

THURSDAY, 24TH OCTOBER, 1895.

*Present* : Hon. Mr. Larnach (Chairman), Mr. Button, Mr. G. Hutchison, Dr. Newman, Mr. T. Mackenzie, Mr. McGowan, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner, Mr. T. Thompson, and Hon. Mr. Ward.

The minutes of the previous meeting read and confirmed.

Order of Reference of the 23rd October, 1895, read by the clerk.

Messrs. Heywood and FitzGerald were waiting in attendance in pursuance of summons.

The Hon. Sir R. Stout and Mr. G. Hutchison raised the question as to whether the witnesses should attend together, and objected to their doing so.

A discussion ensued.

The Chairman said that if any objection was made to the witnesses attending together he should rule that they should not be admitted together.

Mr. Heywood then attended and gave evidence in reference to the issue of debentures for £145,400, and handed in a statement showing the adjustment of the accretions of sinking funds for 1893 and 1894, and the estimate for 1895–96. Statement dated 29th April, 1895.

A reporter was in attendance to take down the evidence, but, after reporting for some time, it was apparent he was not taking the evidence fully, and an adjournment took place until another reporter attended. The services of another reporter being obtained, Mr. Heywood continued his evidence.

The Hon. Sir R. Stout then raised the question as to how far the previous examination was reported.

The Hon. Mr. Seddon then moved, That the examination of Mr. Heywood with reference to sinking funds be postponed until 10.30 a.m. to-morrow.

A discussion took place, and, in response to a question from Hon. Sir R. Stout, Mr. Heywood gave evidence in explanation of the statements already submitted to the Committee relating to the interest and sinking-fund charges of past years, and his evidence was taken down by the reporter.

Mr. Heywood, during his examination, and at the request of the Hon. Sir R. Stout, produced a copy of a slip inserted in the Year-book of 1895, attached to page 150.

During Mr. Heywood's examination the Hon. Mr. Seddon desired to ask the witness if it was the case that recently there had been friction between the Treasury and the Audit Department.

The Hon. Sir R. Stout objected to the question, and asked for the Chairman's ruling.

The Chairman ruled that the question could not be put.

Mr. Heywood was continuing his evidence, when the question was again raised as to whether his examination should be continued until the transcript of the evidence taken by the first reporter was obtained.

The Hon. Mr. Seddon then moved, in lieu of the motion mentioned previously, That exception having been taken by the Hon. Sir R. Stout and Mr. G. Hutchison to the Auditor and Controller-General and the Secretary to the Treasury being present together whilst evidence was being taken, the further examination of Mr. Heywood be postponed until the evidence taken by the first reporter shall have been transcribed.

The Hon. Sir R. Stout moved, by way of amendment, to strike out all the words after "That," and insert in lieu thereof the words "as the Hon. Mr. Seddon has made statements in his motion as to what took place in Committee when he was not present, and as the mover only took exception to strangers being present when witnesses were being examined, and as the Chairman ruled that if objection were taken the strangers must withdraw, this Committee agrees to adjourn the examination of Mr. Heywood till to-morrow."

Mr. Montgomery then moved, by way of further amendment, to strike out from the Hon. Mr. Seddon's motion all the words from "exception" down to "further," inclusive.

Mr. Montgomery's amendment being put, a division was called for, and the names were taken down as follow :—

*Ayes*, 4.—Mr. G. Hutchison, Mr. T. Mackenzie, Mr. Montgomery, Hon. Sir R. Stout.

*Noes*, 6.—Hon. Mr. Larnach, Mr. McGowan, Hon. Mr. Seddon, Mr. Tanner, Mr. T. Thompson, Hon. Mr. Ward.

So it passed in the negative. Amendment lost.

The Hon. Mr. Seddon's motion was then put, and a division being called for, the names were taken down as follow :—

*Ayes*, 5.—Mr. McGowan, Hon. Mr. Seddon, Mr. Tanner, Mr. T. Thompson, Hon. Mr. Ward.

*Noes*, 5.—Mr. G. Hutchison, Hon. Mr. Larnach, Mr. T. Mackenzie, Mr. Montgomery, Hon. Sir R. Stout.

The votes being equal, the Chairman gave his casting-vote with the "Noes."

One o'clock p.m. having arrived, the further proceedings were adjourned till to-morrow, at 10.30 a.m.; and the Chairman intimated that he would cause fresh summonses to be sent to Messrs. FitzGerald and Heywood to attend.

The Committee then adjourned until to-morrow at 10 o'clock a.m.

FRIDAY, 25TH OCTOBER, 1895.

*Present* : Hon. Mr. Larnach (Chairman), Mr. Guinness, Mr. G. Hutchison, Mr. Lang, Mr. McGowan, Mr. Montgomery, Dr. Newman, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. T. Thompson, Hon. Mr. Ward.

Minutes of the previous meeting read and confirmed.

The Clerk announced that he had received a communication from the Controller and Auditor-General.