

this, gentlemen, I assume that if I am to be called upon to produce documents, Mr. Hamilton should also be called upon to produce documents.

117. You are here as the representative of the bank. Did you foreclose because you wanted the money—the principal—or did you foreclose because the expenses were mounting up and there was not a fair return of profit?—As a matter of fact I had no access to records as to that. This was decided by a board of directors. I could not answer that question. I think the reason would be obvious, when, as I have endeavoured to show, on a valuation made there was only a margin of some £6,000 odd between the debt and the security, and in addition to this the main security (the leases) was attacked.

118. On the one hand we have Mr. Hamilton saying the security was not attacked, and on the other your statement?—I can support mine by documents.

119. You do not deny the statement of Mr. Hamilton, that he acted as an agent to secure the bank a forty-years' lease in order that their security might be reliable, and which could carry him on?—That lease was in 1878. In 1878 Mr. Hamilton, for the purposes of his own betterment of security and getting a bigger advance, got an extended lease beyond 1900, for forty years.

120. And how much did he owe the bank then?—I could not say that. I am not prepared to state at the moment, but the bank is able to show it from the accounts.

121. Now, from the time of the bank selling Mr. Hamilton's property and the time of the passing of the Banking Act had not the bank ample opportunity of disposing of that property at a profit?—That is in the Estates Company's time. I do not know that they ever tried to.

122. Then you really think that the Estates Company thought that they had a good property, and that they could keep it on to the profit of the bank?—I do not really know what the Estates Company thought. They at any time would have taken the book cost.

123. In 1888—that is the year before the bank foreclosed, the year before they sold it—you have the valuation of Mr. Hunter at £104,750, and he shows during the same year the margin of profit that was actually paid was 8 per cent.?—It fluctuates.

124. Did it not, as a matter of fact, pay more than 8 per cent.?—From 1889 to 1892 the average has been 8 per cent. on the debt.

125. Was that a fair charge of interest, 8 per cent., on a large estate like that?—I do not know whether it was a large interest-rate at the time. It was the rate contracted for and agreed to by both parties.

126. As a matter of fact, would not 4½ per cent. have been a fair charge?—The Government could not have done it at that time. There was 6½ per cent. and 7 per cent. on gilt-edged securities at that time.

127. What was the object of getting this valuation of Mr. Hunter's?—The object was that the bank should know how they stood.

128. And this was one year before they foreclosed?—Yes.

129. Now, here is a copy of your report of the value, which is dated 1896 (see Exhibit H). I believe this is your own report, the Assets Realisation Board's, Wellington. This has got the name of the Assets Realisation Board, and is dated 26/8/96?—I do not disclaim it. It is an Assets Board document issued from there, but it is no report.

130. It says in this report, "the Homestead Block." Where did you get this report from, Captain Hamilton?

*Captain Hamilton*: This was an answer to a letter from myself in 1896 asking what terms the Assets Realisation Board would release my property to me on. These are the terms.

131. *Mr. Hall* (to Mr. Foster).] The valuation in that is £170,000?—That is no valuation; that is the price we asked. We will take an equivalent of £150,000 if Mr. Hamilton will give us a cheque for it.

132. I believe you were appointed to report on the value of those estates at the time the banking legislation was going through?—Yes.

133. What did you report as the value of this estate?—I never reported at all.

134. What was it assessed at?—At the book cost.

135. Was there not another value? Did you not report the face value?—I decline to give those figures.

136. What was the book value at the time?—The book value was £189,535, or something like that.

137. That is the price you wanted without the stock?—That is the price we asked.

138. What would you have been prepared to take at the very last?—I am not prepared to say. I can tell you what we will take now for what is left.

139. We are inquiring into the value of the estate from 1889. Now, here is the advertisement-sheet, Mr. Foster?—Yes.

140. Do you think that the Bank of New Zealand would falsify the statement of its advertisement?—It is quite possible that the bank did not draw its own advertisement. It is quite possible that it was drawn by the auctioneer.

141. *The Chairman*.] Do you admit that that was a fair and accurate statement of the position?—I am not prepared to say.

142. Are you prepared to contradict the accuracy of that statement?—I cannot contradict what I know nothing about.

143. You come here to give evidence for the Bank of New Zealand, and you are not prepared to answer the questions that are put to you. If you look at this memorandum you will see that there were forty thousand sheep shorn in 1888, at the time when Mr. Hunter made his valuation?—I am not able to say anything about it. I was not there at the time, so I cannot say.

144. If you will look at Mr. Hunter's valuation and statement there you will find that it verifies that?—I will put in Mr. Hunter's valuation for what it is worth. I have no means of saying.