11. That, in consideration of the shares to be taken up by Government, the Government shall nominate an additional director.

12. That the Assets Realisation Board shall consist of three members, two to be nominated by the Government and one by the bank. No bank director to be eligible.

13. That shareholders of the bank be prohibited from winding up the bank until obligations to the colony are repaid.

Captain Russell moved—"That the chief officer of the Banks of New South Wales and Australasia, the Union Bank of Australia, the National Bank of New Zealand, and Messrs. E. Pearce, J. Duncan, C. J. Johnston, J. Duthie, J. Ross, A. H. Miles, N. Reid (of Turnbull and Co.) be examined as to the probable effect on the business of the colony of the liquidation of the Bank of New Zealand.

The Hon. Mr. Seddon asked for Mr. Chairman's ruling as to whether Captain Russell's motion was within the Order of Reference. Mr. Chairman ruled that it was not.

The Committee then adjourned (6 p.m.) until 7.30 o'clock.

Committee resumed at 7.30 o'clock. All members of the committee were present.

On the motion of the Hon. Mr. Seddon,—

1. This Committee having received the report of the sub-Committee appointed to consider the proposals made by the directors of the Bank of New Zealand, &c., resolves that it is desirable that assistance should be rendered to the Bank of New Zealand; that the issues raised in the report by the said Committee be taken seriatim; also, that any alternative schemes or amendments proposed be considered and dealt with.—Carried unanimously.

The following resolutions were also put:—

2. That the amount to be provided for on the bank and Estates Company combined amounts to £2,734,000, of which £1,879,000 is represented, on the last reduced valuation, by landed estates and stock in New Zealand,

And being put, the Committee divided, and the names were taken down as follow:—

Ayes, 16: Hon. Mr. Stevens, Hon. Mr. Kelly, Hon. Mr. McLean, Hon. Mr. Montgomery, Hon. Mr. Ormond, Hon. Dr. Grace, Hon. Mr. Jennings, Hon. Mr. Walker, Hon. Mr. Seddon, Hon. Mr. Ward, Hon. Mr. McKenzie, Captain Russell, Mr. Buchanan, Mr. Pinkerton, Mr. Fraser, Mr. Millar.

Noes, 1: Hon. Sir R. Stout.

So it was resolved in the affirmative.

3. That it is essential that the Estates Company be separated from the bank on lines to be defined.

And the resolution being put, the Committee divided, and the names were taken down as follows:—

Ayes, 15: Hon. Mr. Kelly, Hon. Mr. McLean, Hon. Mr. Montgomery, Hon. Mr. Ormond, Hon. Dr. Grace, Hon. Mr. Jennings, Hon. Mr. Walker, Hon. Mr. Seddon, Hon. Mr. Ward, Hon. Mr. McKenzie, Capt. Russell, Mr. Buchanan, Mr. Pinkerton, Mr. Fraser, Mr. Millar.

Noes, 2: Sir R. Stout, Hon. Mr. Stevens.

So it was resolved in the affirmative.

4. That the following assets of the Estates Company, viz.,—Stations and live stock, sundry freeholds and leaseholds in New Zealand; interest in Thames Valley Land Company; and coalmine in Waikato, at the reduced values as per schedule of £1,879,105, be disposed of to an Assets Realisation Board. The Realisation Board to issue 3½-per-cent. stock to the bank to the amount of £2,734,000, with a currency of nine years, subject to twelve months' notice. The Government to guarantee any deficiency on the bonds, the net proceeds of realisation to be paid to a Bond Trust Account; security for such guarantee to be given over assets valued above at £1,879,105, and collateral security to be given on £500,000 of reserved liability of bank shareholders; £500,000 of bank shares capital, and on net profits of bank up to £50,000 per annum; any surplus on realisation to be the property of the bank.

The resolution being put, the Committee divided, and the names were taken down as follow:—

Ayes, 16: Hon. Mr. Stevens, Hon. Mr. Kelly, Hon. Mr. McLean, Hon. Mr. Montgomery, Hon. Dr. Grace, Hon. Mr. Ormond, Hon. Mr. Jennings, Hon. Mr, Walker, Hon. Mr. Seddon, Hon. Mr. Ward, Hon. Mr. McKenzie, Capt. Russell, Mr. Buchanan, Mr. Pinkerton, Mr. Fraser, Mr. Millar.

Noes, 1: Hon. Sir R. Stout.

So it was resolved in the affirmative.

The following resolution was carried unanimously:—

5. That £500,000, payable by a further call of £3 6s. 8d. a share, be made on the reserve liability of the shareholders, to be paid in four equal instalments; the first to be due on the 30th June, 1896; the second on the 31st December, 1896; the third on the 30th June, 1897; and the fourth on the 31st December, 1897.

6. That £500,000 preference shares in the bank, bearing 3½-per-cent. dividends, be purchased by the Government with 3½-per-cent. stock.

The resolution being put, the Committee divided, and the names were taken down as follow:—

Ayes, 12: Hon. Dr. Grace, Hon. Mr. Jennings, Hon. Mr. Walker, Hon. Mr. Kelly, Hon. Mr. Seddon, Hon. Mr. Ward, Hon. Mr. McKenzie, Hon. Sir R. Stout, Mr. Pinkerton, Mr. Fraser, Mr. Millar, Hon. Mr. McLean.

Noes, 5: Hon. Mr. Ormond, Hon. Mr. Stevens, Hon. Mr. Montgomery, Capt. Russell, Mr. Buchanan.

So it was resolved in the affirmative.