

207. The heading of the estimate given last year was "Approximate estimate of additional earning-power of bank under amended proposals submitted"?—But you must give them time to work. You cannot fix a definite date when you can begin. It is a gradual progress from month to month. You would require to allow the bank to be worked for two or three years.

208. You say the time has not elapsed for you to go to work. But there appears to be an increase of £15,000 this year over the cost of administration in 1895?—The cost of working the bank with the double business is very much less than the cost of working the two banks with the same amount of business. You are assuming that that is part of the amended proposals, but the expense is also part of the cost of working the business of another bank.

WEDNESDAY, 12TH AUGUST, 1896.

Examination of WILLIAM BOOTH, Director of the Bank of New Zealand, continued.

1. *Mr. Hutchison.*] Do you produce, Mr. Booth, the information and documents you were unable to hand in yesterday?—The first note we have is the remuneration of the London directors. We find that that is, as, I think, I mentioned to the Committee, £250 among the three. The particulars of my appointment was the next one. When the remaining directors—the other directors having retired in January, 1895, under clause 70 of the articles of association—Messrs. Johnston, Watson, and I were appointed directors. Mr. Johnston and I were further appointed to be managing directors of the Estates Company, with Mr. Watson in association for consultation on important points, and for the execution of deeds; and at the same time Mr. Jeffrey retired from the post of managing director. A resolution was also passed to the effect that the £1,250 to be paid to the directors under clause 72 of the articles of association should be divided, as regards £1,000, between Mr. Johnston and myself, the remaining £250 to be divided amongst the three directors in London. Messrs. Johnston, Watson, and I had previously, on the 8th November, 1894, been appointed attorneys for the Estates Company.

2. Have you a copy of the articles of association of the Estates Company?—I have not got a copy here, but it can be obtained.

3. Was there a meeting of shareholders at which Messrs. Johnston and you were elected directors?—It was done at a meeting of directors.

4. I wanted to know how you were elected?—By the directors.

5. Did you ever hear of a meeting of shareholders of the Estates Company?—I have no recollection of it.

6. How many shares do you hold in the Estates Company?—I have no shares in the Estates Company.

7. But you are a director, you say?—According to these instructions here.

8. Did you ever hear of a director of a company holding no shares in the company of which he was director?—I do not know; I do not remember.

9. There is no case in your mind, at any rate?—No.

10. Do you know how many shares Mr. Johnston holds?—I have no knowledge on the subject.

11. Do you assume that you were appointed by the directors in London?—Yes; that is the note.

12. Do you know how many shares are purported to be held?—No.

13. Do you still adhere to your statement that, as far as you know, the directors of the Estates Company, or of the Bank of New Zealand, had no communication with the Government prior to the 4th August of last year as to further assistance being required for the bank—that was the date of the interview you mentioned?—I have no recollection of any prior to that date.

14. You were to look up the correspondence preceding that meeting if there were any?—There is no correspondence beyond the note of which I spoke before—requesting that the Government would meet the directors with a view to their being made acquainted with the condition of the bank.

15. Have you a copy of that letter?—It was a confidential letter sent to the Government.

16. Did it contain more than a request for a meeting?—I am not aware that it contained more than that.

17. It would be hardly confidential if it was merely a request to meet. There is a copy of it in the bank, I suppose?—No doubt there is, but it is a confidential communication from the bank to the Government.

18. That will not matter in evidence. To say that it is confidential does not exclude it from evidence. If you decline to produce it we can understand you.

19. *The Chairman.*] Can you answer whether you will produce it?—I do not see how I could promise to produce that letter without the consent of the Government. It is marked "strictly confidential."

20. From the directors to the Government?—Yes.

*Mr. Cooper:* I advise the witness that he cannot produce it.

21. *Mr. Hutchison.*] Do you decline to produce it?—I do decline.

22. *The Chairman.*] Without the consent of the Government? On the ground that it is a confidential communication to the Government. Without their consent you decline to produce it?—Yes.

23. *Mr. Hutchison.*] Assuming that you were right that the directors had no conference with the Government before the 4th August, 1895, had the directors of the Estates Company any scheme for realising the properties in their hands prior to the session of last year?—I do not know that we had any scheme for dealing with the properties beyond taking advantages of any opportunities that might arise for the sale of the properties.