1895, when it passed to the Assets Realisation Board at book cost, which was the above

sum		£139,000
Plus expenditure to that date		50,535
Book cost, as per schedule to Banking Act		189,535

This was a very excessive valuation, and reference to evidence given by Mr. James McKerrow, late Chairman of the Land Purchase Board, before the Legislative Council, in 1895, will show that he valued the land as freehold at about £3 per acre. The Assets Board offered the property in December, 1900, at £3 5s. per acre, with stock at valuation, and it was declined. It is denied that the Assets Board sold a little more than one-half of the area of the estate. The relative proportions are—freehold sold to the Government, 19,581 acres; leasehold, 11,537 acres. The price at which the freehold was sold to the Government was £4 10s. per acre, or £88,118.

The debt on the property at 1899 was		£68,447
Add to this the extra amount of expenditure and increased stock, and its value		71,650
And this gives the actual indebtedness of the property		140,097
And further deducting amount received from Government ...	£88,118	
And from selling-off stock	8,677	
		96,795
Leaves		43,302

As against which there is left for sale 11,537 acres leasehold, 13,600 sheep, 850 cattle, 124 horses, and plant; the leasehold having twenty-eight years to run, at an average rental of £160. During the past twelve years no provision has been made for the reduced value of the goodwill from effluxion of time; but, as nearly one-third of the time has expired, the lease is worth less and the freehold more. The price at which the leasehold would be sold is one which would not clear the indebtedness. I therefore submit that there is no margin in the estate, and no justification for Mr. Hamilton's claim. As regards section No. 7, there is an element imported into the petition that has no relation to the petition in respect of the bank's foreclosure, and I respectfully submit that, whatever recommendations the Committee may make, the issue should be distinguished, the more especially as the bank recognises that the good services alluded to, which were of a public character, were actually performed; but, of course, were quite distinct from the main subject of the petition. That is all the evidence that I have to offer, Mr. Chairman.

Captain Hamilton: May I ask Mr. Foster a few questions, Mr. Chairman?

The Chairman: Yes.

Captain Hamilton (to Mr. Foster): When the bank bought the property in, in 1889——

Mr. Foster: I would like to say just now that if Mr. Hamilton will give us £50,000 and take the property, he can have it.

28. *Captain Hamilton.*] When the property was sold in 1889 the approximate fixed debt was £60,000?—£68,000.

29. The indebtedness then was £68,000 odd?—£68,467. Those figures are taken from the books.

30. And how much did you spend beside what I had spent in buying land?—I could not say from memory. These figures are all from records—£71,000 in all, and for land there was about £19,000 odd.

31. There was £19,000 to the Natives, and the total outlay was £70,000?—That is about it, £71,651.

32. Then there was £52,000 laid out on improvements out of the £71,000?—Yes.

33. Now, when the bank bought the property in in 1889 there were forty thousand sheep on the property, and the income is stated by them at £13,000 odd, and the working-expenses are stated at £2,400. Now, could you kindly tell me what the number of sheep on the property was after the expenditure of the £52,000?—What shape do you mean that question to take: do you mean as a debt?

34. What number of sheep were shorn during the year the property was sold to the bank, and the stock taken off?—That is shown in Mr. Hunter's valuation.

35. I mean when this last sale to the Government took place. How many sheep were shorn?—I could not tell you from memory.

36. Was it more than forty thousand; I mean just before the Government bought the estate from your company?—On the 31st March, 1901, there were 41,329 sheep on the place, and 2,271 head of cattle.

37. Might I ask you what the gross returns from the property were during that time?—I cannot tell you. That affects the Realisation Board. We have got to sell some of that property.

38. I mean from wool and sale of stock only?—I could not answer the question as to returns.

39. Now, the question about the working-expense, would that be the same?—The same.

40 *The Chairman.*] Is this statement from the bank?—This is a statement by the accountant of the bank, who was on the place many years ago.

41. *Captain Hamilton.*] In 1889 the property was sold through the Registrar, and the bank, in advertising, said there were forty thousand sheep, with an increase in twelve months from twenty-six thousand—that is, an increase of fourteen thousand sheep in twelve months—and an increase in the amount of the clip from £5,440 to £9,000. Now, might I ask you, Mr. Foster, how