

keeper, swears that the profits made in 1884, 1885, and up to December, 1886, amounted in the whole to £2,713 10s. 6d., taking all debts and securities at book values. No evidence was given with regard to profits in 1887; but the bankrupt stated that his capital diminished in that year from £413 to £148. As the loss of the company on realisation of these securities amounted to £15,915, it is quite clear that, if, as in ordinary balance-sheets, due provision had been made for depreciation and over-valuation, there would have been no profits visible.

Clause 10 alleges that the bankrupt paid towards the nursing of the securities between £6,000 and £7,000. There was given, as I have said, no proof whatever of this beyond the bankrupt's own statement. But Mr. Bartleman, the present manager of the company, swears that Christie received and appropriated to his own purposes £10,000 of the company's moneys. If Christie ever did pay this £6,000 or £7,000, it is clear he recouped himself handsomely.

Clause 11 alleges that Christie received, between the 1st November, 1887, and the 31st May, 1888, from the company and out of the securities £15,500, and either paid to the company or expended on the securities £15,700, leaving a balance of £200 in his favour. It is easy to test the accuracy of this statement. No amount received by the bankrupt and paid by him to the company, or expended on any security, appears in his schedule as a debt due by him. But Simpkinson, the proceeds of whose sheep he embezzled in April, 1888, appears there as a creditor for £374. The bankrupt himself stated that he had never accounted to the company for these proceeds, which had gone into his general business, and had not been applied to any security. Reckoning this amount against him, the balance, even of his last six months' receipts and payments, is against him, on his own showing. In addition, as already observed, Messrs. Begg and Bartleman swear that not a shilling of the £2,168 advanced in 1888 for harvesting purposes has ever been repaid.

The bankrupt had full notice that no tampering with the securities would be allowed, but that proceeds of sales must at once be forwarded to the company. The company had advanced to him the sums he required for harvesting, £2,168. He was indebted to the company in the sum of £32,000 on indorsed bills, £15,900 of which turned out to be practically unsecured. He had received and appropriated to his own purposes £10,000 of the company's moneys; so that, even if he had paid £7,000 "into the company's securities," and were entitled to charge it against the company, the balance was heavily against him. Under these circumstances no honest or reasonable man could for one moment believe that he had the slightest right, either legal or equitable, further to appropriate the proceeds of the company's securities. But what Christie may consider his rights is quite beyond my computation.

I purposely refrain from comment on the letter of the Colonial Secretary in this case. It was shown by the evidence that Christie has long been a client of Hislop and Creagh. His defence was intrusted to them; and, at the date of the above letter, when, as Mr. Hislop states, he, being at Oamaru, arranged with the Premier that he should act as Minister of Justice in the case of his own client, this firm were taking legal proceedings for the extrication of their client from gaol by writ of *habeas corpus*.

23rd April, 1889.

C. D. R. WARD, D.J.

No. 5.

The Hon. Mr. FERGUS to District Judge WARD.

SIR,—

Department of Justice, Wellington, 30th April, 1889.

I have the honour to acknowledge the receipt of your letter of the 23rd instant, enclosing report upon the case of William Christie.

As regards the observations made on the last page of the report, I take the earliest opportunity of informing you that you are quite in error in supposing that the Hon. Mr. Hislop was acting in any other capacity than that of a Minister of the Crown. The petition for Christie's release was handed to Mr. Hislop as the Minister then present in Oamaru, and he, with the concurrence of his colleagues, and to save time, forwarded it to you for report, instead of sending it to Wellington to be again forwarded to you by the Minister in temporary charge of the department.

I have further to inform you that this case, so far as it has gone, discloses nothing more as regards the relations existing between Mr. Hislop and Christie than was already known to the Government.

I purpose to again address you upon this subject after I have had time to further consider your report.

I have, &c.,

Mr. District Judge Ward, Christchurch.

T. FERGUS.

No. 6.

District Judge WARD to the Hon. Mr. FERGUS.

(Private.)

MY DEAR SIR,—

Christchurch, 29th April, 1889.

Kindly cause the enclosed addenda to be affixed to my report in Christie's case. If you wish to inquire into his antecedents you will find him very well known in Wellington. He was manager of the Colonial Bank there; and executor to the will of Mr. Crawford, an old Wellington merchant. Sir R. Stout conducted the proceedings against him on behalf of Mrs. Crawford.

I did not take any notice of Mr. Hislop's question touching my debt to the Colonial Investment Company, because I do not in the least recognise his official right to ask it, whether he be acting as Minister of Justice on behalf of his own client, or as Colonial Secretary. But I have not the slightest objection to the whole colony knowing exactly what my sole connection with the company in question really is. Some eight or nine years ago I mortgaged to them for £850 certain land at