

7 was | now doubtless trying to find his way out again. Suddenly he rose near us, and to my horror our half savage harpooner actually seized a lance and pierced his broad side.

I am not going to attempt any description of the scene that ensued. All I know about it is that after what seemed a very long time, during which I was being tossed about in a cylinder half full of water to the accompaniment of a few earthquakes and | volcanic eruptions, I found myself suddenly and unaccountably at peace again. I know somebody said, "Oh, go on with the circus, I'm just beginning to like it," and I know that I smiled mechanically, but really all I could do for at least an hour was wonder at being alive. It was much darker than before, that is, above water, but below the water was ablaze with light. I said to myself, "That whale's dead or gone out, and these are | sharks. If he's dead and down beneath us, there'll be enough sharks here in an hour or two to fill the cave." Well, all that night they kept coming, showing that the whale *was* there and dead, and if ever six poor men sat in such a den of darkness for ten mortal hours, over such a tangle of writhing cannibals, and came out of it with all their change, I should like to know them and sympathise with them. |

(b.) At the rate of 120 words per minute. Takes 10 minutes.

We have called you together on this occasion to take into consideration an agreement entered into with the Bank of New Zealand for the sale of this bank's business to that institution, which agreement has received the sanction of Parliament. I will, later on, propose a resolution to the effect that it be ratified and given effect to. The contract is one that does not give unmixed satisfaction to your directors; but it is the result of long, anxious, and tedious negotiations, and embodies the best terms they could procure for you. It only remains for you now to say whether you will accept or reject it. One of the main conditions that your directors had in view throughout the | negotiations was that shareholders should be released from all further liability on their shares. On reference to the agreement you will see that, with the exception of the "C" list of accounts, which have very liberal reserves by way of security placed against them—consequently no great liability should attach to them—and the ordinary drafts and remittances, which have to run off, and on which the risk of any liability is remote, the purchasing bank guarantees to pay all deposits and other liabilities, so that practically shareholders are released from further liability. The agreement embodying the terms of the sale of this bank has been open for inspection at the several branches for some time, and has also been | published in full in the principal newspapers throughout the colony, so that most of you have doubtless become acquainted with its terms. For the benefit of those who have not had an opportunity of doing so I shall here briefly state the leading features. The sale is to be based upon our balance-sheet as at 31st August last, and is to date from that period. As you are aware, that balance-sheet shows the assets to be £3,001,236, while the liabilities amount to £2,516,256, the difference being £484,980, representing capital, reserve fund, and undivided profits. The Bank of New Zealand is to | take over the assets comprised in the first six items in the balance-sheet as they stand in our books, subject to a reduction in the value of furniture and stationery, the amount of which has been agreed upon. The general advances have been subjected to the most searching investigation possible. Every advance account in our books has been thoroughly overhauled, from the largest to the smallest, first by the inspecting officers of the Bank of New Zealand, subsequently by the directors of that bank, and finally by the Government Auditor. The result of this investigation was that the accounts were classified under four headings. Those in the "A" schedule, amounting to £927,197, were | taken over unreservedly. Those in "B" and "C" schedules, amounting to £703,077, the directors of the Bank of New Zealand wished to further investigate, and, pending more experience of their working, insist upon retaining the sum of £327,305 in reserve by way of security. Here I may say that many of these accounts have not given us anxiety, while some of them are as operative and profitable as any in the books of the bank. The assets comprised in the "D" schedule include certain inoperative accounts, and amount nominally to £102,274, which assets are retained by this bank for realisation. It will be seen, therefore, | that the Bank of New Zealand is to take over as good, inclusive of the "A" schedule, assets amounting to £2,195,884, less allowance on furniture and stationery, and, further, has agreed to take over those in "B" and "C" schedules, amounting to £703,077, subject to realisation, against which it is to hold in hand £327,305 of the purchase-money. The total amount to be paid to you in the meantime by the Bank of New Zealand will be £2,643,190, less liabilities which they take over amounting to £2,509,284, the difference between these | amounts (£133,906) being available in cash. In due course we shall also receive such portion of the £327,305 as may not be required for deficiencies in accounts in the "B" and "C" schedules; and we shall also receive whatever amount is realised from the assets comprised in the "D" schedule. From these several sources we hope for a substantial sum per share yet to be realised for distribution amongst shareholders, the amount of which will depend on the realisation of these accounts and the state of business in the colony until this has been done. During the investigation, while we cannot complain of the Bank of New Zealand directors exercising | every care to protect their own institution, yet from our point of view we think that they have kept in hand more money than is necessary. They said, in effect, if you insist on freeing your shareholders from all liability, we must make ourselves absolutely safe. Doubtless you will all realise what a wide divergence of opinion there usually exists in the valuation of securities pending an investigation as between buyer and seller; in fact, it is often impossible to say, short of realisation, what the values of certain securities are. After discussion and very close investigation of some of these securities, it may be that our officers have taken a too sanguine view of the value of such securities, | considering the protracted depression and the general shrinkage which consequently has taken place in values of all properties. On the other hand,