

her consent or receiving the rent, would invalidate the title. Do you think, if you had had the estate, she would have validated the title to yourself?—Undoubtedly; and the moment they made up their minds to sell they would have come to me.

214. Was there no probability of them selling?—There was every probability.

215. Would this woman have consented to the sale?—I will not say to sell.

216. What was the lease worth?—It is a sort of calculation that a life-insurance man would have to make. The rent was £400 a year. Then there was the interest on the bonuses for signing.

217. You said this morning that the leasehold was better than the freehold. First of all you had a forty-years' lease. If the leasehold was better than the freehold the price, at all events, of the leasehold ought to be equal to the price of the freehold?—It depends upon whether you were buying with your own money or buying with borrowed money. If you bought with your own money and wanted to make money out of it you would get the use of what is the equivalent of £30,000 of money, which at 8 per cent. would be £2,400.

218. That is on account of the liability—the rent charged you?—Yes.

219. It would have been very much better for you to know if it was good?—Supposing the Natives, instead of lending me thirty thousand pounds' worth of land, had lent me that in money, and said, You shall pay me so much interest, £400, that would have been better than the freehold.

220. Undoubtedly. After the Bank of New Zealand or the Estates Company or the Assets Board, or whoever were managing, took the property, do you think the estate increased in value by good management or decreased in value by bad management? What did it cost you to clear the toe-toe off the estate, and did the Bank of New Zealand or the Assets Company ever spend a shilling after they had taken charge of it?—When I came out of the property I was attorney for the Natives, and I undertook to go there at rare intervals and see that their property was not being injured. In that way I had to go now and again across the property, and there is no doubt that the opportunities that had been left there were entirely thrown away. Instead of the property improving in value it had been sown with inferior grass (after ploughing up what I had sown), which had died off, and it had depreciated it. Now, people coming through there would say to me, "By George, how Mangatoro has gone back!" Naturally I went to Mr. Bibbie, who had an interest which he had just sold; I had never gone into it to see how much it had gone to the bad. Permanent grass is quite different from the grass which you can plough and renew. I had been in the habit of sowing grasses that would grow and spread instead of depreciating. A gentleman came representing the bank as an inspector, and he said "This is much too expensive a mixture that you are sowing. I will do with a less expensive mixture than this. This grass will cost much less," and all that sort of thing. Well, the trouble was that this gentleman had not enough rudimentary knowledge of grasses to know that grass at 3d. per pound would not perhaps give 13,000 seeds to the ounce, while that at 7½d. per pound would perhaps give 240,000 to the ounce. While he fancied he was buying seed for 3d. per pound, he would have got a great deal more out of it by buying the 7½d. seed.

221. You thought at the time that the bank would give you this estate back again?—Yes.

222. And, having that idea, you came to the conclusion that the neglect that was shown by the Assets Board or the Bank of New Zealand, who had this estate—the neglect shown in the administration of that property—reduced the value of it considerably, and that if the fences had been kept up and the weeds had been kept down the chances are that it would have brought a higher price than when it was sold to the Government?—Yes.

223. *Mr. A. L. D. Fraser.*] You said to Mr. O'Meara that if you had had the management of these Natives everything would have been satisfactory to the Natives?—I think so.

224. Had you no trouble in getting a forty-years' lease?—No.

225. As a matter of fact did you not give £5,000 to one man for his signature?—I did.

226. And to another man £1,000?—I did.

227. And the lease was supposed to be a gift?—I was not left to myself to finish the title. As far as I went I got seven signatures out of ten by taking them to Napier to the Commissioner's office, and they signed there. As I have explained in this memorandum, the bank pushed and pressed, and, instead of allowing me to manage the Natives, persisted in pushing for this completion of title. When I gave the £5,000 it was worth the money. If you add the interest of the bonuses on to the actually paid rent it is still a gift. Take the £6,000 at 5 per cent. When the Natives said they would sign for £5,000 I gave them bills at twelve and eighteen months, not money, for it, and when the manager came back I said, "I have given these bills for the title. It remains with you now to dishonour them or to accept them and pay them."

228. *The Chairman.*] You took up the place in 1867, I believe?—I took up the place in 1857.

229. When was your first transaction with the bank? When did you first get an overdraft?—Somewhere about 1880.

230. You started with about £4,000?—Yes, in 1857.

231. And did the £4,000 carry you right on up to 1880?—No; I had a loan from my people at Home.

232. How much did that amount to?—I think £6,000 or £7,000.

233. When you first started with the bank in 1880 you borrowed enough to pay that off?—Yes; I borrowed from the bank to pay that off.

234. Then, when did you first have dealings with the bank by way of overdraft or mortgage?—They replaced this money straight out.

235. In 1884, when they took possession the first time, how much did you owe the bank then?—£44,000.