

37. You also said that the bank was charging you 8 per cent. interest. Was that the current rate of interest at the time?—I could not tell you. It was certainly as full interest as was being paid, particularly on so large an account, which the bank said was much preferable to a smaller one.

38. You cannot tell us whether that was a reasonable rate of interest or not to charge at that particular time?—This company that offered the money was getting no business with it; they were only getting security. They got no wool business or anything of that kind, and they offered the money at  $6\frac{1}{2}$  per cent., whereas the bank was charging at least 8 per cent.

39. You also said that a partner offered to come in with you and place £30,000. Who objected to the partner coming in, you or the bank?—Myself. I considered this thing, my share, a great deal more than fulfilled. I had brought £40,000 instead of £28,000, and at a very moderate rate of interest, and I considered that the thing was a certain transaction.

40. You were simply misled by this offer which was made to you from the Northern Investment Company and by the bank respecting the £28,000, and in consequence of that you refused to take in a partner?—Yes, that is so practically. I may say that Mr. Fulton, knowing that I was being rather worried by the bank, got this gentleman to come over from Sydney, and he spoke to me about it afterwards, and said, "It is hardly a nice thing for you to have done to let me bring a man over here"; he looked upon it as a way of getting the business over to his place of business instead of allowing it to remain where it was, that was all. If I had taken it I would have been all right.

41. Then, the bank came to you again, and told you if you would not help them to sell they must sell through the Registrar?—Yes.

42. And then you said that the property was bought in for £5,000. That, to the ordinary mind, is misleading. The property was really bought in for £65,000?—If the Bank had said, "We relieve you from the liability," then they would have bought it in for just what I owed them practically. They bought it in for £5,000, and said, "You still owe us the balance." The position legally was this: if I had come in for £65,000 they could have come down and said, That is our money. Some two years after they had bought it in I had been trying to get a basis to resume possession, but they refused it. They also refused to release the liability.

43. They held you liable for a balance of £60,000?—Yes.

44. Can you understand their reason for their holding you responsible for the payment of this sum after they had foreclosed?—Unless they themselves knew the reason nobody on earth can tell the reason.

45. Had you any idea that the property was not worth the value which was given to the bank; would it be sold by public auction; in your own mind did you think it was worth the value—that is, the £60,000 which the bank really gave for the property?—I would not have taken the money for it if it had been offered to me under pressure. As far as I am personally concerned, I would not have got my own money and interest out of it at £60,000, even if the bank had sold it for twice the amount of the debt.

46. Dr. Campbell, you said, made a statement that it was a mistake in selling the property?—Yes.

47. Was he president or chairman of directors of the bank when he made that statement?—That was before it was bought by the bank.

48. I mean when the bank had a mortgage over it, did he state that it was a mistake to sell it then?—He said it was a mistake to sell it when the advertisement was current notifying the sale for a certain date. It was advertised for three months, and during that three months I went up to Auckland to see if it could not be stopped. I knew it would not sell. If you had asked any man to go and buy a freehold like that for £60,000 you would not have found him. Dr. Campbell not only said this, but he put it into writing and showed it to me—that it was against his judgment that the place should be put up for sale, that it would damage its credit. He gave me a copy of what he sent, which I gave to Mr. Butt, the inspector.

49. You also stated that while you were managing this property you looked upon it as your own place: was it not usual in those days for the bank and the loan company to work together, and, if an estate fell in default, to deal with it? Was it not usual in those days for the bank and the loan company to work together, and if the estate went in default to borrow from one institution and pay to the other; and, after they had borrowed up to it and got it free of debt, to hand it back to the person who borrowed money from them? Was not that the custom adopted by those institutions in those days?—Well, that was the custom with the Bank of New South Wales and their customers. I think it was the custom in the case of Mr. Tanner, who, though a very worthy person, was not always bright in his finance. In my case the position was exactly this: I think they were not frightened for the advances, but they wanted to get the advances in, being pressed for money, and they did not want people to know that they wanted them in; so, instead of saying, as any one of you gentlemen might say if you had my account, "I am hard up, and though I have undertaken to carry you on to a certain point, and give you a certain credit, I can only do it at a certain risk: will you let me off"? Then, I would have known what to do; but I did not know. When they took possession I remained on the property, working up the title with the Natives. The family and myself remained there. It was a sort of understanding that they were to take the management of the ordinary station business and that I was to work up the title of the place with the Natives. Everybody on the place knew that it was an absurd arrangement. Then, when the title was worked up with the Natives very shortly afterwards, the place was put up for sale.

50. You also stated that the account was kept in your own name as though you owned the estate and not the bank, and that the estate was charged 10 per cent. notwithstanding other estates contiguous to this one which the bank was running for you were only charged 6 or  $6\frac{1}{2}$  per cent.