

consider that you are getting more substantial holders by transferring shares like these? This transfer is to Mrs. Rhodes?—I am not able to give you the history of the several transfers which have been made, so far as they have come before the directors; but I can assure the Committee, with absolute confidence, that we have not permitted the transfer of any one share where the transfer is otherwise than to the advantage of the Bank of New Zealand.

273. You say that generally, without reference to any particular case?—Without reference to any particular case.

274. Now, with regard to one or two matters connected with the Colonial Bank and the purchase. You said that Mr. Watson was invested with a power of attorney, did you not, on behalf of the Bank of New Zealand?—No; he holds a power of attorney for the Estates Company.

275. For the Estates Company only—not on behalf of the bank?—No; he has no use for a power of attorney on behalf of the bank, so far as I know.

276. Can you give us the date when the President of the Bank of New Zealand purchased the £20,000 and £5,000 of debentures alluded to?—I cannot give you any particulars with regard to the advances.

277. Is it fair to ask that these debentures were in connection with the mining company?—That is assuming that they are debentures. I did not say that they were debentures.

278. Are you free to answer that question?—No.

279. Can you inform us how many accounts were in what you term the "C" list?—I can only say there were several. I cannot say the number.

280. There was more than one?—Yes, there were several.

281. Can you give us the date when the Bank of New Zealand handed back that "C" list to the Colonial Bank?—I cannot give it to you from memory. On the 6th of February the bank elected not to take the "C" list.

282. *Hon. Major Steward.*] How long have you been connected with the Bank of New Zealand in your capacity as director?—Since September, 1894—at the end of September.

283. In a previous examination you stated that the first knowledge of the position of the Bank of New Zealand—that is, its position as requiring some outside assistance—was first obtained by the Government in 1895?—Yes; that was the second application.

284. Were the directors aware in 1894, when you were one of them, of the position into which the affairs of the bank had drifted?—No. We became directors at the end of September, 1894; but you will easily understand that it was a work needing considerable time before we could make such acquaintance with the bank as would warrant our speaking with confidence about its position.

285. But, from the information you obtained at that time, you would be aware, I suppose, of the difficulties that had at the moment arisen, but which had been growing for some time past?—Yes.

286. Are you aware whether any overtures were made to the Government prior to those which have been the subject of this investigation?—I have no knowledge of any before the one to which reference has been made when we asked the Government to meet the directors.

287. That is your knowledge of the first approach by the directors to the Government?—Yes.

288. You stated in answer to another question that a part of the directors' proposal, in regard to their scheme for the future, was the purchase of the Colonial Bank?—Yes.

289. Why was the Colonial Bank selected as the bank to be purchased?—It was assumed all the time, probably from the fact that from 1894 the matter had been talked about; and it was generally understood that the Colonial Bank was willing to be bought.

290. The ground really was that you had ascertained, or had reason to believe, that the Colonial Bank would be likely to accept proposals for the amalgamation?—Yes.

291. Is it within your knowledge that proposals of a similar nature had been made to any other bank in New Zealand?—It is not within my own knowledge.

292. You cannot say whether the National Bank was at any time approached with that view?—I cannot say from my own knowledge.

293. It has been, I suppose to your knowledge, stated in Parliament and at various times during this inquiry that the National Bank had been approached?—I only know what is common knowledge.

294. There is no record in writing of anything of the kind in the bank?—I have no knowledge of that.

295. You have stated that one of the reasons, or the real reason, why the Colonial Bank was approached was that it was within the knowledge of the directors that there was a probability of the agreement eventuating. Now, you have also stated in evidence—I think, to-day—that Mr. Watson was from the beginning anxious that the amalgamation with the Colonial Bank should take place?—Yes.

296. Did Mr. Watson then recommend—before you approached the Government—to the directors that an offer should be made for the purchase of the Colonial Bank?—I am not aware that he did.

297. If you turn to the balance-sheet of the 31st March, 1896, of the Bank of New Zealand, you find in the list of assets, on the right-hand side, certain investments stated. The last but one is "Municipal securities, £8,827 12s. 6d." We have a line, "Other securities, £378,061 12s. 5d." Could you give to this Committee details of those securities? It seems a very large sum to be lumped together?—I could not give the details. That is a matter that we very carefully discussed amongst ourselves a few days ago, and we discussed the matter also with the Government Auditor. We do not see that, while there is no objection in the nature of things to a full disclosure of what they are, there is not the smallest reason for withholding information arising from the nature of the securities; but we came to the conclusion that to open up an item of that kind would be a very serious disadvantage to the bank, unless similar disclosures were made by other banking institutions.