

That the Assets Realisation Board shall consist of three members, and, inasmuch as the colony has guaranteed the deficiency, if any, on the bonds to be issued by the said Board, the Governor in Council shall appoint two members and the directors of the Bank of New Zealand one member.

The Committee are of the opinion that the shareholders of the bank should be prohibited by law from winding up the bank until the whole of the obligations to the colony are repaid. This is an obvious precaution, considering the large responsibilities of the bank to the colony.

And the Committee also recommend that the power under "The Bank Guarantee Act, 1894," be amended, so that the power to appoint a Receiver shall arise on any default of the bank.

The proposals of the Committee deal only with the landed properties, stations, stock, implements, &c., in New Zealand. The trading concerns, both in and outside New Zealand, and the properties owned by the Estates Company outside New Zealand, are not to be transferred to the Assets Realisation Board. The directors of the Bank of New Zealand have informed the Committee that the latter properties may be realised in two years. The directors have so far written these down in value that the Committee is of opinion that there need be no great delay in carrying out such immediate realisations. The details of the trading concerns and other assets have not been appended, as they are for sale, and it would be inadvisable to furnish all such particulars.

With the papers appended to the report will be found a scheme submitted by the directors of the Bank of New Zealand. The Committee did not see its way to accept it, seeing that it entailed heavy obligations upon the colony which the circumstances of the case did not warrant. The Colonial Treasurer also submitted a scheme the distinct feature of which was that the colony did not directly issue stock to the bank as against the assets of the Estates Company, but, in lieu thereof, as a last recourse, the colony guaranteed the deficiency on the bonds. Sir Robert Stout also placed before the Committee certain resolutions. These will be found with the papers appended to the report.

CHAS. C. BOWEN,
Chairman.
