

the Northern Investment Company, said to me, "We have got this £40,000 in the drawer doing nothing all this time: don't you think I had better wire up to Auckland?"

12 To Auckland for what?—To know what they were going to do about this loan which they had asked for—for a reply; and the reply came—just one word, "Declined." When I wanted an explanation from Balfour he said that money was not so scarce now. It turned out that this other £40,000 that Balfour offered was Joseph Rhodes's money, and when Rhodes found that this £40,000 was going to make business for the Bank of New Zealand, he said, "No." He had withdrawn his account from the Bank of New Zealand. He was not going to have his £40,000 make more money for the Bank of New Zealand through me. Then Burke came to me and said, "I have power of attorney for Rhodes if you like to come across the street you can have the £40,000 now. I was asked by the bank not to think of moving my account. When possession was taken—"

13. Perhaps you would make it clear to the Committee: did this occur after they had asked you for the £44,000 which you owed?—I think so.

14. And this leads up to the time when they actually foreclosed?—They were mortgagees in possession. They managed it in this way. They would say that they did this because I had got a lot of grass-seed and they could see no way of paying for it, and the people were troubling about it. Finally the owners of the grass-seed gave me, I think it was, three years to pay the half of the money, and six years for the balance of the grass-seed. Formal deeds were signed to this effect. There was no excuse for this shirking of the responsibility; it was grass-seed that was bought at a nominal rate, on terms. The rye-grass was bought at 2s. 6d. per bushel, and the cocksfoot at from 2½d. to 3½d. per pound. There were 13,000 acres of the run sown with that grass-seed, and it cost 4s. per acre to sow. The price now is 8s. per bushel for rye, and 7d. per pound for cocksfoot, and it costs £1 per acre.

15. What was the whole of the debt for the grass-seed?—£2,942 9s. 9d. They would not pay for it, and it has not been paid for, except £1,200, which was paid out of my private money. Then their lawyer came to me and said, "If you pay 5s. in the pound for this they will give you an acquittance for the rest of the money." I said, "I am not going to take an acquittance, I never took people's goods and did not pay for them in my life, and why should I do it now?" He said, "Colonel Whitmore has paid his creditors 10s. in the pound." I said, "That is Colonel Whitmore's business, not mine." Hearing that this grass-seed was stopped from being sown, the manager of the bank said to me, "Do you mean to say that we cannot sow the grass-seed which is in our own shed?" They bought and paid for this—what was left in the shed—and sowed it. W F Knight, a neighbouring settler, was to be there as a sort of check on my management. I was to remain on the place as if nothing had happened, and to live in the house. Of course, Knight was perfectly incompetent to manage a thing that I was fully conversant with myself, and in two years the bank found that this dual management was not good, and they paid Knight off. Then they asked me to come up to Auckland to see the Board, and they said, "We shall be very much obliged if you will go into accounts of our estates, and give your opinion as to what ought to be done about them"—Sir John Campbell among others. "What you want," I said, "is a proper inspector of properties, who would give you proper advice", and they inaugurated a manager of that kind on the strength of that. The first man was Walter Hunter, and he came, and has given a favourable report of Mangatoro. He got thrown on his head out of a buggy, and there was a man of the name of McCaw came instead of him. Then they put the place up for sale nearly as suddenly as they had asked for the money. I got an urgent telegram from the manager in Napier to meet him in Dannevirke. When I met him he said, "We want our money." I said, "You want your money! Is this not rather an absurd thing to say?" and asked, "Do you expect me to go to the shop on the corner and ask them to lend me £70,000 to give you?" He said, "If you cannot give us our money will you help us to sell?" I said, "No, I won't." He said, "If you won't help us to sell, we must sell without you." It went through a Registrar without a bid. The terms were cash in one month. It was knocked down to the Bank for £5,000 (which a certified accountant puts at £125,000), and immediately I was asked to go back to the station and take up the management. In fact, Mr Balfour came up to Auckland to get me back. I said, "I have just seen Sir John Campbell, and he has suggested giving me a letter to people in Australia, and it is perfectly certain that they will give me the money." The steamer was sailing in twenty minutes, but Mr Balfour said if I would only go and see Mr Tolhurst he would give me anything I wanted. I went and saw Tolhurst, and he asked me what emoluments I wanted. I said, "I will take what this man Knight has been getting as a sort of manager—£360 a year." This arrangement was made, that I should draw £360 a year for myself, and I think the family was included in the rations. I went down and took up the management, and the first thing I got was a letter from McCaw authorized by the Board, to spend £8,000 in bushfelling and grassing. That letter has been destroyed, but a copy should be in the bank. I felled 5,000 acres right off in one season. The £8,000 was not expended, because before I could burn and sow it I got notice that my term was up. The notice to quit came on this information that I was trying to buy the thing for Mrs. Hamilton. I want to know who it was gave this information. I could not tell what information had been given or the lies that had been told until I saw the evidence in the books of the Court. It was said to me at the time that the estate had passed to the Assets Board, and that they would probably prefer having an independent manager of their own. Then Lyons was engaged, as I was told, at £600 a year, and if he was discharged before three years he was to get £1,800. That is hearsay. I might have mentioned that the bank offered me £500 a year, instead of this arrangement that there was of £360 and rations.

16. When you were managing this estate on your own account, how much did you appropriate to your own use?—I limited myself for the first twenty-three years to £100 a year.

17. Was that altogether for the maintenance of your family?—That was before I had a family.

18. Did you invest any of your profits in anything else?—No. The whole cost of the establishment, as far as buildings were concerned, was £3 5s.