96. *Mr. O'Meara.*] You are representing the Bank of New Zealand here?—Yes.

97. As well as the Assets Company?—Yes.

98. Do you contradict Captain Hamilton when he states that he was met in the street by a clerk of the bank who delivered a letter to him intimating that the bank intended to foreclose?—No, I have no means of knowing that. My evidence was really of records prior to 1895.

99. Then take clause 2 of the petition—viz., "In the same year the bank called up the advance, and on default being made put the property up to auction after very short notice of sale, with the condition, *inter alia*, that the purchaser should pay cash within one month. The result of these proceedings was that no purchaser could be found on these terms, and the bank bought in for £5,000." You will not contradict that either?—Yes, of course; my answer to that is that this was done by order of the Registrar of the Supreme Court.

100. *The Chairman.*] Do you admit the accuracy of this statement in clause 2 of the petition?—I cannot deny that. I have no knowledge of that.

101. *Mr. O'Meara.*] If that statement is correct, or were correct, do you think it is a fair way for a monetary institution to treat a client?—Well, there may be reasons, of course, that we do not all see, and some I should prefer not to disclose. When there was only a six-thousand-pounds margin, in the opinion of the bank, it was a very serious position to go on financing; and then came the threatened action by the Natives against the lease.

102. *Mr. Herries.*] Was that threatened action before the foreclosure?—It was before that time.

103. *Mr. O'Meara.*] If you were disposing of a property for a private individual, and you wanted to get the best value, you would not put it up in twenty-four hours and sell it, would you?—I do not think it could have been sold in twenty-four hours. I think the Registrar of the Supreme Court would not have allowed it to be sold within twenty-four hours.

104. Well, we will say within a week: do you not think it was an unreasonable time?—I think you might ascertain the time from the advertisement. I did not know of that.

105. Here is the advertisement. It was about seventeen days from the date of foreclosure to the date of sale?—The bank complied with the law.

106. They did that, but there are many instances where it is unfair to a client who may be able to pay off?—If you look at the history of it you will find that the bank threatened to do this in 1884, and that all the time after it was urging Mr. Hamilton to pay off.

107. If they threatened to foreclose in 1884 probably they were justified in foreclosing as quickly as they did. I was not aware of that?—He has said that.

108. You stated that you did not think the bank when they foreclosed were in want of money?—I am unable to say. Judging from the fact that they were unwilling to negotiate or consider an offer of £40,000, with a second mortgage, there was no need for money. The amount on second security was almost equal to the cash; otherwise they might not have refused the £40,000. If they could have got the guarantee required from the Northern Investment Company no doubt they would have been only too glad to accept the £40,000. The probability is that if they had accepted that £40,000 and a second mortgage the Northern Investment Company might have foreclosed, and by foreclosing probably the bank might have lost the balance.

109. Why did not the Nothern Investment Company find all the money then?—That is another question.

110. After the Assets Board took charge of the estate, Mr. Foster, do you state the money that was expended in improvements such as grassing, fencing, and bush-felling, &c., was well spent, and that they were real improvements, and that you could earn more money than before?—I think so; I am bound to say it was well done, as it was done under my instruction.

111. Is it not a fact that Captain Hamilton, during the time when he was managing it, spent a lot of money in clearing the toe-toe, and immediately the Assets Board took charge of the estate that the toe-toe increased, and was just as bad as it was previous to Captain Hamilton's destroying it?—I am unable to say as to anything before my time. Since my time, I found the toe-toe on the poorer country. We had not too much to spend, you know, and I could afford to let bad country go, and stick to the good land for the time being.

112. Can you give us an idea of the area that the toe-toe was spreading over?—I could not say. I do not think there has been very much spread; our managers say not.

113. When were you over the estate previous to the sale?—I can only speak of the time between 1895 and now. And there has not been much spread. That land with the toe-toe is mainly the land that the Government purchased. Bad land surface-sown soon runs out of grass. That was going back from the time Mr. Hamilton sowed it, and, of course, it is worse now than it was then, and it will not carry much.

114. How many head of cattle did this run carry at the time you sold it to the Government?—2,207 head of cattle and forty thousand sheep, and we were understocked then, I think. As sellers, we had been persistently understocked. Then it is nice for purchasers to see plenty of grass even going to waste.

115. *Mr. Hall.*] Could you tell us whether the Bank of New Zealand foreclosed on Mr. Hamilton because he could not find the money they required, or was it because the expenses were mounting up and the management was not good enough?—I cannot say what actuated them, but from the records available to me the conclusion I have come to is, to begin with, the account was running up year by year. The bank required, in accordance with their contract, that it should be paid off because they were becoming alarmed at it, and in addition the leases were threatened to be attacked by the Native owners. The debt had got up to a very great extent, and they did not know what it would be in the end. If the leases were invalid they would have had nothing but the stock.

116. Can you give us any proof that the leases were attacked before the bank sold?—Did I say it was before? Whatever I have said in my statement I can support here. I would like to say