

68. Of course, if you know that the figures on the paper which the Premier gave you are correct to your own knowledge you will reply?—I believe they are quite correct.

69. *Hon. Mr. Seddon.*] I only handed them to him to refresh his memory, and they are certified to by the Auditor?—Yes. As worked out here the exact figures are given.

70. The amount to be held and dealt with as provided by the agreement is how much—"B" and "C"?—Against the "B" and "C" lists the amount is £327,305. Perhaps I ought to say that there is a difference between the "B" and "C" lists, inasmuch as while we took over the "B" list, and took full responsibility for it after the provision was made, we took no responsibility for the "C" list. We are simply acting as agents for that, having a full guarantee on that against losses that may arise.

71. Having given us "A," "B," and "C" lists, there was another list called "D," was there there not?—Yes.

72. Will you give us the amount of the "D" list?—The amount of that list is £102,274.

73. What became of that?—That is retained by the Colonial Bank, and is in the hands of the liquidators.

74. Will you explain to the Committee, who suggested and how it was that there were "A," "B," "C," and "D" lists?—I can give no information about that beyond this: that we made three lists. First, the list of the accounts that were good—that were entirely good. Next, a list of the accounts which were live accounts, but which were in a somewhat dangerous condition, and required some provision made to make them safe. And next, a list of the accounts which were not exactly in liquidation, but were practically dead as far as the bank was concerned.

75. If they were in your bank you would put them in the suspense account?—We should put them in liquidation.

76. Now, did the Government, or any member of the Government, approach the bank, or know anything whatever regarding the placing of the accounts in the lists?—I have no knowledge that they did, but I have reason to believe that they did not—that they had nothing to do with the arrangements that were made.

77. These arrangements were made entirely between the directors of the Colonial Bank and the directors of the purchasing bank—the Bank of New Zealand?—I believe so.

78. Now we have had the lists, what was the amount paid by the Bank of New Zealand for the furniture and stationery of the Colonial Bank?—£6,250.

79. With the furniture and stationery added, what were the total assets taken as good by the Bank of New Zealand from the Colonial Bank?—The total taken as good would be £2,568,190.

80. Was there anything to be added to the "B" and "C" lists—any allowance to the furniture and stationery?—An allowance is made off the furniture and stationery of £3,467—the result of a conference with the directors.

81. And what was the amount in the "D" list?—£102,274.

82. What was the total amount of assets as shown by the Colonial Bank's balance-sheet?—£3,001,236.

83. What were the liabilities to the public?—The liabilities to the public were £2,509,284.

84. Will you give the Committee the particulars and details of that amount?—The notes in circulation amounted to £107,367; bills payable and other liabilities, £457,887; deposits, £1,947,921. There are balances due to the bank which reduce that last amount by £6,972, leaving the net amount of deposits for which the bank was liable, £1,940,949. There were balances due to other banks, £3,080, and some odd shillings and pence make £1 more. That makes the total of £2,509,284.

85. In respect of the £6,972, you said that was a balance due by other banks: is not that balance the property of the bank?—Yes.

86. Not due to other banks?—Yes.

87. Can you give us the other liabilities?—The liabilities to shareholders on account of capital, £400,000; reserve fund, £65,000; profit and loss, £19,980; current account items, £6,972: making a total of £491,952. Making a total of liabilities to the public and to the shareholders of £3,001,236.

88. What is the total of good assets?—£2,568,190.

89. What were the liabilities assumed by the purchasing bank?—£2,509,284.

90. What was the amount left to credit of shareholders of the Colonial Bank?—£58,906.

91. That is exclusive of the £102,274, the accounts in the "D" list, or is it inclusive of that amount?—It is exclusive of that amount.

92. What is the date at which this condition of affairs existed according to the balance-sheet just mentioned?—The figures which I have given to the Committee rest upon the balance-sheet of the Colonial Bank as at the 31st August last, including the figures of its London office at the 31st May, 1895.

93. Was there a good-will paid to the Colonial Bank?—We agreed to pay £75,000 for the good-will.

94. Had you to pay cash, or what were the terms?—We paid in cash the amount for good-will, and there was a balance to the credit of the shareholders of the Colonial Bank of £58,906, making a total cash payment of £133,906.

95. What was the remainder or the reserve?—That left us then with an amount in reserve to cover the "B" and "C" lists of £327,305.

96. Now, after giving the Committee the purchase of the Colonial Bank, what led to it, and what was paid for it, viewed by what has transpired since, and the workings of your own bank, did you make a good or a bad bargain?—I have no hesitation in saying that all the experience we have up to the present time justifies the arrangement, and assures us that we made a good bargain for the Bank of New Zealand.