

JOINT COMMITTEE ON BANK OF NEW ZEALAND.

TUESDAY, 27TH AUGUST, 1895.

The Committee met at 4 o'clock.

Present: Hon. Mr. Bowen, 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. J. McKenzie, Hon. Sir R. Stout, Captain Russell, Mr. Fraser, Mr. Pinkerton, Mr. Millar.

The minutes of the previous meeting were read and confirmed.

The Chairman read a letter from the President of the Bank of New Zealand, concurring in the proposals of the Committee generally, and making suggestions for two alterations—first, that power should be given to pay the shareholders interest not exceeding 5 per cent., instead of not exceeding 4 per cent.; second, that the clause rendering a bank director ineligible for the Assets Realisation Board should be reconsidered.

The letter was considered, and it was resolved to agree to the proposal that power should be given to pay the shareholders interest not exceeding 5 per cent. Consideration of the second proposal was postponed till the report was considered.

It was agreed to adopt the following interim report to both Houses, to be presented to-night, and to ask for an extension of time till to-morrow for bringing up the full report.

INTERIM REPORT.

The Joint Committee on the Bank of New Zealand, finding it impossible to bring up a full report this evening, think it right to inform the Legislative Council and the House of Representatives that they have come to conclusions which, if adopted by Parliament, will, in their opinion, place the Bank of New Zealand in a secure position.

The Committee then considered the report till 6 o'clock, when they adjourned to 8 o'clock this evening.

The Committee resumed at 8 o'clock.

Present: Hon. Mr. Bowen, Hon. Mr. Stevens, Hon. Mr. Kelly, Hon. Mr. McLean, Hon. Mr. Montgomery, Hon. Dr. Grace, Hon. Mr. Jennings, Hon. Mr. Ormond, Hon. Mr. Walker, Hon. Mr. Seddon, Hon. Mr. Ward, Hon. Mr. J. McKenzie, Hon. Sir R. Stout, Captain Russell, Mr. Pinkerton, Mr. Fraser, Mr. Millar.

The Committee further considered the report.

On the question whether the clause in the report, rendering a bank director ineligible for the Assets Realisation Board should be rescinded, the Committee divided, and it was put to the vote, the names being taken down as follow:—

Ayes, 10: Hon. Sir R. Stout, Hon. Mr. Ormond, Hon. Mr. Stevens, Hon. Mr. Jennings, Hon. Mr. McLean, Hon. Mr. Ward, Hon. Mr. Walker, Mr. Fraser, Captain Russell, Mr. Pinkerton.

Noes, 4: Hon. Mr. Seddon, Hon. Mr. Montgomery, Hon. Mr. Kelly, Mr. Millar.

So it was resolved in the affirmative.

Clause rescinded.

The Committee then adjourned, at 11.15 o'clock, until 12 o'clock to-morrow (Wednesday).

Joint Committee of Bank of New Zealand

28th August, 1895.

The Committee met at 12 o'clock, and adjourned to 2 o'clock, when it met again.

Present: Hon. Mr. Bowen, Hon. Mr. Stevens, Hon. Mr. Kelly, Hon. Mr. McLean, Hon. Mr. Montgomery, Hon. Dr. Grace, Hon. Mr. Jennings, Hon. Mr. Ormond, Hon. Mr. Walker, Hon. Mr. Seddon, Hon. Mr. Ward, Hon. Mr. J. McKenzie, Hon. Sir R. Stout, Captain Russell, Mr. Pinkerton, Mr. Fraser, and Mr. Millar.

The report was finally considered, and it was moved by the Hon. Mr. Seddon, and carried unanimously, that it be approved and entered on the minutes.

On the motion of the Hon. Mr. Seddon, a vote of thanks to the Chairman was carried unanimously.

On the motion of the Hon. Mr. SEDDON—

Resolved, "That the Joint Committee of both Houses appointed to examine into and report upon the Bank of New Zealand Estates Company, to mark its appreciation of the very able services rendered to the Committee by the Chairman, the Hon. C. C. Bowen, tenders to him a hearty vote of thanks, and orders that the same be entered in the minutes of the proceedings."

DOCUMENTS PRESENTED TO COMMITTEE.

PROPOSED SCHEME OF DIRECTORS.

SIR,— Bank of New Zealand, Head Office, Wellington, 22nd August, 1895.

As requested by you last night, we have now the honour to submit herewith proposals for putting the Bank of New Zealand into a sound position. We would respectfully direct your attention to the following necessary conditions to enable a bank carrying on such a large business as the Bank of New Zealand to maintain its position:—

1. First-class credit of the institution is paramount, both to insure the confidence of depositors, and to enable it to conduct the vast business connected with the trade and industry of the colony.

2. The removal of the incubus represented by the attachment of the Estates Company to the bank, which, under existing conditions, must appear in the bank's balance-sheet, and is properly a subject for attack and for injurious comments from opposing banking institutions both in and out of the colony.

3. The importance of the Government Bank having the confidence of the financial discount houses in London.

4. The confidence of the shareholders of the institution, which, owing to the uncertainty of its financial position must, to some extent be weakened, and the good will and active co-operation of a large body of shareholders in such a colonial institution is desirable.