

338. Is it not a fact that, if lower prices were got for the high country, higher prices would be obtained for the lower country?—Yes. The lower country brought high prices, and the high land brought lower prices.

339. Do you think that either departmentally or otherwise there was any attempt to get unfair prices?—Oh, no! not at all.

340. Either in the order of putting up the sections or otherwise?—Not intentionally, I should think.

341. *Mr. Lake.*] I understood you to say, speaking about the subdivisions, that they drew a line anywhere—you meant that there was no intelligent subdivision; that they followed no natural boundaries or fence lines?—Quite so. You could have drawn the lines on the map equally as well without seeing the country, as far as the natural boundaries or even existing fence lines went.

342. The consequence of that would have been that if you purchased one of the high country sections, you probably would have to give an increased price for the purpose of securing land that was really included within the boundary?—Since the sale we have leased three sections in the lower country to Mr. James Cowan. The fences have to run up the natural spurs of the hills. He had to get more land than was originally intended, on account of our not being able to shift the fence.

343. By the way in which they were put up—one block here and another block distant from it; having bought one of the hill sections, you had to buy the lower country?—Yes.

344. *Mr. Brown.*] With regard to the rabbit-skins that you are getting off the run: Did you export more last year than in previous years, or less?—Well, about the same. I think we have exported 280,000 in each year.

345. Are the rabbits decreasing?—They will decrease in a month or two, and then spring up again.

346. I mean during the year?—Yes, better than they were.

347. Did you attend the auction sales for these runs?—Yes, I was bidding at the time.

348. Was there any unfairness on the part of the auctioneer towards the bidders?—No, I think not.

349. Did you hear of any unfairness on his part?—There was a rumour the next day or the same day that some people were bidding in the room to run others up. Mr. Maitland and Mr. Martin were both spoken to about it, and they said they would stop it if they could.

350. How would they stop it?—If they saw a man bidding, and they knew he was not *bonâ fide*, they would not accept his offer. I was at a previous sale in Dunedin where a man's bid was repudiated altogether; that was Mr. Mervyn.

351. Are you aware whether during a sale in 1882, after the auctioneer had knocked down the run and declared the purchaser, the same run was again put up?—Yes.

352. After he had declared the purchaser?—Yes. I think I could show you the number of the run. It was at the end of the sale, I remember. It was one of Mr. Fulton's.

353. Were you present?—I was.

354. Will you say what took place?—I hardly remember exactly, except the fact that there was this dispute. It was knocked down to Fulton, and somebody in the room said he had made a bid. I did not know him. The run was put up again if I remember rightly.

355. It was an ordinary dispute then?—As soon as you bought a run, you had to go up and deposit your money. I think I am right in saying that Fulton or his agent was going up to pay his marked cheque, and somebody said: "I bid," and disputed that Fulton was the buyer.

356. And then it was put up again?—Yes.

357. Did you consider it unfair at the time?—Yes.

358. *Mr. McKenzie.*] You tried to dispose of this Morven Hills Estate since you purchased it from the Government?—Yes.

359. You tried your own hands at subdividing?—Yes.

360. Not following the Government lines?—No.

361. And you could not sell it?—We did not sell any. We could not get the prices we wanted. There were some bidders, but not high enough. 10s. per sheep was offered.

362. *Hon. Mr. Rolleston.*] How many subdivisions did you put the run up in?—I think there were six subdivisions.

363. *The Chairman.*] You are certain there was £700 or £800 worth of fencing on part of the run which was not estimated by the auctioneer as improvements?—Yes.

364. No one had an opportunity of judging what the improvements were at the time of the sale?—No; not unless they had gone and looked at them. If you were a stranger in the auction room you could not have told what the improvements were.

365. Was that the case with other runs?—I think so.

366. No actual valuation was made of the improvements?—No; not at this large sale.

*The Chairman:* Will you now deal with the next case you propose to offer evidence upon.

*Witness:* Will you allow me to state that I noticed the other day, when a deputation waited upon the Premier, he called attention to the enormous profits of Dalgety and Co.

367. *The Chairman.*] There is a letter from Mr. Rattray, in evidence, in reply to that statement. Are you aware that that letter was put in evidence?—Yes; Sir Robert Stout mentioned our name, and I wondered how he could arrive at the knowledge that we had made large fortunes. I concluded that he derived his information from the letter which I wrote to Mr. Ballance, in March last, in which I gave the proceeds of wool for the six years previously. The figures may look large, but of course they were the proceeds only. Nothing was deducted for working expenses or rental of the run. I can show you the actual result of the working of this run prior to 1882, as I was executor to the late Mr. Nichols, who had a large share in it. He was with Dalgety and Co. after they bought from McLean. I had yearly dividends from London; and when the valuation was made in 1883, when the leases expired, the result of his capital was barely 7 per cent.