had seen your way to accept our invitation to acquire a personal knowledge of the estate, which we know from experience is one requiring special knowledge, particularly with regard to grassing and to the handling of the sheep, which latter duty necessitates constant attention and vigilance on the part of the responsible manager.

If the decision be arrived at to divide the land and cancel your shares, and it is authorised by the Court, a reconstruction of the company might be necessary, and the remaining property transferred to another company of the same name. We should be glad if you will ascertain officially and inform us whether, in the case of such a transfer, your Government would, under the circumstances, grant us exemption from stamp duties on transfer and registration, and other fees, if any, payable thereon.

Yours, &c.,
C. DUGALD BUCKLER, Secretary.

The Manager, Assets Realisation Board, Wellington.

LETTER from ASSETS BOARD to COMPANY, dated 18th May, 1899.

DEAR SIR,— The Assets Realisation Board, Wellington, 18th May, 1899.

I have to acknowledge receipt of your favours of the 2nd December and the 24th March. The Board has carefully considered your letters, and I am instructed to reply.

The Board sees no reason to alter its view of the position, nor do we see that any useful purpose could at present be served by inspection and report upon the property and its management. We are fully aware of the nature of the country. We are working properties of a similar nature immediately adjoining, and are obtaining remunerative results, whereas the balance-sheet of your company shows figures which are quite the reverse, and we are inclined to expect no improvement on your balance-sheet for this year, even supposing you do not show a considerable loss.

Setting the question of the working of the property on one side, it is obvious that the improved country, especially the cleared bush portion, is worth a rental, if only a small one, and I am convinced that it would be more profitable to let in suitable areas, even at low figures, than to go on as at present. There would in such case certainly be a small margin of profit: at present there is none.

In any case, in respect of the control we have asked for, I may point out that it is no more than you have felt it within your power (without reference to shareholders) to grant in the past to Mr. John Murray, who was at the time managing director of the Estates Company. These powers were very full.

Our pecuniary interest in this property is, taking numbers of shares into account, greater than any other shareholder—or, in fact, than the whole of the shareholders—and our object unquestionably would be, and is, to bring about the best results for all concerned. Had you conceded our request for this control, we should at once have submitted to you for your approval a scheme, or alternative schemes, such as we might have thought practicable and best, and we confess to some little surprise that your Board should have hesitated to place such confidence in us as it did in the Estates Company, per its managing director.

As regards the division of the property, I may say that we have no desire to increase the area of our holdings, but it seemed, as you were not disposed to accord us reasonable voice in the management of the property, the best course to be taken. We cannot see any insurmountable difficulty, and in submitting the suggestion we have not had for one moment in our minds the selection of any special portion of the property, but had this course commended itself to you we should have suggested the appointment of independent and impartial experts to examine and decide as to the apportionment *pro ratâ*, on the interests affected. We are quite prepared in this connection for an equitable division of any nature.

With regard to the cancellation of our shares, I do not see any difficulty. If the property is apportioned and there is no indebtedness other than to shareholders, I see no reason whatever why this could not be done. The effect would simply be that your capital could be written down by the £2 per share remaining uncalled upon our shares. We should not be prepared to give any consideration for this, as the relief to the company by the division would be a sufficient *quid pro quo.*

As regards the £46,000 to debit of Revenue Account, this, of course, should be written off Capital Account; but I do not see that this affects the position at all. We ask a fair and equitable division on the present position of affairs.

As regards your remarks as to the procedure for cancellation of shares, we cannot conceive that where there are no outside creditors whatever, that an equitable division such as this could be objected to. In this division, as you refuse us the opportunity of a more profitable outcome, we are not disposed to bear this expense, but, of course, in such division, if decided upon, our proportion of the expense would be *pro ratâ* on our holding.

I note what you say as to submitting these matters to a meeting of your shareholders, and whilst it might conduce to a settlement that some one be authorised to agree to a proposal, we do not feel disposed to incur so heavy an expense as would be entailed by the writer's visit to London.

In conclusion, I may say that we do not consider our suggestions either impracticable or, if properly carried out, likely to be expensive, and we feel that we must protest in the strongest terms against the continuance of the present disastrous system, which year by year is resulting in loss of capital.

I do not know that there is more can be said beyond this, that the Board, without any wish to convey a threat, is advised that, in view of the continuous losses, the Court here would grant a winding-up order which the Board would feel it its imperative duty to obtain if we cannot obtain justice in any other way.