

I am told that over two hundred books went to Melbourne. I will prove it. On the 9th March, 1889, another circular was sent out, to this effect: "I have to inform you that at the ordinary general meeting of the association held last Monday it was unanimously resolved that the meeting be adjourned to Monday, 29th April next, at 3 p.m." That was to do the business of the year before; but they go on further to say—and this further proves their knowledge of the articles of association—"You will please note that new proxies are necessary for the adjourned meeting, and must be deposited at the office of the association not later than 3 o'clock on the 27th April—that is, forty-eight hours before the time fixed for the meeting." And they go on to say that other proxies distinct from those to be used at the adjourned meeting are necessary, and must be lodged as provided above. They conclude: "Any shareholder desirous of being nominated or nominating any shareholder as a director must give thirty days' notice as provided for in the articles of association."

Then, we have another circular on the 27th March, drawing the attention of the shareholders to clause 50 of the articles of association, showing that no instrument appointing a proxy shall be valid after the expiration of one month. This is signed by James Hazlett, deputy chairman.

After the delegates had visited the various centres another circular was issued: "You are doubtless aware it has been decided to carry on the association. The directors freely admit that mistakes have been committed in the past. Experience has been dearly purchased, but the directors are determined, and confidently assure you, that there will be no repetition of past errors. The directors are making a vigorous effort to render the association a success." In another paragraph it says the association requires all the assistance it can get. Then they go on to the last paragraph: "Your attention is especially drawn to a leading article in the *New Zealand Insurance and Finance Journal*, mailed to you this day, which will give you the opinion of the insurance Press upon the position of affairs, and should go a long way to restore confidence in the minds of the shareholders. The same paper contains a full report of the proceedings at the adjourned general meeting, which should be of interest to you." This is signed by Mr. J. B. Callan, chairman.

During this interval it came to the knowledge of shareholders that the directors had for about a period of six and a half years been drawing increased fees amounting in the aggregate to about £2,000, and this caused the general meeting to express astonishment that such things could be, and led to a vast deal of correspondence, and after the general manager had visited the Coast the following circular was issued, dated 16th October, 1890: "Notice is hereby given that an extraordinary general meeting of the Equitable Insurance Association of New Zealand will be held on Monday, the 24th of November, to consider the following resolution: 'That the association ratify, validate, and confirm the payments of remuneration made and received by the directors since the 3rd May, 1884, doubts having arisen as to the validity of those payments, and that the directors who have received such payment be released by the association from all claims and demands on account thereof.'" This was in October, 1890.

On the receipt of this, circular meetings were held in Hokitika, in which fourteen or fifteen thousand shares were represented, and the shareholders decided to permit nothing of the kind. Mr. Maxwell goes on to say, "Referring to the attached notice of the extraordinary general meeting, I desire to make the following explanation, which you are requested to carefully consider before voting: Clause 7 of section 55 of the articles of association reads as follows: 'Until the company in general meeting shall otherwise determine, a sum of £3 10s. shall be paid to the directors out of the funds of the company, as remuneration for their services at each meeting, to be distributed amongst those directors actually present within twenty minutes of the advertised time of meeting, and such meetings for attendance at which remuneration is hereby provided shall not be held more frequently than once a fortnight.'" "

Acting upon this, the following resolution was passed unanimously at a general meeting of the association: On the motion of Mr. R. A. Lanson, seconded by Mr. Mark Sinclair, it was resolved to amend clause 7 of section 55 of articles of association so as to provide that the directors at each meeting should receive among them the sum of £7 for remuneration—just double the original sum, and without stipulation as to the number of attendances. "This meeting was attended by about fifty shareholders, and a full report of the proceedings was sent to each shareholder"—at least, that is the assertion of Mr. Maxwell, who was not manager at the time, so he cannot say whether it was or not—"and it was only quite recently that the attention of directors was called to the fact that this resolution had been advertised"—mark this—"in a Dunedin paper twenty-one days before the meeting was held." Even if they wanted to smuggle it through, the contention being that this addition rendered this passage illegal. A number of Hokitika shareholders requested the directors to take legal advice on the subject. This the directors did, and being advised that on purely technical grounds—"technical grounds"—the resolution had not been properly passed, they wrote the following letter to the Hokitika shareholders: "Referring to the resolution"—that is addressed to me—"passed by the meeting over which you presided, relating to fees drawn by directors, I am instructed to inform you that, in deference to the opinion expressed, after taking advice, and giving the matter due consideration, the directors have decided to draw only £3 10s. a fortnight until the next meeting of shareholders, when the whole question of directors' fees will be laid before them, and of this due notice will be given, so that each shareholder will have an opportunity of expressing himself and voting upon the whole question. I think you will agree with me that this is a fair arrangement, and should thoroughly satisfy those shareholders who expressed views upon the subject." I may here remark that no general meeting was ever held. Mr. Maxwell, resuming, says: "From a perusal of this letter, you will note the frank manner in which the directors meet the shareholders; that they went back to the old fees, and offered to place themselves entirely in the hands of the shareholders at the next general meeting of the association. They would at once have called an extraordinary meeting, but they saw no necessity for calling the shareholders together before next