626. Here stands a debit against Scott, making out, according to the books, that Scott is owing the company money when he is not owing the company a shilling: can you explain that?—I have explained it.

627. Have you? Well, we will leave it at that, as you have no explanation to give?—Yes, I have—that it came from Christchurch on that warrant.

628. Mr. Ritchie, a little ago you stated that Mr. Martin, of Christchurch, knew of the arrangement?—Certainly.

629. If Mr. Martin knew of the arrangement would Mr. Martin make a false entry in your books as manager at Christchurch?—I cannot speak for him.

630. Can you explain how it is the book-keeper makes no debit entries for telegrams and other expenses, and no commission either? Can you explain that?—I thought the commission was paid.

631. Commission to you or to Scott?—Commission from Scott to us.

632. If your book-keeper thought you were acting as Scott's agents, how does he not debit Scott with commission?—We do not debit commissions like that.

633. How then?—Sometimes at the end of six months, sometimes at the end of twelve months.

634. This is the end of six months?—There was no commission in the matter. The whole thing has been explained.

635. I admit that; but your book-keeper is treating it as if it were an ordinary transaction, in which you were acting as agents?—If you want my theory about the thing I will give it. It is this: We agreed to pay the first half-year's rent; there was no necessity for Scott paying it, and when we paid it the entries required to be made.

636. Do you mean to say the auditor is to see a debit entry that is bogus?—It is not bogus.

637. Yes, so long as he is not credited with the amount?—But he will be.

638. When is your balance made? What month do you balance your books?—On the 30th September and the 31st March.

639. Then, the balance is passed, and no credit, and if the books are audited there stands to the credit £191 1s. that ought not to be a credit?—Well, you see, it was a dead loss.

640. That is another theory. When you are passing accounts, in whatever end of the year, would that account not show as a debt due to the company by Scott?—It was advised as a bad debt—a debt not paid.

641. Is there anything to show that it is a bad debt, or written off?—It was advised by me in my despatches.

642. That it was a bad debt?—I believe so.

643. I ask your Honour to take that down. If that was advised by you as a bad debt, why did you in your affidavit of discovery not show us that part of the letter you wrote to the London office, saying that you had so advised them? You have already sworn you have disclosed everything. This is your affidavit.

Mr. Haggitt: Everything relating to the matter.

644. *Sir R. Stout.*] Is not this relating to the matter—the bad debt? Certainly it is. This is what you have sworn: "To the best of my belief the said documents set forth in the said schedule are the only documents in our possession or power relating to the matter in dispute"—and so you go on. Now, Mr. Ritchie, we will take the bad-debt theory. How could this possibly be a bad debt owing by Scott, when Scott never owed a penny of it at all? On your statement, how could it be a bad debt if Scott never was due the money?—We were due the money to Scott.

645. Then it was not a bad debt; it should have been a credit?—Certainly, and it would come into credit.

646. You have told me now you have written to the London office to write it off a bad debt. How could it be a bad debt if the money was never due by Scott?—It was debited to Scott, and in due course of time an entry crediting Scott would be passed.

647. That is not the question. I want to know why you should write to London that it was a bad debt if it never was a debt due by Mr. Scott at all?—It is exactly a similar transaction to what we agreed—to pay Scott a half-year's rent of run.

648. But you have in your book and up to the balance an entry that Scott is due to the company £191 1s. That stands in the balance as audited as due by Scott, and you have explained that you wrote Home to the agents to tell them it was a bad debt. Was that true?—Yes.

649. You called it a bad debt though it was never due by Scott at all?—But the thing is different altogether. That stands as Scott's debit until it is squared off by a credit entry.

650. When is it going to be squared off?—Whenever the proper entry is made.

651. Why should not you have made a correct entry before the balance?—The entries for all bad debts came from the London office.

652. Then, it is a bad debt. You treat it as a bad debt?

Mr. Haggitt: Surely a debt that is not recoverable is a bad debt.

653. *Sir R. Stout:* It is not a debt at all, and my friend knows it. [To witness:] And of taking all this trouble about Mr. Scott—writing telegrams, and all—your explanation is that you did it out of kindness to the man, to get rid of him?—I simply gave him the benefit of my advice.

654. Free, gratis, and for nothing?—Yes; free, gratis, and for nothing.

655. When did you take the sheep off?—I suppose it must have been about the middle of August.

656. Is it not a fact, Mr. Ritchie, that when you penned this indorsement on the telegram asking what time could he get—that the object was to enable you to get delay by appeal in order to get your sheep off—that that was the object?—No.

657. "What time might be gained by appeal, and at what cost." Is it not a fact that at this time your sheep had not been removed off the land?—What is the date of that?