

WEDNESDAY, 13TH SEPTEMBER, 1893.

Present: Mr. Shera (Chairman), Mr. Guinness, Hon. Sir J. Hall, Mr. G. Hutchison, Mr. Mills, Dr. Newman, Mr. Saunders, Mr. Tanner, Hon. Mr. Ward, and Mr. Wright.

Minutes of the previous meeting read and confirmed.

Resolved, on the motion of Mr. Tanner, That the printed report, as drawn up by the Subcommittee, be considered clause by clause. The report was as follows:—

"The Public Accounts Committee have carefully considered the proposals for a modification of the contract with the New Zealand Midland Railway Company which are contained in the correspondence laid upon the table of the House of Representatives; they have also taken evidence on the subject; and have agreed to the following report:—

"1. The Committee cannot recommend the acceptance of the proposals of the company, as embodied in the draft contract submitted by them.

"2. The Committee recommend that the contract be amended so as to provide that, in lieu of land-grants being made to the company on account of work executed by them, debentures of corresponding value be issued to the company, bearing interest at the rate of $3\frac{1}{2}$ per cent. per annum. Such issue of debentures in lieu of land-grants to be conditional on the company surrendering its right to select land within the reserved area of 5,600,000 acres.

"3. That, if the contract be varied as recommended, the necessary extension of time for completion of the work be granted to the company; such extension not to exceed five years from the date of signing the new contract.

"4. That, if desired by the company, the debentures to which they may become entitled be deposited with the Public Trustee, to be issued to the company in twenty equal half-yearly instalments; the interest of each debenture while in the hands of the Public Trustee to be applied as the company may direct. That this provision shall not be considered a variation of other terms of the contract."

Preamble postponed.

Clause 1 agreed to.

Clause 2.—Mr. Saunders moved to insert after the first word "That," in line 1, the words "if so desired by the company."

Upon the question being put, it passed in the negative.

Resolved, on the motion of Mr. Tanner, To insert the words "hereafter to be," after the word "work," in line 2.

Resolved, on the motion of Mr. Mills, To insert the word "about," after the word "of," in line 5.

Clause as amended agreed to.

Clause 3.—*Resolved*, on the motion of Mr. Hutchison, To strike out the words "the necessary" in line 1, and insert the word "an" in lieu thereof; and to strike out the words "such extension," and the words "to exceed," in line 2, and to insert the word "exceeding" in lieu of the last words struck out.

Clause as amended agreed to.

Clause 4.—*Resolved*, on the motion of the Hon. Sir J. Hall, To insert the words "as near as may be," after the word "in," in line 2.

Mr. Tanner moved, To strike out the words from "the," down to "direct," in lines 3 and 4, both inclusive.

Upon the question being put, it passed in the negative.

Preamble.—*Resolved*, on the motion of Mr. Tanner, To insert after the word "proposals" the words "made by the New Zealand Midland Railway Company," and to insert the word "their" in place of the word "the" at the end of the line, and to strike out the words "with the New Zealand Midland Railway Company," in line 2.

Resolved, on the motion of Mr. Mills, That the preamble as amended be agreed to.

Mr. Guinness moved, That the report be recommitted to-morrow for reconsideration of new clauses.

Upon the Question being put, a division was called for, and the names were taken down as follow:—

Ayes, 6: Mr. Guinness, Hon. Sir John Hall, Mr. G. Hutchison, Mr. Tanner, Hon. Mr. Ward, Mr. Wright.

Noes, 2: Mr. Mills, Dr. Newman.

So it passed in the affirmative.

Motion agreed to.

Resolved, on the motion of Mr. Wright, That the Committee adjourn until to-morrow at 11 o'clock.

FRIDAY, 15TH SEPTEMBER, 1893.

Present: Mr. Shera (Chairman), Mr. Guinness, Hon. Sir J. Hall, Mr. G. Hutchison, Mr. Mills, Dr. Newman, Mr. Saunders, Mr. Tanner, Hon. Mr. Ward, Mr. Wright.

Minutes of the previous meeting read and confirmed.

Clause 2.—Mr. Guinness moved, That in clause 2 of the Report of the Committee, after the words "corresponding value," to add the words "plus 15 per cent. of the B 1 value of the land."

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

Ayes, 5: Mr. Guinness, Hon. Sir J. Hall, Mr. G. Hutchison, Mr. Tanner, Mr. Wright.

Noes, 4: Mr. Mills, Dr. Newman, Mr. Saunders, Hon. Mr. Ward.