOBER, 1895.

*Present*: Mr. Button, Mr. Guinness, Hon. Mr. Larnach (Chairman), Mr. T. Mackenzie, Mr. McGowan, Mr. Montgomery, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Mr. T. Thompson. The minutes of the previous meeting were read and confirmed.

The sub-committee appointed at the last meeting submitted the following draft report:—

REPORT.

1. In the matter of the Government contract entered into by the Public Works Department with Messrs. Briscoe, MacNeil, and Co. for the supply of general ironmongery, iron and steel, ship-chandlery, cement and lime, drainpipes, and tents during the current year ending 31st December, 1895; and in the matter of certain irregularities and mistakes of weights and measures resulting in overcharges stated by one James Hendry Jenkins to have been wilfully made by the contractors from the time of entering upon their contract, and while carrying it on.

2. The Committee have to report that they have sat for twenty-two days hearing evidence, and have examined twenty witnesses for and against the accusations made.

3. From the evidence given by the said J. H. Jenkins, the accuser, and Messrs. Gellatly (manager) and Bridson (ironmonger) for the contractors, and Messrs. Blow, Wilson, Ibbetson, Turner, and Biddell, officers in the service of the Government, the Committee cannot come to any other conclusion than that there has been carelessness and looseness on the part of the contractors in connection with the delivery of goods under the said contract, and for which they consider the manager and ironmonger chiefly responsible, for having tolerated so many irregularities to have occurred in relation to goods supplied to the Government under the contract; but there is no evidence at any attempt by the contractors to defraud the Government.

4. The Committee find that there were a number of errors in the vouchers sent by the contractors to the Government. These errors consisted for the most part of errors in weight and price, or were owing to wrong or inferior goods being supplied. They were, however, in many instances satisfactorily explained; but, in connection with the supply of tents, an instance was brought before the Committee in which very inferior tents were supplied in lieu of tents according to sample ordered by the Government.

5. In respect to the officers in the service of the Government referred to herein, the Committee find that the Railway and Marine Departments maintain efficient checks upon goods received from contractors. The Public Works and Lands and Survey Departments each exercise a fair check on goods supplied to them where delivery is taken at Wellington, but for goods sent by contractors direct to works carried on for either of the latter departments outside of Wellington the Committee feel only that an efficient check under the present system can be exercised.

6. The Committee therefore believe that a better system of check could be established by the Government, whereby all goods purchased should be, in the first place, taken delivery of at central stores in the several chief cities, and afterwards distributed to the different works as required. While such a system might entail some extra expense in handling goods, yet the Committee consider a greater compensating benefit would accrue to the colony by the safer and more satisfactory management of such important and necessary annual business.

7. During the course of the investigation it came to the knowledge of the Committee that the managing partner at Wellington of Messrs. Briscoe, MacNeil, and Co. had been accepted by the Government as bondsman for the proper carrying-out of their contract. The Committee think that this is wrong, and that a bondsman should have no interest as a partner in any contract with the Government.

W. J. M. LARNACH,  
Chairman.

October, 1895.

Clause 1.—Mr. Montgomery moved to insert, in lieu of clause 1, the following: "The Public Accounts Committee have made an exhaustive examination into the way in which the contract for Government stores for 1894-95 had been carried out by Messrs. Briscoe, MacNeil, and Co., the contractors, and find."

Upon the question being put that the words proposed to be inserted be so inserted, a division was called for, and the names were taken down as follow:—

*Ayes*, 3: Mr. Button, Mr. Guinness, Mr. Montgomery.

*Noes*, 6: Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. McGowan, Hon. Mr. Seddon, Mr. Tanner, Mr. Thompson.

So it passed in the negative, words not inserted.

*Resolved*, on the motion of the Hon. Mr. Seddon, to strike out the words "In the matter of the Government contract entered into by the Public Works Department," with a view to inserting the words "The Committee find that on the 31st day of January, 1895, the Government, through the Public Works Department, entered into a contract."

*Resolved*, on the motion of Mr. Guinness, to strike out the words "and" before "steel," "and" before "lime," and for "during" insert the word "for."

*Resolved*, on the motion of the Hon. Mr. Seddon, to strike out all the words after "1895," and insert as a new clause, viz:—