

had offered to come into the thing as partners. One man from Australia, brought up by Mr. Fulton, of Napier, proposed to put in £30,000 and come in as a half-partner. Owing to this arrangement with the bank I did not do anything about that. I did not want a partner, and, of course, the thing fell between the two stools. After this being declined everything was to go on happily from now, &c., again. Within twelve months of the offer made by Mr. Murdoch and then declined, on an urgent telegram I was asked by the manager to meet him at Dannevirke. I was then in the middle of shearing. This was to tell me he wanted all the money at once—cash. As the stock and wool credits for the season were not in, the amount would probably be about £70,000. Of course, the station's twelve months' working-expenses was wiped out periodically by the payments for wool and stock sold. Shearing was not finished. On my pointing out the futility of this demand from previous experience in a time of depression, he asked me if I would help them to sell. I reminded him of the non-selling condition on which the lease had been obtained, when he said, "If you won't help us to sell, we must sell through the Registrar," which they did, and bought in for £5,000. I may say that, even if I had been ready to sell, the idea of his getting cash, for that was what was wanted at that moment, was just about as absurd a proposal as the proverbial saying of getting a piece of the moon.

13. *The Chairman.*] Would you mind giving us the date?—I will give you the date in the papers which I will put in to the Committee. Well, I was now asked to resume the management when everything would end happily once more. That is to say, the manager came up to Auckland where I was. I had been asked by the president of the bank and other directors, or rather it was suggested to me, that if I would stop up there nobody could say that I had prejudiced the sale of the property. Their conviction was that if it had not been advertised they would have had it withdrawn. He (the president of the bank) put in a pencil memorandum to say that he disagreed with the board altogether, and that was given to Mr. Butt, who was then an inspector of the bank—that memorandum was afterwards given by myself to Mr. Butt. I was then asked by the manager from Napier, Mr. Balfour, to see Mr. Tolhurst at once if I would. Mr. Tolhurst, who is now in the Union Bank, was then up in the bank at Auckland. I replied that I had just got letters from Dr. Campbell, the president of the bank, to his private correspondents in Australia, who, he said, he had every expectation and hope of providing the money to pay off the bank. Mr. Balfour said, "Oh, never mind that, you can write instead of going; come down at once and take charge of the place. If you see Mr. Tolhurst"—there was only twenty minutes altogether before the steamer sailed—"you will find that you will get anything that you choose to ask for." And what I asked for was again the same rate of pay that the temporary manager had received while this process of advertising for three months and selling the place was going on. Of course, I looked upon it as my own place still, and had no object in drawing any more than the necessary charges, because it was drawing it out of my own pocket. I received a cash allowance to cover everything: living, travelling-expenses, Native Court business, and I received a cash allowance for the men's rations. For some six or seven years—I will not be particular about six or seven years, but it is somewhere about that time or thereabouts—I had an accountant from the bank resident on the place who kept all the accounts, just exactly as if the station had been a branch bank. They were sent in monthly, and the pass-book was sent in monthly, and the whole of the accounts were kept on a bank form in order to make the thing businesslike. That accountant is now manager of the property, I think. I found, however, that the account was now charged about 10 per cent. Of course, it having been bought in by the bank, it was legally and technically their property, but still the account was kept in exactly the same way as if I was working it myself—I mean in the pass-books, the charges of interest, and all that. I should think, if I had remonstrated, probably they would have said "We can do what we like with our own." I found, however, that the account was now charged about 10 per cent., which, of course, did not allow of the full margin over working-expenses that the current rate of 6 or 6½ per cent. would have done. There was, however, a substantial margin. Of course, under the circumstances, the account, instead of being reduced as much as it would have been if charged 6 or 6½ per cent., was in the position that there was only the margin of reduction between the 10 per cent. charged, instead of the margin for reduction between the 6 and 6½ per cent., which were the current rates on the neighbouring stations. All work and expenses of labour were authorised by letter—that is to say, if I proposed engaging a cow-boy or a shepherd or a bullock-driver or any other employee, the estimate was submitted to the Board in Auckland, and a letter of authority came authorising the amount and for such-and-such a purpose. Almost at once authority was sent to spend £8,000 in felling bush. After finding that in a year or two I could get no basis to pay off the bank—all sorts of excuses—I, as a joke, wrote and asked if they would give a release from the liability, which was practically as great as if the bank had not bought the property in. I received a reply that a release could not be granted. The property was valued at about £180,000 or thereabouts. The pass-book, which had been habitually returned monthly as the accounts were made up, was not now returned, and on inquiry at the bank I found that I could not get it. Another manager was now appointed as suddenly as the other transactions had taken place. The survey and maps, for which I was still liable, were obtained from an assistant surveyor, who was not aware of his mistake, for £5. Well to go back to the grass-seed. When the bank refused any tangible liability for the grass-seed which I had engaged for on these long-date bills—there still remained about 120 bags unsown, in the woolshed, and this thing coming on me as suddenly as it did—the original taking possession—I could make nothing of it. I spoke to the people, who were in fact my creditors then, and said "I can make nothing of this, but you had better protect yourselves as far as you can." I said "I have sent up a man to take possession of the loose assets, my private property and among other things the bags of grass-seed that were unsown in the sheds." Now, although the bank would not take any liability for the grass-seed that had been sown, the manager when he found he could not take that in the shed without paying for it, promptly paid for