

would injure the institution. Your Committee reported the matter to the House, with the result that the President was fined £500. Other witnesses took the same course as Mr. Watson; but your Committee, considering it would delay the inquiry, deferred bringing the matter again before the House until presenting their final report.

PRESENT POSITION AND PROSPECTS OF THE BANK OF NEW ZEALAND.

Your Committee have carefully inquired into the present position of the bank. They find that, in addition to the deficiency estimated by the Joint Committee in 1895, further losses had been made before the 31st March, 1896, amounting to £54,193, mainly upon Australian securities.

During the course of this inquiry, evidence was adduced showing that another deficiency on one account had recently come to light, estimated at between £45,000 and £50,000. The evidence, however, points to the fact that the true position of the bank has now been placed before the Committee.

Your Committee consider that in New Zealand its business is now sound, but recommend that it should be confined, as far as possible, to this colony, except for the purpose of exchange.

Your Committee are of opinion that, if the outlook for our commerce and agricultural products continue as satisfactory as it is at the present time, and if competent, expert, and reliable management is assured, the bank will ultimately be able to meet all its engagements.

9th October, 1896.

JOHN GRAHAM,
Chairman.

MINUTES OF PROCEEDINGS.

MONDAY, 13TH JULY, 1896.

THE Committee met at 11.30 a.m.

Present: Mr. Graham, Mr. Guinness, Mr. G. Hutchison, Mr. Maslin, Mr. McGowan, Hon. Mr. J. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

The three orders of reference, dated the 30th June and the 3rd and 10th July, 1896, were read by the clerk.

On the motion of the Hon. Mr. Seddon, Mr. Graham was appointed Chairman of the Committee.

The Hon. Mr. Seddon moved, That the Chairman of the Committee communicate with the Committee of the Legislative Council and ask them to meet and confer with this Committee.

Mr. G. Hutchison moved, by way of amendment, to strike out all the words after "That," and insert, in lieu thereof, the following: "in view of the fact that five out of the ten members of the Committee appointed by the Legislative Council, that last session sat with the Committee of the House of Representatives as a joint secret Committee, and reported in favouring the legislation passed last session (which is part of the matters now to be inquired into), this Committee refrains from meeting or conferring with such Committee appointed by the Legislative Council."

A discussion ensued.

Upon the amendment being put, a division was called for, and the names were taken down as follow:—

Ayes, 2.—Mr. G. Hutchison, Mr. Maslin.

Noes, 8.—Mr. Graham, Mr. Guinness, Mr. McGowan, Hon. Mr. J. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

So it passed in the negative.

Upon the original motion being put, it was resolved in the affirmative.

Sub-committee: Order of Business.—*Resolved*, on the motion of the Hon. Mr. Seddon, That a sub-committee, consisting of Mr. G. Hutchison, Mr. Montgomery, Mr. Tanner, Mr. Guinness, Hon. Major Steward, and the Mover, be appointed to arrange the order of business, and frame issues for the guidance of the general Committee.

The Hon. Mr. Seddon raised the question as to whether the parties or institutions concerned should be represented by counsel.

A discussion ensued.

Mr. McGowan moved, That institutions or individuals who may have to come before this Committee may be represented by counsel, and that the Committee dispense with addresses of counsel.

Hon. Major Steward moved the amendment of "the previous question."

And the question being put, "That the question be not now put," it was resolved in the affirmative.

Mr. G. Hutchison moved, That the meeting, at its rising to-day, adjourn till 11.30 o'clock to-morrow.

Mr. McGowan moved, by way of amendment, That "Wednesday" be inserted instead of "to-morrow."

Upon the amendment being put, a division was called for, and the names were taken down as follow:—