

*Mr. Bevan* : Now tell us what it is.

*Mr. Callan* : The correct amount is £30,748 10s.

*Mr. Bevan* : I admit your correction. It should, then, have been £30,000, instead of £32,000, owing to less calling-power.

31. *Mr. Callan.*] Yes. Then we come to allegation 8, "That your petitioners discovered quite accidentally, in the year 1890, or thereabouts, that the directors had been for six and a half years illegally drawing increased fees, amounting in the aggregate to £2,000, in contravention of the articles of association." I will answer that in connection with my statement. Clause 9 I will leave to Dr. Findlay, also clauses 10 and 11, as they do not touch me. In regard to clauses 12, 13, 14, and 15, I will deal with them afterwards. In reference to clause 16, I object to Parliament interfering on constitutional grounds, and I hope to show that there are ample means open to any shareholder if he has anything to allege against the directors. I would like to put a few more questions to Mr. Bevan in reference to statements he has made. On page 13 of the first of your evidence you say, "I may here remark that no general meeting was ever held." What do you mean by that?—I think there must have been some mistake in the transcription. I will take a note of it.

32. You say here that Mr. Maxwell was appointed manager of the Equitable, and that previous to that he was only getting a salary of £400 a year. Are you quite positive of this?—I only know it by hearsay.

33. You say something about the life balance-sheets. You say that balance-sheets of this life department never appeared from after 1887 to the present time. What will you say if I produce them?—I will say that I, as one of the largest shareholders, have never seen the balance-sheets which you produce until the present time.

34. You will admit that they have been printed?—Yes, I see that; but that proves nothing.

Mr. BEVAN examined by Dr. FINDLAY.

35. When did you become a shareholder of the association?—At its inception.

36. How many shares had you?—My firm had 1,500 originally.

37. Who is your partner?—Mr. Pollock.

38. You received a series of balance-sheets from the inception to the time of instituting the petition, I suppose?—Yes.

39. Can you tell us how many you had received?—I received all these.

40. When did they usually reach you?—Generally before the general meeting, except in the case of 1890.

41. Now, you formed a sub-committee?—Yes.

42. To make full inquiries, examine every balance-sheet, and obtain every information possible?—Yes.

43. When was that sub-committee formed?—About the time of the appointment of Mr. Maxwell.

44. What time was that?—I think, about 1889.

45. What month?—I cannot say.

46. Would it be January?—It was after we received the balance-sheet. It would be some time in March.

47. When did you first take steps to make inquiries into the funds of this company?—When we saw the losses.

48. When would that be?—Of course, at the end of 1888; more particularly in 1889.

49. That was when you personally began to make inquiries?—I first took alarm myself about 1888.

50. What did you do in consequence of that alarm?—I conferred with shareholders.

51. In consequence of that conference, what did you do?—Mr. Maher, who was passing through Dunedin, went into inquiries.

52. Was the formation of that sub-committee the first step taken by shareholders?—O dear, no.

53. What was the earliest step?—They held meetings. I took no part in them, for the reason that we were agents for the Equitable Association.

54. When did you first identify yourself with the movement of inquiry?—About 1889.

55. At what time was the action *Pollock v. Cargill and Kirkcaldie* tried?—I will believe you if you say it was in 1889.

56. Was the sub-committee formed in the same year?—Yes.

57. You say in your statement that you were kept in ignorance of the affairs of the company for many years?—Yes.

58. Why did you not previous to that year attempt to get information?—We did not know that anything was wrong. We put our trust in the directors.

59. You made no inquiry before 1889?—Undoubtedly we did. I made inquiries from Mr. Kirkcaldie in 1887, and was very much alarmed by what he told me. Meetings were held at Dunedin about that time.

60. That you attend, or were you represented there?—No, I had no time; but the directors were constantly writing to us to get the use of our proxies.

61. You do not wish to imply that because you were an agent you deliberately refrained from making inquiries?—I was satisfied that all was going right.

62. Although kept in ignorance?—I was not alarmed up till the end of 1887. The losses shown in the balance-sheet first alarmed me.

63. When did you get the fourth annual report?—Somewhere about the 7th March, 1887. That was the first time I knew that we had got hold of the Mercantile Union.