

inspected that and had reported on it were Beetham, J. N. Williams, Sidney Johnston, William Douglas, McHardie, and A. R. Lyons, and various others, who were always unanimous in the value of the place and in the nature of the improvements and in the rapidity with which the place had been made reproductive when it was once begun.

95. When the bank refused to accept the £40,000 offered by the Northern Investment Company how did it concur with their previous statement that they were in immediate want of money?—I do not know; the impression left on my mind was that they did not in the least know what they were doing about anything.

96. When they refused the cash, did it occur to you that the investment of the £60,000 they had there was a safe one, and was a paying one?—Of course it did. I had had the thing working it myself for more than thirty years—and working it up from nothing at all—from ten bales of wool up. It was a riddle for any one to know what they wanted or what they meant.

97. Have you seen the Assets Realisation Board's valuation of the property?—Yes, I have seen some. I think I understood, Mr. Foster, without touching on ground that I ought not to touch upon, that you took over the property at a certain valuation from the Bank of New Zealand Estates Company?

98. *Mr. Foster.*] It was at book cost?—Well, the book cost must have been very much less than mine.

99. *Mr. C. Hall* (to witness).] At the time they sold your estate what was the value of the stock, implements, &c., upon it?—Oh, roughly speaking, I suppose something like £30,000.

100. Now I hold in my hand here a memorandum from the Assets Board putting the estate as worth £170,000 (see Exhibit H). Now that, as I understand it, includes stock?—That is without the stock.

101. Well, roughly speaking, then, according to you, that estate, with the stock, should now be worth £200,000?—Well, of course the stock is subject to variation. When coarse-woolled stock get into a bad market like that of last year they would be worth very much less for wool.

102. From the time that the Bank of New Zealand sold your estate what has been added to it in the way of improvements and the purchase of the freeholds of the Natives?—Well, the Bank of New Zealand Estates Company or the Bank of New Zealand Assets Realisation Board—I cannot separate them, because it was the Estates Company until 1895, I think—the Estates Company and the Assets Board between them, or one of them, added some 17,000 acres.

103. This valuation is made on the 26th of the eighth month of the year 1896, and that is six or eight years ago. I want to know what extra value was put upon that land in the way of improvements from the time the Bank of New Zealand foreclosed to the time when the Assets Board took it over?—I should say that the improvements added to the place after I left were absolutely nil.

104. There were no improvements?—There were no improvements of a reproductive nature. They were very expensive operations, but there was freehold added.

105. Yes, and what was the value of the freehold?—Well, the cost of the freehold would be between 10s. and 15s. an acre—that is an average—and the value of the freehold was about £1—that is to say, it would have been well bought if at £1.

106. And about 6,000 acres more of pasture have been added?—Yes. When I went out of the management I had left nearly 6,000 acres of bush lying on the ground ready to burn. The property was depreciated by the way the large tract of bush land was sown in unsuitable grasses.

107. You say the estate has depreciated since you left?—The estate is in a much worse condition now than when I left it.

108. Was it in that condition in 1896?—It had not gone so far back, because so much of the unsuitable grass that had been sown had not died off then.

109. The Assets Board valued it at £170,000, without the stock, in 1896. How much value had been put upon that from the time it was taken over by the Bank of New Zealand to being transferred to the Assets Board?—When the Assets Board took it over there were absolutely no improvements added to it beyond what I had made; they were depreciated. I do not know who bought the freehold; I do not know whether it was the Estates Company or the Assets Board. They, of course, added value to it in making it partly freehold.

110. At the time when it was sold, what did you value the estate at yourself?—Oh, the valuation, you know, was only a mental valuation for myself. It was, as a matter of fact, less than their valuation. I was making an entirely safe one by being inside the mark. I could not tell you with any certainty.

111. What would you think it was worth at the time it was sold? You must have formed an opinion?—I used to think something about £160,000.

112. With the stock and all combined?—Yes. But, mind you, if I had been offered that for it I would not have sold it at that money.

The Committee adjourned for luncheon, and, on resuming at 3 p.m., the Chairman intimated that Captain Hamilton wished to make a further statement.

*Captain G. D. Hamilton:* Well, it is rather a bald statement by itself that I influenced the Natives to sell the Seventy-mile Bush. Perhaps in the very early sixties the Government had found out, I think, that I was a soldier by profession, and they asked me as quietly as possible to keep them informed about the movements of the Natives in my district, because they were in imminent expectation of the Natives coming in on Hawke's Bay and massacring the inhabitants. Well, this went on for some time. I gave them what information I could until the thing came actually to hostilities in Hawke's Bay itself, when I was asked to join the force actively before the hostilities began there, and I accompanied them. In fact, the general direction was to keep them out of a