

it comes about that, after an outlay of £52,000, spread over a time of about ten years, there are practically the same number of sheep still shorn, and that there are not more cattle?—Well, Mr. Chairman, am I called upon to answer anything more than is in the petition? It seems to me we are drifting more on to the Assets Board's business.

*Mr. Herries*: Captain Hamilton wants to get at what this valuation that was put on for improvements was; he thinks that the money was wasted.

*Captain Hamilton*: My statement was that the money has been wasted on the place, and that there is no result to show for it, and, instead of an improvement claim, there is a depreciation.

42. *Mr. Herries*.] He means, Mr. Foster, that the £71,000 could not really be added?—The Bank of New Zealand Estates Company and the Assets Company have spent that since they had the property. The annual returns were about £8,540, or equal to 8 per cent on the debt.

43. *Mr. O'Meara*.] That precluded all possibility of Mr. Hamilton getting the property back?—Oh, yes; but if Mr. Hamilton will pay the actual debt as it is shown by our records—if he will pay £50,000—he can have the property. He claims that there is £120,000 of value left in this property for him; I want to show that there is nothing.

*Captain Hamilton*: Before your advent I looked upon this expenditure as the very summit of folly and recklessness while it was going on.

44. *Mr. Herries*.] You made a statement, Mr. Foster, about Mr. Hunter's valuation?—Yes.

45. And you give his valuation which is as if it were a freehold?—Yes.

46. How do you arrive at the sum of £104,750 as being his actual value?—In this way: that this was the freehold valuation.

47. Of course, you have deducted the amount required to extinguish the Native interests?—Yes.

48. Do you think that it is a fair thing to deduct that?—He values this as a freehold. I was valuing it as leasehold. He values this at £104,750 as if it were a freehold.

49. You have deducted the subsequent cost to get the freehold from that £104,750?—Yes: to show the value of the leasehold at the time.

50. Do you think that that is a fair deduction?—Yes; we paid £1 an acre.

51. When did you pay that?—We paid about £1 an acre for the 19,000 acres.

52. When: since you had possession?—Part of it commenced at once and continued throughout the term.

53. Is it not a fact that the freehold would become more valuable as the years rolled by?—Yes; and it enhances the value of our payments for the leasehold. It began at less. I am taking the average of all the payments that were made during the time.

54. At that date do you think you would have to pay £1 an acre for all of it?—Approximately. It could not have varied much. You see, Mr. Hamilton says he could have bought it for from 10s. to 15s. an acre.

*Captain Hamilton*: I quite indorse your having got good value for your purchase of the freehold. I paid myself at the estimated rate of £1 an acre for it. It was a matter of the way it was subdivided that it turned out so badly—the acreage.

55. *Mr. Herries*.] Do you think it is a fair amount to deduct, Mr. Foster: do you think it is fair to deduct that amount?—In 1889 the lease was under challenge, and I do not know that anybody else would have touched it. Nobody opposed the bank beyond £5,000 for it. There was no competition for it, so I think, so far as I can gather, that I have put it fairly.

56. *Mr. Herries*.] With regard to this Improvement Account that you have put in: do you maintain that those permanent improvements have benefited the land?—I maintain that all that has been expended since 1889 has been a benefit to it. It has been mainly bush clearing.

57. *The Chairman*.] How much did you improve the estate from Captain Hamilton's time? With reference to this £70,000 that was expended, how much did the returns from the estate increase?—I could not say.

58. *Mr. Herries*.] Did they increase?—Probably not; wool was down to half its value. It is quite possible we might be unable to maintain the returns owing to the drop in wool.

59. Do you mean to say that if you had not spent this money the estate would have depreciated?—There is no question about that. The improvements made by Mr. Hamilton prior to 1889 were mainly in surface-sowing of grasses. A lot of this country is called "sour" country, and in my opinion surface-sown grasses do not in such land always hold for a very long period, and something else is necessary to take its place. After 1895, when I had control, my attention was called to felling bush and sowing grass. It has undoubtedly enhanced the value of the property.

60. Has this £71,000, as spent by the bank, been spent mainly on the freehold or on your leasehold?—Mainly on the land that we had acquired.

61. Has there been much expenditure on the leasehold that you still hold?—Not a great deal. We are at that now.

62. Can you answer any questions about the bank? Do you know who was the president of the bank in 1887?—I could not tell you.

63. You do not know whether they were in any financial trouble?—I think it is within the knowledge of most folks that they had not too much cash.

64. Was it before Mr. Buckley made those disclosures or afterwards?—I could not say. Of course, I have very strong impressions, but I have no knowledge of facts.

65. Did the bank sell up Mr. Hamilton because they were in difficulties or because the account was increasing to an undue amount?—If the bank was able to refuse £40,000 offered, taking second mortgage for the balance, providing the balance was adequately secured collaterally, I should imagine that they were in no immediate necessity.

66. Are we to understand from that that the bank would take the £40,000, and the other