

Mr. Hutchison moved, by way of amendment, To strike out all the words after "That," with a view of inserting "the Committee report the evidence and minutes of proceedings to the House without any opinions expressed by the Committee."

Upon the question being put, "That the words proposed to be struck out stand part of the question," a division was called for, and the names were taken down as follow:—

*Ayes*, 6.—Mr. Graham, Mr. Guinness, Hon. Mr. McKenzie, Mr. Montgomery, Mr. Tanner, Hon. Mr. Seddon.

*No*, 1.—Mr. Hutchison.

So it was resolved in the affirmative.

The question was then put, and it was resolved in the affirmative.

Hon. Mr. Seddon gave notice to move to-morrow: (1.) That an interim report be presented to the House, intimating that the Committee has completed the taking of evidence, that an extension of time for seven days be asked for, in which to prepare and bring down the report. (2.) That the Chairman, Mr. Montgomery, Mr. McGowan, Mr. Maslin, and the mover, be appointed to prepare and bring up a draft report.

At 1.15, *Resolved*, on the motion of Hon. Mr. Seddon, That the Committee adjourn till 11 o'clock to-morrow.

#### THURSDAY, 1ST OCTOBER, 1896.

*Present*: Mr. Graham (Chairman), Mr. McGowan, Mr. Hutchison, Hon. Mr. McKenzie, Hon. Mr. Seddon.

The minutes of the previous meeting were read and confirmed.

The Manager, Assets Realisation Board, wrote forwarding further particulars of sales of properties up to 18th September, 1896, and stating with regard to provision for depreciation of machinery, plant, &c., by trading concerns, that the managers make such appropriations from profits as appear to them sufficient for the purpose.

*Resolved*, on the motion of Hon. Mr. Seddon, That an interim report be presented to the House, intimating that the Committee have completed the taking of evidence, that an extension of time for seven days be asked, in which to prepare and bring down the report.

Hon. Mr. Seddon moved, That the Chairman, Mr. Montgomery, Mr. McGowan, Mr. Maslin, and the mover, be appointed to prepare and bring up a draft report.

Mr. McGowan moved, by way of amendment, to omit from the motion the names of Mr. Maslin and Mr. McGowan.

And upon the question being put, That the words proposed to be omitted be so omitted, it was resolved in the affirmative.

The motion as amended was then put, and it was resolved in the affirmative.

*Resolved*, on the motion of Hon. Mr. Seddon, That the letters, statements, and correspondence, including answers to questions, received from Mr. John Murray, be printed.

The Committee then adjourned until Tuesday next.

#### THURSDAY, 8TH OCTOBER, 1896.

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

Minutes of previous meeting were read and confirmed.

Order of reference, 1st October, read.

Mr. Montgomery moved, That the Committee deliberate. Upon the question being put, a division was called for, and the names were taken down as follow:—

*Ayes*, 9.—Mr. Graham, Mr. Guinness, Mr. Maslin, Mr. McGowan, Hon. Mr. McKenzie, Mr. Montgomery, Hon. Mr. Seddon, Hon. Major Steward, Mr. Tanner.

*Noes*, 1.—Mr. Hutchison.

So it was resolved in the affirmative.

Strangers withdrew, and the Committee proceeded to deliberate.

The Chairman brought up the following report of the sub-committee:—

### R E P O R T.

THE Committee appointed to examine and report into the affairs of the Bank of New Zealand, the Bank of New Zealand Estates Company (Limited), the Auckland Agricultural Company (Limited), the Colonial Bank of New Zealand, the banking legislation of 1893 and 1894 and 1895, and what led to such legislation, and the several matters set out in the order of reference, have made a searching and exhaustive inquiry, extending over three months, into the several matters submitted to them, and have the honour to report thereon as follows:—

#### RETROSPECT.

1888.

In the year 1888 a crisis occurred in the affairs of the Bank of New Zealand. The directors, at a meeting held on the 26th April, recommended that a dividend should be declared at the rate of 7 per cent. on the original capital, but at the same time advised that a shareholders' committee should be appointed to inquire into the affairs of the bank. A committee was appointed for this purpose, and reported on the 3rd October, *inter alia*, that—

"Our examination disclosed a mass of securities, taken in support of weak accounts, the value of which had fallen greatly, and many accounts in liquidation, or which ought to be so, the cover of which had become obviously inadequate, altogether involving losses which the directors had