

21. *Mr. O'Meara.*] Why did you go to him at all, Captain Hamilton?—Because the Assets Realisation Board had my property in their hands, and I was, naturally, still endeavouring to find some way of releasing my property from their hands. In this conversation with Mr. Todd, this liability to the bank cropped up, and he said, "Well, if I were you, before trying to deal with it I would get rid of your liability to the bank and be done with that."

22. *The Chairman.*] Did you look upon that as advice you would get from your banker, or as a private and friendly conversation?—I really looked upon it as solving the knot.

23. Did you look upon Mr. Todd at that time as a gentleman transacting bank business with you, or did you look upon him as a private friend?—I looked upon him in this particular case as really giving friendly advice.

24. *Mr. Foster.*] Do you dispute or assert, Mr. Hamilton, that the bank was not acting within its legal right in the sale?—On the legal question I have an opinion. I know this, that in selling the bank was breaking their undertaking with me; that is quite distinct. I distinguish an undertaking from a legal right. There may have been many conversations. It is the legal point on which hinges the question as to whether or not the bank would wish to give any evidence that was likely to go before a law Court, for instance.

25. *Mr. O'Meara.*] You understood that they were strictly within their legal rights in disposing of their property?

26. *The Chairman.*] Do you admit that the bank acted within its legal right in foreclosing on your property?—It is a question of this kind: After a man undertakes not to sell you up and then sells you up, is he within his legal rights? That is the position.

27. Do you admit that they acted within the law?—I knew myself that, if it was a question of law, simply that I had given them a mortgage to secure an overdraft, to be called up at sight, and that if they chose to break their undertaking to me they could use the power that I had given them and signed.

Mr. W. G. FOSTER, General Manager, Assets Realisation Board, examined. (No. 2.)

*Mr. Foster:* You might take it that that is an answer to my question: that we were within our legal rights. Those are all the questions I have to ask Mr. Hamilton at present, Mr. Chairman. I would like to explain to the Committee that, of course, a considerable portion of this business was prior to my having any connection with the property, and I have had to rely upon what I could gather together from records. Mr. Hamilton, in his evidence, referred to an understanding with the Natives that he should not sell. Has he any documentary evidence of such an undertaking? Did he convey this to the bank, and has he any proof of his having done so? Is he aware that no mention whatever of such an understanding is made in his mortgage? Mr. Hamilton said that the bank agreed to accept, say, £28,000 in 1884, and to take second mortgage for the balance. Has he any writing to that effect? Did not the bank require other conditions as to security for the balance? *Re partner:* Did Mr. Hamilton advise the bank that a partner was available, and give it the opportunity to consider the question, or did he not refuse right off? Mr. Hamilton says, "The year's expenditure was annually wiped out by proceeds of sales of wool," &c. How does he account for the persistent growth of the account? Mr. Hamilton says the bank-manager asked him to assist in sale, or they would sell without him. Is this not a usual arrangement to save expense? Did Mr. Hamilton not refuse to so join in, and therefore compel the bank to sell by order of the Registrar, and in consequence leave him indebted to the large amount of over £60,000? Was the sale not open to the public, and the property subject to competition? Mr. Hamilton mentioned that Mr. Todd advised him to file to get rid of his liability, and, lest the Committee should misunderstand, I wish to say that if Mr. Todd did so advise it would be as a personal matter and not in any way as a recommendation from the bank, Mr. Todd's position being that of Chairman of the Assets Realisation Board, without any connection with the bank. Does Mr. Hamilton consider the price at which the Assets Realisation Board sold to the Government, £4 10s., a fair one? Mr. Hamilton's evidence, as given, refers to a notice from the bank in 1884 to pay up his overdraft, which he states he was unable to do, and the bank in consequence entered into possession under the powers contained in his mortgage to the bank. Mr. Hamilton does not say whether he resisted in any way, nor does he assert that the bank was in any way acting illegally or contrary to the provisions of the contract he had made in respect of his security for the advances, nor does he say whether he had legal advice on the point. As he remained on the property ostensibly as owner, it is fair to assume that he had acquiesced in the procedure. The property was carried on under these conditions till 1889, when the bank (failing Hamilton's having arranged to be redeemed) decided to foreclose and sell through the Registrar of the Supreme Court. The debt to the bank in 1884 is stated by Mr. Hamilton to have been about £44,000, and in 1889 this debt had increased to £68,000, and during this interval (part of which period the property was under Mr. Hamilton's management) Mr. Hamilton was cognisant of the expenditure so increasing the debt, and does not appear to have demurred to same. In 1888 Mr. Hamilton apparently entered upon negotiations for raising money to pay the bank off, and, as he has stated, these negotiations resulted in an offer from the Northern Investment Company of £40,000 on first mortgage of the property. I have no data available as to the bank's reply to this proposal beyond that it was refused. Mr. Hamilton has stated that at this date his indebtedness to the bank was about £60,000. In November, 1888, the bank had a valuation of the property made by Mr. W. Hunter (Exhibit K), whose estimate placed the value at, for the freehold, £83,500; fencing, £7,500; dwellinghouse, buildings, and plantations, £3,000; live-stock, sheep £9,000, cattle £1,750: total, £104,750. Mr. Hamilton has stated that he could have arranged to purchase the fee-simple of the land from the Natives at