137. How did it get into Toomey's possession?—Penman made arrangements to pay me. The cheque was never used for the purpose for which it was drawn by me, and it lay about in my safe, and nothing was done with it.

138. You say it lay in your safe for some months?—Yes.

139. How did you come to give it to Toomey?—I got a bill from a customer for £40. Sir Robert was away and I went to Toomey, and said, "Can you discount this bill for me?" He said he would if his bank would discount it, or if I got it indorsed. He told me his bank would not discount the bill. I then handed him the cheque (indorsed by Sir Robert Stout) and got a loan of £20 on it. I afterwards got the £40-bill discounted at, I think, Mr. Herdman's or the Commercial Investment Company, and repaid Toomey the £20 advance in a few days after. I afterwards got other loans from Toomey by cheques—£35 and £20—and left the cheque as security.

140. Were those moneys repaid?—Yes; the money was all repaid. The cheques that Toomey gave me for these advances bore my name in the body of the cheques, and his bank-book will show the above amounts, less interest.

141. So far as that transaction with the cheque was concerned, were you, Gray, or myself, or any one else owing Toomey anything?—It was all settled up; the cheques were met.

142. Toomey says that cheque was given by you to him for the purpose of going against his guarantee for part of the overdraft?—No; it is not the same amount either.

143. Can you say when the mine business came to an end; in 1892 was it?—It was just a few days before the end of March, 1892.

144. At that time was there any plant or other loose stuff at the mine?—There were boxes, drums, rails, and the necessary plant for carrying on the mine.

145. What would be the cost?—They were worth between £400 and £500.

146. Since that date have you ever had possession of the mine or railway?—No.

147. Gray has kept possession?—Yes.

148. There were wages due to Gray and Hamill?—Yes.

149. They were due at the time of your bankruptcy?—Yes; and some since.

150. These have not been paid?—No.

151. Had I any interest in working the mine?—No; nor were you consulted about it.

152. Before the time of your bankruptcy—before this agreement was made—had you seen any person about taking over the mine?—I had. I spoke to Toomey, and I arranged with him that he was going into it. He said he was willing, and, but for private reasons on my part, he would have done so.

153. Do you remember if I was in town when the agreement was made with Toomey?—I do not know exactly. You may have been out of town. I fancy you had been away. You went away the day after that agreement was signed. You went North. You were not at the meeting of the bankruptcy.

154. *Mr. Macgregor.*] Are you sure that this is a correct account of the transaction with Toomey?—Yes.

155. Have you a good memory?—Yes.

156. Have you ever given an account of that transaction before?—Yes, to Mr. Fish. It was in writing, and gives a true history of the affair. Let Mr. Fish produce it, and it will show the correct version.

157. Is that in existence?—I have his reply to it. I also sent down a letter to Mr. Macdonald, telling him what Toomey had been up to in regard to the cheque.

158. *Hon. Sir R. Stout.*] That letter was written before Mr. Fish's statement in the House?—Yes; several days.

159. *Mr. Macgregor.*] Then, Toomey has given an absolutely false account of the transaction?—Yes.

160. He is Mayor of Green Island and a Justice of the Peace, is he not?—Yes. He is a Justice of the Peace by virtue of his office as Mayor of Green Island.

161. You say that the account Toomey has given is absolutely incorrect?—Yes.

162. Did you ever say anything to him about Sir Robert Stout indemnifying him on account of his guarantee?—If you go back into it there was an indemnity, and he got it; but he denies it. It was a very different thing from indemnifying in the way Toomey says.

163. Who prepared that indemnity?—I did.

164. Who signed it?—Sir Robert Stout.

Hon. Sir R. Stout: The guarantee given to the Bank was for £250. I agreed when I signed that I was to be liable for £150, Macdonald for £50, and Toomey for £50. I told Macdonald that I would keep my word and would pay £150.

165. *Mr. Macgregor.*] You know that Toomey said that you promised him on more than one occasion to give him an indemnity from Sir Robert Stout?—Yes; but not the indemnity Toomey wishes to make out.

166. Toomey says you came to him and brought the cheque to secure him against the overdraft. Is that correct?—It is not.

167. You got the cheque indorsed by Sir Robert Stout for a totally different purpose?—Yes.

168. Did Sir Robert never ask how the cheque was expended, or ask for it?—No. It should have been destroyed at the time Penman's matter was settled.

169. Toomey financed for the Fernhill Colliery Company, did he not?—There were only three transactions—the loan of £20 on account of the bill for £40, one for £35, and one for £20—I think, between the date of overdraft bond and stoppage of the business.

170. Toomey has told us that you came to him shortly before your bankruptcy and told him you would have to file?—I never said so; the Corporation made me bankrupt.

171. If both Hamill and Toomey say that you told them that you would have to go through