

150. Were they locked up in the safe?—There were some in the safe, and some in the strong-room.
151. Who kept the key of the outer door?—There were several keys belonging to the officials.
152. Did you ever see a credit of £20,000 shown anywhere in your cash-book?—When I came back from Melbourne I did not take up my old position, but went on to Christchurch. I never saw the cash-book after that.
153. Was Mr. John Davie one of the investigating committee?—Yes.
154. Was Mr. David Russell a member of the investigating committee?—Yes.
155. Was he still paying his calls then?—I cannot say whether he was in arrears or not.
156. Did he get his calls compromised?—Yes.
157. Do you know that Mr. Maxwell was officially appointed as liquidator?—Mr. Maxwell was not legally appointed in the first instance. There was a difficulty about his appointment. Mr. Maxwell took action against me, and I then took action against him as liquidator, and it was then discovered that there was some flaw in his appointment.
158. *The Chairman.*] Was the appointment afterwards legalised?—Yes, by the Supreme Court.
159. *Mr. Bevan.*] In the issue of circulars and notifications to shareholders, what was customary up to the period of your connection with it?—The annual meetings were advertised in the Otago newspapers, and a circular was sent out as well.
160. *The Chairman.*] To the whole of the shareholders?—As far as my memory serves me.
161. *Dr. Findlay.*] When did you go to Christchurch?—It would be about 1889.
162. *The Chairman.*] What did they usually do in respect to annual meetings?—They used to meet on the first Monday in March, and the balance-sheets used to be sent out in February.
163. *Mr. Bevan.*] Did the directors get proxies out all over the colony, with a request to get them sent back in their favour?—Blank proxies were sent out to different agents, with a request to them to get them filled up in favour of the directors.
164. Did you receive any circular at all inviting you to attend the last annual meeting of shareholders preparatory to liquidation?—I cannot say.
165. Are you aware that delegates and the general manager were sent round the West Coast to the different towns, and the purpose for which they were sent?—The delegates went round to put the true position of the company before the shareholders.
166. To your own knowledge, were they furnished with facts and figures from the office before they left?—I cannot say.
167. Was the company in such a position as to warrant them in advising shareholders to continue on?—I cannot say. My own opinion was at that time, and I still hold it, that unless we got the money from the Fire and Marine Indemnity Company, of Melbourne, we were bound to go into liquidation.
168. That is, unless that money was forthcoming, you would consider it very imprudent to carry on a life and fire insurance business with so small a capital?—Yes.
169. *Dr. Findlay.*] Do you mean the money in hand, or in prospect?—I mean in hand.
170. You mean to say that they were not justified in carrying on unless they had the cash?—Yes. We were in a bad way, and if we did not get the money we were bound to go into liquidation.
171. Would you have closed up if there had been a good prospect of getting the money?—I cannot say that there was a good prospect. It stands to reason that if we could not recover £400 from them we could not get £11,000.
172. *Mr. Bevan.*] Do you think your bankers would have advanced anything on the prospect of getting the money?—No.
173. Did you look upon the Equitable before getting that money as practically bankrupt?—I say it was practically bankrupt.
174. If Mr. Voller said at that time it would take 2s. to wind up, do you think that was a reasonable estimate?—I think it was a very good margin.
175. When you were in Melbourne I suppose you had good opportunities for judging of the value of the Melbourne Indemnity Company?—I was on the arbitration.
176. Did you look upon the company as in a fairly good position?—I looked upon it that we would not get much out of it.
177. Can you tell the Committee the amount which this company had reached in the balance-sheet? Had it ever reached £15,000 or £16,000?—Not to my knowledge.
178. For instance, here is the balance-sheet for 1889, which shows amounts outstanding due to the company, £16,675 3s. 11d. Would this have reference to the Melbourne company?—I am not in a position to say. I have no doubt it would prove to be due by the Accident Indemnity Company, and other outstanding premiums.
179. Then, in the balance-sheet for 1890, it is set out as £11,401 13s. 4d. Is that the amount the award was given for?—As near as I can say, yes.
180. Was it a larger claim before the award was given?—There were two or three items which had been twice charged, which the arbitrators took off it.
181. *Dr. Findlay.*] It would not have stood at more than £12,500 at any time, then?—No.
182. *Mr. Bevan.*] Do you not think, in the production of a balance-sheet, it would be very much clearer if the shareholders could see how much the gross premiums were?—Yes.
183. For instance, how do you debit the reinsurance in the books?—I should always put it down as a gross amount of premium, and debit the reinsurance on the opposite side.
184. Was it done in the early part of the company's operations?—Yes.
185. *The Chairman.*] Was that departed from?—Yes, in Mr. Maxwell's time.