

THURSDAY, 3RD SEPTEMBER, 1896.

Present: Mr. Graham (Chairman), Mr. Guinness, Mr. Hutchison, Mr. Maslin, Hon. Mr. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

Minutes of the previous meeting read and confirmed.

The Chairman read a letter from Mr. John Murray, Sydney, dated the 26th August, 1896.

Resolved, on the motion of Hon. Mr. Seddon, That the enclosure in the letter be received, read, and held over for consideration.

Mr. Watson attended, and made a further statement, and the same was taken down by the reporter. Mr. Watson informed the Committee that the board of directors had consented to remove the word "Confidential" from the papers previously referred to relating to the Bank of New Zealand reserves in 1893, and the same were handed in and marked as Exhibit No. 55.

Hon. Mr. Seddon desired to hand in papers relating to the banking legislation of 1894.

Mr. Hutchison objected unless they were produced by Mr. Seddon as a witness.

The papers were handed in, and marked as Exhibit No. 56.

At 1.30 p.m. Hon. Mr. Seddon moved, That the Committee do now adjourn until 11 o'clock to-morrow.

Mr. Hutchison moved, by way of amendment, That the hour be 10.30 a.m.

And the question being put, "That '11 o'clock' stand," a division was called for, and the names were taken down as follow:—

Ayes, 7.—Mr. Graham, Mr. Guinness, Mr. Maslin, Hon. Mr. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Mr. Tanner.

No, 1.—Mr. Hutchison.

So it was resolved in the affirmative.

The main question was then put, and it was resolved in the affirmative, and the Committee adjourned accordingly.

FRIDAY, 4TH SEPTEMBER, 1896.

Present: Mr. Graham (Chairman), Mr. Guinness, Mr. Hutchison, Mr. Maslin, Hon. Mr. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

Minutes of the previous meeting were read and confirmed.

Resolved, on the motion of Hon. Mr. Seddon, That the questions submitted by members for Mr. John Murray be typewritten or printed, and be circulated among members, and be considered to-morrow.

Mr. William Watson attended and continued his statement, and the same was taken down by the reporter.

At 1.10 p.m. Hon. Mr. Seddon moved, That the Committee do adjourn until to-morrow, at 10.30 a.m.

Mr. Hutchison moved, by way of amendment, to insert "10 o'clock."

Upon the question being put, "That '10.30 a.m.' stand," a division was called for, and the names were taken down as follow:—

Ayes, 8.—Mr. Graham, Mr. Guinness, Mr. Maslin, Hon. Mr. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

No, 1.—Mr. Hutchison.

So it was resolved in the affirmative.

The original question was then put, and it was resolved in the affirmative, and the Committee adjourned accordingly.

SATURDAY, 5TH SEPTEMBER, 1896.

Present: Mr. Graham (Chairman), Mr. Guinness, Mr. Hutchison, Mr. Maslin, Hon. Mr. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

Minutes of the previous meeting read and confirmed.

The following proposed questions to Mr. John Murray were submitted:—

PROPOSED TO BE ASKED BY MR. MONTGOMERY.

1. Please state what has been your connection with the Bank of New Zealand from time to time, giving dates?

The Bank of New Zealand Estates Company.

2. The history of its formation? How did the company come to take over the properties of the bank at £54,000 in excess of Mr. Hean's valuation? Was subsection (3) of section 5 of the New Zealand Bank Act of 1889 inserted at the wish of the Bank of New Zealand? Do you consider that such legislation is in the interests of sound banking finance, seeing that it permitted the directors to declare dividends when, owing to the position of the Estates Company, the bank was going from bad to worse every year?

3. Do you consider, from your knowledge of the facts, that the references made to the condition of the Bank of New Zealand Estates Company by the directors of the Bank of New Zealand from 1890 to 1894 were straightforward or misleading, particularly the following statements:—

1891, 5th August: Ordinary general meeting at London. The chairman said (*inter alia*), "As regards the Estates Company, we have every reason to believe that this is a satisfactory asset. The sales of the property as far as they have gone have come out well above the valuation of the late Mr. Hean, and they have consisted almost entirely—I may say entirely—of properties which return the very smallest revenue. The return was something under 2 per cent., and