

was not so because the amount was a little larger or a little smaller as the case may be, but *I will say* it was a very, very heavy amount, and an amount which has never been discharged to this day, and, if the Government will appoint a Committee on the subject, for which I hope to give some further reasons *later on*, to inquire into the transactions of the Government with the Bank of New Zealand during the past three years, I take upon myself the onus of proving *that* what I now say is *absolutely* correct. Here, then, we have at this ~~double crisis in the money market—a crisis with the colony and a crisis with the bank—the chairman of directors of the Bank of New Zealand~~ the Attorney-General of the present Ministry, as a ~~gentleman of great experience~~ power in politics, ~~and who~~ one had been the Premier of the colony before, and from his *great* ability and *long* experience was no doubt entitled to a great deal of weight in the counsels of the Ministry. What was done? ~~The~~ *As I have said*, the loan could not be raised: no assistance could be looked for from that source; but a perfectly abnormal state of finance ~~was carried on that year had been created for the emergency~~ by authority being taken for the Colonial Treasurer to float £840,000 of deficiency bills. ~~This~~ *This* was quite an abnormal state of things, the normal state amount being £700,000; and, although the ~~amount~~ *maximum* of £840,000 was reduced before the balance-sheet of the colony was made up *on the 31st of March*, for presentation to the House in the session of 1888, even at that date there were three-quarters of a million of deficiency bills ~~extant with the name of the Treasurer of the colony attached to them in circulation. And to indicate the reason~~ *The reason* why these bills were floated ~~they were floated~~ *was* to buy minted gold. To ~~put~~ *be* accumulated into the coffers of the Government of the colony? *No*; to fill the coffers of the Bank of New Zealand. I ask the Government to meet this ~~in Committee~~ if they can *before a Committee*, or by any other tribunal they choose to erect. The loan was floated in June, ~~and it was~~ 1888. As I took occasion to say last session, *it was* floated at a less sacrifice of £100,000, ~~and by reason of the more favourable circumstances in the earlier part of the year, when, if there had been no bungle, it might have been floated.~~ *It was* floated also, I regret to say, under circumstances of such gross misrepresentation of fact as would, by the rules of any Court of law,—had it been the prospectus of a private company,—*have* entitled the subscribers to have had their liabilities allotments of scrip set aside. The loan was floated, as I have said, at a ~~direct indirect~~ loss of £100,000, ~~but of~~ *at a direct expense, besides, of over £110,000 with principal, discount, and interest in discounts and expenses. And in the first year of its issue that loan cost us 10 per cent. That loan cost the colony, not reckoning the indirect loss, 10 per cent. the first year. The crisis, so far as the colony was concerned, was past, but the crisis in the affairs of the bank continued. The gross proceeds of £1,955,000 went into the Bank of New Zealand, and now a curious thing follows though for a time somewhat relieved by the assistance of our loan. And a curious thing occurred. I have referred to the meeting in March, 1888, and to the disclosures which the directors must have known were inevitable and which the directors of the bank must be taken to have known to be inevitable, but for some purpose were postponed as far as possible. but were not revealed. It was considered desirable to strengthen the bank in various ways, one of which was by representing the con-*

amount, and an amount which has never to this day been discharged, and, if the Government will appoint a Committee—for which I hope to give some further reasons later on—to inquire into the transactions of the Government with the Bank of New Zealand during the past three years, I take upon myself the onus of proving that what I now say is absolutely correct. Here, then, we have at this double crisis—a crisis with the colony and a crisis with the bank—the chairman of directors the Attorney-General of the present Ministry, a power in politics, one who had been the Premier of the colony before, and *one who*, from his great ability and long experience, ~~was exercised~~ no doubt entitled to a great deal of weight in the counsels of the Ministry. What was done? As I have said, the loan could not be raised: no assistance could be looked for from that source; but a perfectly abnormal state of finance ~~had been~~ *was* created for the emergency. ~~by Authority being taken for~~ *was obtained by* the Colonial Treasurer to float upwards of £840,000 of deficiency bills. This was quite an abnormal state of things, the normal amount being £700,000; and, although the maximum of £840,000 was reduced before the balance-sheet of the colony was made up on the 31st March, for presentation to the House in the session of 1888, even at that date there were three-quarters of a million of deficiency bills in circulation. The reason why these bills were floated was to buy minted gold. To be accumulated in the coffers of the colony? No; to fill the coffers of the Bank of New Zealand. I ask the Government to meet this charge, if they can, before a Committee, or ~~by~~ *before* any other tribunal they choose to erect. The loan was floated in June, 1888. As I took occasion to say last session, it was floated at a sacrifice of £100,000, by reason of the more favourable circumstances *having been lost* in the earlier part of the year, when, if there had been no bungle, it might have been *more successfully* floated, ~~having been lost~~ *It was* floated also, I regret to say, under circumstances of such gross misrepresentation of facts as would, by the rules of any Court of law,—had ~~it been the prospectus~~ *the case been* that of a private company,—*have* entitled the subscribers to have had their allotments of scrip set aside. The loan was floated, as I have said, at an indirect loss of £100,000, ~~and~~ at a direct expense, besides, of over £110,000 in discounts and expenses. That loan *must have* cost the colony—~~not reckoning the indirect loss—~~ 10 per cent. the first year. The gross proceeds, amounting to £1,955,000, went into the Bank of New Zealand. The crisis, so far as the colony was concerned, was *past over*. But the crisis in the affairs of the bank continued, though for a time somewhat relieved by the assistance of our loan. ~~And~~ *Then* a curious thing occurred. I have referred to the meeting in March, 1888, and to the disclosures which the directors must have known were inevitable, ~~but were not revealed.~~ *It was* considered *desirable necessary* to strengthen the *position* of the bank in various ways, one of which was by representing the contrary of what ~~was~~ *must be* taken to have been known by some to be coming. I charge the Government with having interfered, through the Agent-General, in London, ~~in~~ *by* endeavouring to bolster up the credit of the bank and deceive the public. If the Government will not give the Committee I suggest, ~~let them have~~ *I ask them to* let any man they choose to name, not connected with themselves,—the honourable member for Lincoln or the honourable member for Waipa,—to go