

28. In 1894?—In 1894.

29. Can you tell us in what position you found the Estates Company at the time you became an attorney?—I do not think I can add anything to the facts that were disclosed to the Committee last year.

30. Yes, but you must remember that I was not on the Committee, and it was a secret Committee?—But the facts to which I refer are published in this volume.

31. You mean facts so far as the figures are concerned?—Yes.

32. You found the properties were overvalued?—Yes.

33. To an extent indirectly of £1,879,000, and direct £731,000?—We found them overvalued as recorded in the different returns.

34. Did the Estates Company pay interest to the bank on its shares?—I am not able to say to what extent interest was paid on them. I do not know.

35. It paid interest as far as it could?—As far as it could, no doubt.

36. You could not say what interest it was earning?—No.

37. What was the amount of the shares held by the bank?—£1,850,000.

38. Since written down to £1,089,000?—Yes, £1,089,822 17s. 7d.

39. Were the earnings of the Estates Company sufficient to pay interest on the money borrowed on the security of its estates?—I cannot tell you that.

40. Are you able to give us the cost of floating the debentures and the subsequent conversion?—I know nothing of them.

41. The redemption of the debentures took place while you were an attorney?—Yes; and the final redemption has just been completed on the 30th June.

42. What was the date when the first £750,000 debentures were paid off?—I cannot give the date, but I can supply you with a detail from the beginning of the course we have taken in paying off the debentures of the Estates Company and the Auckland Agricultural Company's debentures.

43. You can supply the dates, and will take a note of it?—Yes.

44. Who would be most conversant with the transactions of the debentures—Mr. Hanna?—Yes, Mr. Hanna, the late manager of the Estates Company. He was manager, I believe, at or soon after the formation of the company.

45. And he continued manager till?—Till the early part of 1895. Mr. Cuff, the accountant, would also probably be able to give the information required.

46. How was it that Mr. Hanna was changed as manager?—We found that Mr. Hanna was a very efficient and competent man to have charge of the books and the accounts, but that a different class of man was required as manager of a great body of landed estates, and for that reason, when an opportunity offered, we practically, I should say, retired him. He was a bank officer and was returned to the bank, and we engaged another and different class of man, who had the knowledge that was required for the efficient management of the properties—a knowledge which Mr. Hanna never claimed to have. I am alluding to Mr. Foster.

47. Have you found that Mr. Foster's management has been beneficial to the Estates Company's properties?—I think it has helped very largely to save the position of the properties, and has been an advantage to the bank and the Estates Company to the extent of some thousands of pounds.

48. Mr. Foster is the general manager?—Yes.

49. Does he undertake the accountant work as well?—No; of course he supervises all the work of the office, but the accounts are in charge of Mr. Cuff.

50. Is Mr. Foster the only supervising officer of stations?—He is now. Of course, under Mr. Foster there are station-managers appointed to the different properties.

51. You have told us that you found in 1894 that the book-values were artificial values?—We thought so.

52. Do you still continue to keep them up? Was there no writing-down until you came to Parliament?—No; we had no power to disturb them.

53. You had no power?—We had no power to write them down; we had no funds.

54. Was the London board aware of the probable value of the assets?—I am not able to say what their knowledge was.

55. Were reports sent to the London board from time to time?—I believe an annual report was sent by Mr. Hanna.

56. Can you produce those reports—copies?—I think not. I expect they will be in London. I am not aware that there are any copies in the bank. You wish to know if copies of Mr. Hanna's reports can be produced?

57. Yes. Were the reports submitted to the attorneys?—As a matter of fact they were, prior to our taking office. From the time we took office all the arrangements connected with the Estates Company and the Auckland Agricultural Company have been in continuous movement towards the results that were fixed by the legislation of last year.

58. When were the properties last valued?—I am not able to say. Mr. Foster, I think, would give you that information.

59. They were valued in order to place the values before Parliament in 1895?—They were, I believe, by Mr. Foster. I think the most reliable valuations that were placed before Parliament were those which were given by Mr. Foster last year.

60. £1,879,000?—I do not remember the exact figures, but they are on record.

61. I understand those were not Mr. Foster's figures. Do you know what Mr. Foster's valuation was?—No.

62. Was the sum I have mentioned, £1,879,000, the value placed on the properties by the directors—their estimate?—No; the directors did not meddle with the values of the properties with a view to vary them from what they found in the books—the book-values. Mr. Foster's valuation, as far as it was a separate one for which he undertook to be answerable, was given, I think, in a