had no heart in the matter. We did not represent to them that there is gold there. We do not know whether there is any or not. We have never searched for gold, and we have never had authority to do so, and there is a risk in searching for gold which we did not desire to run. We granted this power to a syndicate, and they exercised it very partially, and now they have abandoned it altogether, and probably legal questions will arise between us and them upon the terms of that agreement—whether or not they have carried out what they contracted to do. Now, the great desire we have always had, and always shall have, is to sell a large quantity of our land —as large a quantity as we can. We have had a letter from one of our proprietors, who says in his letter that he has been for nine years an owner of shares—I think he holds fifty shares in the company—and he wishes, since the accounts are not so profitable as he would like, that we should enter upon liquidation. Now, with regard to entering upon liquidation, we have no creditors. We are not carrying on a very profitable concern, but we owe no money, and, as far as I can see, we are not going to make any calls. Therefore, how we are to go into liquidation I do not know; but this gentleman does not seem to be aware of what position we are in with regard to the general position in New Zealand. Probably you know that the Bank of New Zealand is by far the largest shareholder that we have in this company. Out of our forty-three thousand shares, twenty-five thousand are held by the Assets Realisation Company, who represent the Bank of New Zealand, and, of course, it depends entirely how they would treat us on a matter of liquidation—whether we could possibly enter into any system of forcing our land for sale in New Zealand. Gentlemen, we should be most thankful if we could get it sold at a fair price, but of that there seems to be no prospect at the present time, though it will become certainly more valuable than it has been, and there will be a better market created there by the working of gold, not on our estate but in the neighbourhood, which will by degrees create a better market. There is one matter I ought to bring to your notice, and it is affected very much by what Mr. Hume, who is the local director, says in his annual report which you have before you. Upon the second page, and in the fourth paragraph, he says, "It has been rather unfortunate for the present management that the large areas of grass laid down in 1891, 1892, and 1893, on the open lands of the Waimakariri, Waiomo, and other blocks, have been for the last three years rapidly running out, while operations in the way of renewal had to be conducted upon a very limited scale, not exceeding the area required to be taken up each year for turnips, and did not nearly make up for the loss of old grass so run out. This will explain why the stock has had to be reduced." I allude to this because within the last few weeks we have had a complaint from our former manager, Mr. Rich, with regard to certain expressions that had been found in the report of the late General Feilding, who, when he was out in New Zealand in the year 1894, went over the whole of our estate in New Zealand, and reported to us upon our holding. I see the report was dated 16th November, 1894. We received it some time early in the commencement of 1895, and it was published with the accounts at the general meeting of July, 1895, and contained this paragraph: "As regards the former management, I need only say that the advice given to the directors has been worthless, and the results financially disastrous." Now, in the year 1898 we have heard from Mr. Rich that he is pained—of course he knew it at the time—that he is pained by this paragraph having been inserted in a report which was made in 1894, and was published in 1895. Now, with regard to the complaints which were made by General Feilding, unfortunately, as he died in Siam within a few weeks after writing this report, we never saw him again, and we never could correspond with him with regard to it with a view of ascertaining as to what particulars he referred to; but that which I have read to you from Mr. Hume's report shows that there were large tracts of land which had been for the last three years rapidly running out in operation, and the consequence was that there was a great deal of money which had been needlessly expended in bringing in and clearing, as it were, very large tracts, sowing them with grasses for a time which in a few years are entirely worn out, and the whole matter has to be done over again. Now, with regard to this passage in the report, as I say, we never saw General Feilding on the subject, but we have every reason to feel convinced that he felt, as we have always done, that there was no imputation to be made upon the integrity of Mr. Rich—that he has always, in enclosing the large areas in New Zealand, done what he thought was for the benefit of the company; but it has not been a profitable expenditure, therefore it is impossible for us to say we feel called upon to withdraw the expression that was contained in General Feilding's report of 1895. We are certainly desirous of saying with regard to Mr. Rich that we never made any imputation against him with regard to his integrity, but we do feel that he erred most materially in judgment in the interests of this company. Now, so far are we from speaking unkindly of Mr. Rich that in the report of this year from Mr. Hume he says distinctly, with regard to the Chewing's fescue, which has been the matter under discussion with Mr. Rich, that "During the past year an area of 67 acres of fescue laid down by Mr. Rich has been leased to the Government Agricultural Department for the purpose of conducting experiments as to the stock it will carry and the value of the grass generally, and so far the results have been very satisfactory. I need hardly say that the whole credit of introducing this grass is due to Mr. Rich"; and we have always felt that Mr. Rich deserves very great credit indeed for the energy with which he has introduced the fescue grass into the country, and if it has the results which he expects from it he certainly will be the author of very great benefit to the district around. Now, gentlemen, there is but one other observation that I have to make upon the report which you have before you, and that is with regard to the prospects of this society. Mr. Hume says, "Though the outcome of the year's operations has not been so satisfactory as might have been anticipated, owing to the unfavourable season and other causes, I have reason to expect that, as the land is more worked and sown with suitable grasses, the pasture is becoming more permanent, and so will enable us to increase our stock again, and obtain better returns, without having to increase our annual expenditure. I also think that, for the current year, there is a good prospect of better prices for fat stock, in consequence of the short crop of turnips throughout the district, and the very dry weather, which has