

109. And on the 31st March, 1892?—Mr. Holmes still.

110. In March, 1893?—Mr. Holmes still.

111. March, 1894?—Mr. Holmes.

112. In March, 1895, Mr. Watson, I think you say, had charge?—We sent the acting general manager to London to find out what the actual position of matters was there, and Mr. Watson took charge.

TUESDAY, 28TH JULY, 1896.

Examination of WILLIAM BOOTH, Director of the Bank of New Zealand—*continued*.

1. *Hon. Mr. Seddon.*] When you last gave evidence, Mr. Booth, I asked you to produce the statement showing the amounts respectively written off by the Bank of New Zealand in the Colonies of New Zealand, South Australia, Victoria, and New South Wales, also of Fiji.

[Mr. Maslin here objected to Mr. Cooper, counsel for the bank, prompting the witness. Mr. Cooper explained.]

2. I intimated to you, Mr. Booth, that I should want these figures, showing how the £2,335,622 was distributed in the various colonies and Fiji?—It is quite true that you gave me that intimation at the close of the last examination, but I also understood subsequently that a formal requisition would be sent for information on that and other subjects. I inquired at the bank yesterday and to-day, and found that no intimation had been sent as to the particular information required this morning. The information is, however, being prepared, and when it is ready I shall be in a position to give it.

3. Can you say how much of the £771,774 has been written off by you and your directors, and what proportion does that bear to the amounts written off in Australia, New Zealand and Fiji?—I am not prepared at present to answer the question.

4. *The Chairman.*] The information is being prepared?—It is in course of preparation.

5. *Hon. Mr. Seddon.*] Could you tell us in round numbers what is the highest sum written off for any person or corporation since you have been a director?—I could not give you that information from memory.

6. Could you say whether it was £5 or £50,000; I am only asking approximately?—I could not give you the information.

7. Would the £2,335,623, if that amount has been written off, include these accounts, and have the persons and corporations been released from all liabilities to the bank in respect of that amount written off?—To a large extent a release has been given, but there is a very considerable sum held in suspense, and it is available for writing off.

8. Could you give us an idea of the amount held in suspense, approximately?—I do not think I could without looking into the matter. It would not be less, I think, than £200,000.

9. Can you tell us this: Of the £771,000 which you, as director with the present directors, have written off, how much of that is held in suspense, and how much in actual release has been given?—I should think about £500,000 of it in actual release has been given.

10. Will you give to the Committee the process in respect of this writing-off; many of us are uninitiated, and would like to have the process described as to how it was done?—I do not think I could give you that, Sir.

11. Have the directors any information before them upon which they act in writing off; is it done on the application of the person?—Reports come in from the various branches of the bank. They are dealt with by the inspectors, and subsequently by the directors, and provision is made from time to time for any bad and doubtful debts that are made from time to time. The provision to which reference is made now by your question is provision that is required for the accumulation of bad and doubtful debts which has been going on for a very considerable period, with the details of which I am not familiar.

12. I am to understand that this process of writing off commences from the reports made to the bank by the bank's officers?—That is so.

13. Now, in respect to the £771,000, I will only ask you this question in reference to the writings-off which have taken place since you have been a director: Has the whole of the £771,000 been written off on the advice and on the reports of the inspectors of the bank?—I think so.

14. Who would be the officers who would make such reports?—The officer who reported to us at the time the proposals were made by the directors to the Government last year is Mr. Butt.

15. Were these reports and writings-off before the 31st March, 1895, or at the 31st March, 1895?—Almost exclusively they were up to that date—March, 1895.

16. But the actual writing-off itself did not take place until after the banking legislation?—That is so.

17. Was it in consequence of these recommendations, and this large sum written off, that you and your co-directors approached the Government and Parliament for financial aid?—It was because of the necessity we found that this writing-off should be done.

18. It was on account of this that you felt yourself compelled to approach the Government and Parliament for assistance?—That is so.

19. And that was on the 31st March, 1895—that is your reply?—That is so.

20. Are the persons whose accounts have been written off informed at the time that this writing-off has taken place?—No; for the most part, they have no knowledge of it. Of course, if an account is utterly bad, and disappears altogether from the books, they know that the amount has been written off, because there is an end to their connection with the bank; but, for the most part, the amounts are held more or less in reserve, and are used from time to time as accounts become altogether hopeless.

21. Then, from what you say, it is possible that your directors of the bank have declared a man insolvent without his knowing it?—It is frequently the case that the bank is obliged to; it is forced to the conclusion that the man is insolvent at the time, and it makes provision accordingly,