

ever being discussed. No notes were taken, and nothing whatever was defined, the whole occasion being one of conversation and exchange of views, and not of negotiation or of making any compact. Mr. Seddon stated his views to be that his Government, through the Assets Board, of which we understand you are the general manager for the time being, should have a more direct control over the management in New Zealand of the company's property than they now have, with the object of economizing in the management, and of rendering more productive the property of the company. My directors stated generally that if these only were the objects desired, and if the Premier would cause the Assets Board to make any practical suggestions to show that they would be attained by such control, they would be happy to consider them, and, if approved, would be prepared to concur in any reasonable method for carrying them out, even to the extent, if advisable, of adding the name of your Board's representative in our power of attorney, Mr. Seddon having assured them that such suggestions would only be made as would be in the equal interests of all the shareholders alike, and not for the purpose of forcing the company into liquidation or its property to a forced sale, upon which the English shareholders had expressed anxiety. My directors promised to consider the views of the right honourable gentleman so soon as he was in a position to put them in writing. This he kindly promised to do as soon as convenient after his return to the colony, and embody therein suggestions how it would be possible to reduce the present management expenditure and economize generally, and also formulate a policy whereby the returns of profits would be enhanced. These are points you, no doubt, will admit, as he did, that the directors, as trustees for all the shareholders, are bound to consider carefully before committing themselves to handing over control.

What my directors therefore suggest is that you should first make your inspection into the company's property and affairs, for which every facility shall be given you by directions sent from this side by this mail to our manager, and having done that, you should then be good enough to state to us where and in what respects the management of the company's affairs is faulty or capable of improvement with economy and prudence, or a greater productive result could be obtained, and to formulate your suggestions, showing how you, if you had the control, would insure economy in the expenditure or increase in the returns, and my directors would then consider your proposals.

It may be that when you visit the property—and we hope you will do so soon—you will find that little or no improvement can, in the present condition of your markets, be effected either in the point of economy or in the operations of working; but pray do so first—look into the affairs on the spot, talk them over with Mr. Hume and Mr. Harrison, both of whom we appointed on the recommendation of the Estates Board, and we suppose are therefore favourable to and would give due consideration to any suggestions emanating from your Board.

These gentlemen have been instructed from the first not only to do this, but also to consult your Board upon points of policy in which you might like to give an opinion.

I am, &c.,

C. DUGALD BUCKLER, Secretary.

W. G. Foster, Esq., General Manager, Assets Realisation Board,  
Wellington, New Zealand.

EXTRACT, LETTER from COMPANY to Mr. HUME, its Local Director, dated 24th December, 1897.

DEAR SIR,—

24th December, 1897.

Thanking you for your favour of 29th October, we have to confirm our last dated 27th ultimo.

2. *Assets Realisation Board.*—You will see from the enclosed copy of correspondence which I am directed to send you that the above Board, who hold more than half the shares in the company, have asked us to appoint their general manager, Mr. Foster, to be the attorney for the company in New Zealand, with full control and authority in the local management. The Board may not be adverse to taking this step, or of granting a joint power with you, if agreeable to yourself, provided Mr. Foster will first satisfy them that by doing so a reduction in the expenses, without impairing efficiency, will be effected, and that improvement in result of working the property under his policy is to be obtained.

You will observe that Mr. Foster asks for this power of attorney at once, and without in the least foreshadowing his policy of management or plans for working the property to better advantage. It seems that he has never seen and does not know the estate or its capabilities, so the Board will ask him to be good enough to pay it and you an official visit of inspection, and to consult with you and Mr. Harrison as to the methods of working now adopted, the results obtained, and the possibilities of obtaining better results under a new and more economical policy. The Board desires, therefore, that when Mr. Foster visits you for this purpose you will afford him full facilities for inspecting the property, and the assistance he may require in acquainting himself with the past and present system of management.

I am to add that the Board will in no case sanction any alteration to take effect until the 1st May next, as they feel that it is due to you and the present staff that you should complete your operations to the end of the financial year, and render the accounts to 31st March, together with your annual report on the year for which you are responsible.

I remain, &c.,

C. DUGALD BUCKLER, Secretary.

James Hume, Esq., c/o Bank of New Zealand, Hamilton, New Zealand.