

71. Of course in writing. And you can produce that, I presume?—If the approval was given in writing no doubt I can get it.

72. If it was a statutory approval, no doubt it was in writing. Where was the money paid over?—I am not able to say. I can find out.

73. Can you say whether it was in London or in the colony?—Not at present.

74. Of course these Consols are still held by the bank?—I believe so.

75. And you know now, in connection with subsequent dealings, that the same money has come back to the Bank of New Zealand in the shape of deposits?—I think that is not a fact.

76. Is it not a fact that the Colonial Bank gave deposit receipts for the £150,000 repayable at intervals of three months, beginning on the 9th May, 1896?—The Colonial Bank?

77. Yes, which you purchased. Do you not know that?—No, I do not know that. That would be new to me.

78. Very well; perhaps it would be interesting to inquire whether you took over that liability of the Colonial Bank in your purchase. You can ascertain whether there is any record in the Bank of New Zealand on the subject?—I can ascertain, but I think that is entirely a mistake.

79. Were there any deposits outside the “D” list mentioned in the agreement of purchase of the Colonial Bank not taken over by the Bank of New Zealand?—I have no knowledge of it.

80. Did you not buy the business of the Colonial Bank, except what was excluded by the “D” list?—Yes.

81. All the deposits?—Yes.

82. Perhaps this, as you say is something new, although the item is not a small one. You will, perhaps, also find out if you did take it over? You paid the first amount of £25,000, at any rate, on the 29th May of this year, and another amount is payable on the 29th of this month?—I can look up the matter.

83. The directors made a call of £500,000 on the shareholders of the Bank of New Zealand in December, 1894; do you remember that?—Yes.

84. That was by the direction of the Colonial Treasurer, was it not?—I believe so.

85. That direction you would have in writing; I would like you to produce it. Have you a copy of the circular calling up that half-million?—Not here. I will get the circular.

86. Was there any correspondence between the directors and the Colonial Treasurer as to making this call of half a million?—I have no recollection of any.

87. Will you find out about that, too? I suggest that the circular gave as a reason for the call the necessity of paying off one-half of the one million and a half of debentures outstanding against the Estates Company. Do you recollect that?—No, I do not recollect that.

88. In February, 1895, you had a meeting of the shareholders of the bank here in Wellington?—I believe I was present at the meeting.

89. Mr. Watson, as President of the bank, took the chair, did he not?—I believe so.

90. Had the directors agreed upon the statement he was to make to the shareholders?—Yes.

91. And you heard him, I suppose, say this: “We found on making a careful examination of the bank’s affairs, in which we were ably assisted by the Government Auditor, that there were losses to be provided for somewhat exceeding £300,000”? That was the result of your careful examination up to February, 1895?—It was.

92. Did Mr. Watson go on to say to the shareholders, “We have satisfied ourselves that when this call is paid, and provided we can work on the lines laid down for ourselves, of which we have every expectation, then the earning-power of the bank will be placed beyond doubt, and no further call will be necessary.” Do you remember Mr. Watson saying that?—I believe he did say that. I believe it is on record.

93. Further, did he not state that “It is well known that a bank has to carry a load, in the Bank of New Zealand Estates Company’s affairs. The assistance from the Government both by guaranteed capital and by legislation is calculated, however, to enable us to make up that deficiency”?—Are you not mixing up the two meetings together?

94. No; but you can verify these?—What is the date?

95. I think it was the 7th February, 1895?—I would like to look into that. I have no recollection of the matter being as you stated it to be.

96. These are statements made at a meeting on the 7th February, 1895. Now, with reference to the legislation of last year: What was the first overture made on the subject of further assistance to the bank by the colony?—We asked the Government to meet us that we might lay the position of the bank before them.

97. The overture was from the bank?—That is so.

98. What was the date of that?—I could not give you the date without reference.

99. Have you the reference here?—The date of the conference we asked for is the 4th August. The request to the Government would be sent in probably a few days before.

100. It would be in writing. You would write to the Government?—I am not able to say whether the request was verbal or put in writing.

101. If verbal, it would be through the President?—Yes.

102. You would be able to find whether there was a letter?—Yes.

103. Did the directors meet the Executive?—We did.

104. On the 4th August?—On the 4th August.

105. Had there been any communication preceding this conference with reference to assistance?—Not that I am aware of.

106. Or with reference to the Estates Company?—No.

107. I would like you to be clear on that point. My question is, Were there any overtures whatever on the part of the bank or of the Estates Company for assistance prior to that of the 4th August, 1895?—I am quite clear that there was no previous application to the Government, or representation, within my knowledge.