

658. June?—Yes.

659. And did you not remove the sheep off the land just in time to escape the distress warrant due in September?—I suppose a fortnight or three weeks before; but they did not belong to me for three months before that.

660. *Mr. Haggitt.*] When did you sell the sheep?—About the month of May.

661. *Sir R. Stout.*] With the grazing-right to the purchaser to keep them how long on the run?—There was no grazing-right. The purchaser was informed I had made an arrangement with Mr. Scott that they might run there for so long as the rent was paid for, and he took the risk and responsibility himself.

662. Then, you told him, practically, that he might run his sheep there up to the end of August?—To the time the rent was paid for.

663. There is one expression Mr. Scott used you have not denied, where he said that you said something about “not meeting the devil half-way—better not do anything.” Do you remember that?—No.

664. You will not say you did not say it?—No.

Re-examined by Mr. HAGGITT.

665. *Mr. Haggitt.*] As far as this book-keeping entry is concerned, you had nothing to do with it, I understand?—No.

666. You gave no instructions with regard to that, and whatever the object of those who made the entries may have been, the entries were not influenced by you in any way?—No.

667. I suppose, when money is paid out—I am putting this to you simply as an ordinary question of book-keeping—when money is paid out by the company it has to be debited to some account. It is necessary for the purpose of book-keeping it should be?—Yes.

668. And when money is so debited there must be a cross-entry somewhere else?—Well, if it is debited to an account which is not the final account it has to stand to, there must be a cross-entry, and that happens scores of times.

669. The company paying out money on its own account may have in the first instance to debit it to some account not responsible for it?—Often.

670. And when the charge comes to be closed up there is a proper entry made?—What we call an interim entry.

671. In the meantime no cross-entry has been made in this transaction?—I do not know that there has.

672. But when the thing comes to be closed up finally there will be such a cross-entry?—Yes; we will then credit Scott with the rent we promised to pay him, and debit the account that has ultimately got to bear it.

673. You were asked, with reference to the letter to your manager at Christchurch in which you wrote, “Possibly you might get hold of the applicants, and put this view before them, not, of course, saying anything as to forfeiting, but merely that you have authority to bid for a man who is interested in the stock, and wants to sell and deliver them”—you were asked if that was true. Your attention was not drawn to the form of it, and you said, Yes, you thought it was?—Yes.

674. That implies, you see, that Scott was interested in the stock, and wanted time to sell and deliver. You did not understand that?—I did not understand the point referred to. I asked him to point it out, but did not get it.

675. Then, the fact is that Scott had no interest in the stock at all, and that it was you who wanted time to sell?—But I had made an arrangement with Scott in the meantime.

676. And you say you consider that the effect of your arrangement with Scott was to authorise you to send that letter?—Yes.

677. At all events, the person to whom you wrote could not have been misled by it?—Yes.

*Mr. Haggitt:* You see, your Honour, these letters were written between Mr. Ritchie and his own agent.

*Sir R. Stout:* As you were the agents of Scott, we were entitled to them. We have a right to know what takes place between our servants. You seem to forget that our agent actually wanted to sell our run without consulting us.

678. *Mr. Haggitt.*] Scott knowing perfectly well what the arrangement was, as well as Matheson, you consider justified you in writing that letter?—Yes. I had explained the whole thing to Scott absolutely without any reserve.

WILLIAM HENDERSON examined.

679. *Mr. Solomon.*] You are manager of the National Mortgage and Agency Company at Dunedin?—Yes.

680. Do you know Mr. J. R. Scott, the plaintiff?—I do.

681. The Court has been told by Mr. Scott that you had an arrangement with him in January, 1891, about the purchase of a run?—Yes.

682. Had you had any business in your office with him before that?—Only in connection with shipping.

683. You had another arrangement with him at the end of February, 1891?—Yes.

684. You remember having a conversation with Mr. Ritchie, your general manager, about Run 93A, Lake Ohau District?—Yes.

685. In consequence of that conversation you had with Mr. Ritchie, did you see Mr. Scott?—I saw him on the 27th February.

686. Where?—Met him in Bond Street.

687. About what time of the day would that be?—Shortly after 2 o'clock.