

98. Was Mr. Cohen's removal due to the shareholders?—I assented to it, as they kept raising points of order.

99. What directors raised the points of order?—The whole of them.

100. How do you know this?—Because the voice of dissent came from the spot where the directors were sitting.

101. Do you feel justified in blaming the directors because of voices which came from the place where they were sitting?—Yes, I do.

102. Was there a resolution put to compel the withdrawal of Mr. Cohen?—No; I assented to it. I said to Mr. Cohen, "You had better go."

103. You did not want to get a resolution of the meeting?—No, they were all against me.

104. *Mr. Crowther.*] Were the majority of voices against you?—No; a number of the shareholders in the room were in my favour.

105. *Dr. Findlay.*] You blame the directors, and yet you would not put it to the meeting?—The truth was, I did not care. I was in a perfect ferment the whole time. I assented to the reporter going away so that the business might proceed.

106. In dealing with the balance-sheet of the Equitable, you object to the form in which it is made up?—Yes; they do not show debtor and creditor.

107. What would you ask them to show?—I would ask them to show gross premiums and reinsurance.

108. Do you complain that the balance-sheets are not made up in the usual form followed by insurance companies?—Yes.

109. Would you be surprised to know that the balance-sheet of the National Insurance Company for 1893 is made up in exactly the same way?—No. If I were a director I would never assent to a balance-sheet going out without showing full particulars.

110. After examining the balance-sheet of 1889, are you prepared to retract your former statement that property does not appear under its proper heading in the balance-sheet of that year?—I meant the Fire and Marine Accident and Indemnity Company.

TUESDAY, 2ND OCTOBER, 1894.

Mr. BEVAN examined by Dr. FINDLAY.

Mr. Bevan: Yesterday, Mr. Chairman, you will remember, I was challenged, at a moment's notice, to verify the figures in a very involved number of balance-sheets. I found this very difficult, and, under cross-examination, declared that my first figures were wrong. I am now prepared to verify every one of my figures and to assert that they are incontestably correct.

Dr. Findlay: Gentlemen, I do not know what you think about this matter; but it seems very strange that, after making a deliberate statement and then giving it a denial, Mr. Bevan comes here again to-day to verify his previous remarks. Yesterday he was asked a number of questions, and he was forced to confess that he could not substantiate the figures appearing under these different headings, and he agrees to accept the statements made by Mr. Callan as to the correctness of the figures. Now he comes again, and wishes to retract what he stated to Mr. Callan, and support what he previously said. If that kind of thing is to go on we shall never be finished, for what he has done in regard to the figures will apply to everything else.

The Chairman: Go on with your examination, and afterwards Mr. Bevan can make his statement.

1. *Dr. Findlay.*] In your statement made on the second day of this inquiry, Mr. Bevan, you say that "there is a gross total on the debtor's side of the balance-sheet for the year ending 31st December, 1890, of £22,500 19s. 11d. in the acquisition of business amounting to £17,994 11s. 4d.?"—Yes.

2. Now, if the insurance premiums of an insurance company amounted to £100 in the insurance of a block of buildings, and the whole of that block was burned down, involving the company in a loss of £10,000, would you say that that £10,000 had been spent in acquiring business—the hundred pounds' worth of business?—Certainly not. I would say that £9,900 had been lost, though.

3. But you say here that the total for that year is a debit expenditure of £25,700, to do a business of £17,994 11s. 4d.?—Yes.

4. What were the losses of the year?—The loss on fire and marine risks was £11,250.

5. And yet you include that in the amount you said was spent in acquiring the business of £17,994 11s. 4d.?—I did not say to acquire. I meant that the sum of £22,500 19s. 11d. was lost during that year.

6. And you wish to withdraw the words in your statement, "in the acquisition of business"?—Certainly.

7. And you want to say now that £17,994 11s. 4d. cost £9,614 7s. 8d., instead of £22,000, as you originally put it?—Yes.

8. In your petition you say, "That your petitioners discovered quite accidentally that the directors had for six and a half years been illegally drawing increased fees, amounting in the aggregate to £2,000, in contravention of the articles of association." Yesterday I asked you whether you had received a circular containing a report of the meeting at which these fees were increased, and you said "No." Do you still say that?—I cannot say at such a distance of time.

9. If you had received such a circular, containing this information, you would probably have seen it?—I might have done.

10. The circulars which you have got, I suppose, you have received from time to time?—I suppose so, or I would not have them in my possession.