

had also dropped by over 200.

Although on the surface the foregoing suggests that the Institute was gradually working its way into a sound position, underneath the position was not nearly as sound as it appeared. On the occasion of the eighth annual meeting a special memorandum was addressed to the shareholders.⁽²⁶⁾ It stated that, in compliance with the resolutions passed at a meeting of shareholders held on March 25, the committee had made arrangements for transferring the property of the Institute to the Government, subject to a vote of the Provincial Council for an amount for the Government to carry out its part of the undertaking. However, the vote was disallowed by the Council and therefore the whole proposition fell to the ground. Because of this the Committee was in such sore financial straits that there was no possibility of paying the annual interest on shares. The annual report stated that there was a decline in the number of subscriptions, probably on account of the commercial depression and the negotiations just mentioned. In 1870 the colony lay in or near the trough of a depression. The gold production had been declining since 1867 and with it, prices, while the war now drawing to a close had cost the community many valuable lives and burdened it with a heavy debt.⁽²⁷⁾ Although the Maori Wars were confined to the North Island the effects and the heavy debt were spread over the whole country.

26. *ibid* August 14, 1867.

27. Shrimpton and Mulgan. "History of New Zealand;" Whitcombe & Tombs Ltd. Christchurch, 1921. pp 274-5.