

very serious this is for a professional man like myself. I would ask you to say that, having heard the petition, you think that the very serious charges of fraud laid against me have not been supported by the evidence adduced.

*Mr. Bevan* : Mr. Callan has spoken of the word "fraud" having been used in the petition. It is not there, and I would like him to withdraw it.

*Mr. Callan* : Then I withdraw it.

*The Chairman* then read, for the information of the Committee, the judgment of Justice Williams, contained on page 450, "New Zealand Law Reports."

*Mr. Bevan* : Mr. Joyce, and Gentlemen,—Let me first of all thank you for the kind and courteous manner in which you have treated me during the hearing of this inquiry, especially in face of the fact that I, an untrained layman, had to contend with two trained members of the legal profession, one of them of more than ordinary qualifications. I shall endeavour to be as brief as possible. In the first place, I desire that you shall dismiss from your minds any idea of malice being intended by myself or those I represent, or that any imputation of dishonesty is meditated, directly or indirectly, in the allegations. Our desire is merely to extricate ourselves from the position we have been placed in. I wish first to refer to paragraph 1: "That for many years your petitioners have suffered great and continuous losses arising out of the mismanagement of the affairs of the association." I speak, feeling a deep concern and regard for those who have been great sufferers throughout the length and breadth of the colony. A casual glimpse into the past is sufficient to reveal the sad fact that many of our most worthy colonists have been dragged into the Bankruptcy Court through the losses which they have sustained. Many widows who were left with ample provision found themselves reduced to penury; great sacrifices had to be made on many properties to meet the calls made on shareholders. It is sad to reflect that the deficiency of Acts of Parliament, which do not compel the production of more detail in balance-sheets, should lead to the little savings of years, the provision for old age, being swept away by an unrelenting hand, leaving no escape but insolvency, which to many honourable men is worse than death. There is such a disgrace and stigma attached to the man who has "bankrupt" added to his name, that I fancy you will feel a pang of sympathy pass through your hearts when you reflect, weigh, and consider the losses and injuries now disclosed.

*The Chairman* : Are these illustrations in reference to other companies?

*Mr. Bevan* : No; all due to the Equitable. I do not refer to other companies.

*Dr. Findlay* : Do you mean solely confined to the Equitable?

*Mr. Bevan* : I speak of the Equitable. The Equitable has become such public property, on account of all these bankruptcies, that that is the chief cause why it is brought under public notice. The losses of capital, as admitted by Mr. Callan, amounts to £79,471 7s. 6d. His own figures, again, show the profit in land to have been £10,102 6s. 11d.; or a total of £89,573 14s. 5d. Now, gentlemen, if you will bear with me for a moment or two: My friend, Mr. Callan—for I still address him in no other term—would not say what I wished you to know this afternoon. The first dividend is deducted from his balance-sheet, which is a sum of £837 14s. 2d. This is the balance-sheet ending the 31st December, 1884. The dividend is deducted; therefore, the balance is carried forward less dividend. In 1885 the same position again arises, and the dividend paid is £1,067 12s. 11d. Again, in 1886, the same process again takes place, and £1,167 12s. 11d. is again deducted, which totals the sum of £3,173. But Mr. Callan claims the privilege of deducting it over again, in one lump sum, from the amount—which places me in the position of again taking Mr. Callan's figures of £79,471, and, adding thereto profits in land, £14,221 18s. 11d., which discloses the absolute loss of £93,693 6s. 5d. I am now referring to paragraph 2.

*Mr. Callan* : What do you say the total should be of losses incurred?

*Mr. Bevan* : £93,693 6s. 5d.

*Mr. Callan* : You say in your petition £112,742 4s. 11d.

*Mr. Bevan* : Mr. Callan's figures are £89,573 14s. 5d., against mine £93,693 6s. 5d., accounting for £31,730 which he has twice deducted. The difference is made up by unpaid calls. The difference between that and the total of £112,742 4s. 11d. must of necessity be those calls which have never been paid. It was impossible for any accountant to arrive at the exact amount unless he had the books; therefore, I maintain that these figures are absolutely and incontestably true, if Mr. Callan's acknowledged amount is also correct.

*The Chairman* : Then, you make a suggestion that the difference between £93,000 and £112,000 are unpaid calls.

*Mr. Bevan* : Yes. That is the only way I can possibly arrive at the amount I have set forth in paragraph 2. And on these estimates my figures are absolutely correct. I think that would be sufficient to arouse the anxiety of any commercial man as to the dangers of the position in which he was living. He would be living in what has been called a "Fool's Paradise" did he not look into matters more intimately. It will go to show that this large amount of money has been lost in the four years from the 1st January, 1887, to 17th February, 1891, when the company ceased operations, and therefore did not make any further losses. Therefore, in a little over three years and one month this enormous amount of capital was lost; because, if the liquidator has taken three and a half years to pay up the losses, these losses must have existed prior to the period when we ceased business.

*The Chairman* : Not necessarily.

*Mr. Bevan* : The business closed on the 17th February, and no more risks arose. Then, the other risks have not run out.

*Mr. Callan* : The Union Insurance Company bought them, and they were transferred. We had nothing to do but pay our debts.

*Mr. Bevan* : Therefore, this large sum of money was lost during the periods that the business of the association was unprofitable; because the four preceding years were profitable years. Now,