

matter to a settlement. It affects the administration of the bank in this way: our balance-sheet shows that out of £250,000 of unliquidated assets which the bank holds now these lands represent £138,000 as on the 31st March, so it will be readily seen that the bank is anxious to arrive at some final settlement of this matter in order to enable it to proceed with the liquidation of these assets. The bank would be pleased to see this Bill passed for the reasons I have given. As far as the bank is concerned it is a plain, straightforward matter of business, without any reservation or anything of that nature on the part of the bank. I can state that authoritatively on the part of the bank. The bank in consenting to this Bill is consenting to a Bill which it thinks will be in the interests of all parties. It affords the Natives two years within which to redeem their securities, and the bank will be pleased to see that. The bank will be able to go on with their proper functions of realising their unliquidated assets. The legal aspect Mr. Bell will put far more ably before the Committee than I can. I am approaching it merely from the business aspect of the question. I am explaining merely the bank's principle and *bond fide* position in the matter.

5. *Mr. Millar.*] Does not section 4 absolutely settle the time for all time, Mr. Malet? That is to say, there can be no law proceedings thereafter under any conditions?—That is so, sir.

6. Well, of course, that is a very great advantage to the bank to have, is it not?—We are anxious to see the Bill passed in order to put an end to litigation.

7. It seems to me that clause 9 will not only give you an absolute mortgage over the land, but also lands to be included in the mortgage—additional security?—I do not understand that. We are not seeking any additional security. We are resting entirely on the security we have already. We want nothing more than we have got. All we want to do is to get rid of what we have got.

8. It appears to me that the Validation Court has increased the number of securities to which the conditions of this Act shall apply.

9. *Hon. Sir J. G. Ward.*] There has been a great deal of litigation in connection with the securities?—Yes; there has been nothing but litigation. The bank has received not a penny of principal or interest since its money was invested.

10. Do you know what the amount of indebtedness was two years ago?—I cannot say exactly with regard to two years ago. It originally started at £58,000.

11. Could you give the Committee any idea as to what the increased amount of indebtedness is owing to the delays and litigation, and so on?—Well, it has gone up from £58,000, when the first mortgage was taken, to £138,000.

12. With the same security?—Yes.

13. The bank would not object if power were given under section 9 of the Bill to pay it off; the bank would be very pleased to get paid off?—Yes; our sole desire is to liquidate this debt.

14. The bank is now ordered by the Supreme Court to sell this land, which order takes effect on the 29th of this month: their own position is defined by the Supreme Court?—Yes; that is, an order for sale.

15. So if they choose to realise upon their securities they can do so?—Yes.

16. Would you expect, if you put these lands up for sale, it would cover the amount that the bank is indebted at present, with the market as it is at present?—In regard to that matter, I do not know the locality at all.

17. At all events, you consider this is the safer way for the bank to follow?—Yes; it is the only way I see to end the matter.

18. That is why the bank has readily consented to the Bill, which was promoted by the trustees, and we readily assented to the course suggested as the only outcome of the difficulty?—It is the best outcome of the whole proceeding.

19. *Mr. A. L. D. Fraser.*] There was some little question as to the validity of the title of all the properties as held by you, was there not?—Well, I have given little attention to that matter. I think if you would not mind getting that information from Mr. Bell he could give it to you. I have only approached the matter from a purely business standpoint, and the titles I know little or nothing about. Since I have been on the board of the bank we have been pressing this matter forward in liquidating our assets.

20. If there is anything in that direction as indicated by my question this Bill will validate it, I take it?—Yes.

21. The bank's object is, no doubt, to give the Natives an opportunity of saving something as soon as possible?—Yes.

22. Now, it means that if this Bill is passed they can sell, mortgage, or lease portions of it; in fact, it means cutting up the land to a great extent in order to liquidate the bank's debt?—Yes.

23. Now, do they think that that can be done in under two years? I am accepting your statement that the bank's wish is that something should be done for the Natives?—The Bill emanated from the trustees, but it has the full concurrence of the bank. They believe that it is in the interests of all parties that the settlement should be made in this direction. We had hoped the matter would have been readjusted in one year, but we agreed to two years, and I take it that the trustees in asking for an extension of another year see their way to conduct their business by relieving the bank's situation.

24. The question I wish to put is: Recognising the complicated position of these lands, would it be possible to realise upon them in two years?—A proportion of them. There are portions which are, so to speak, "going concerns"; but as regards the main security I am speaking with so little knowledge myself that I hesitate to express an opinion.

25. Can you tell the Committee what is the amount of judgment you have received from the Supreme Court?—Well, I was dealing with the detail. Mr. Bell, who had the whole of the titles before him, will probably be able to give you that. I look at it from what stands to the debit on the 30th March—£138,000.