

resulted in anything definite: and I wrote to him just before the end of the last session stating plainly the limit my client was prepared to go; and he would not accept those terms; and since then nothing further has been done as between Mr. Jones and Mr. Lewis. When I was negotiating with Mr. Treadwell Mr. Lewis held these leases subject only to a mortgage of £14,000 and to this agreement with the Hawke's Bay people; but he also had other properties—he is a man who deals in a pretty large way with properties—and had borrowed from Mr. T. G. Macarthy a large sum of money—something like £27,000, I think—and the principal security Mr. Macarthy held was some suburban land at the Lower Hutt. Mr. Macarthy became restless about the securities he held for his money, and he told Mr. Lewis that he must give him a mortgage over his interest in the Mokau leases. Mr. Lewis told me of this, and I at once told him that I could not allow him to do so. I put it in this way: “Mr. Macarthy evidently thinks you are in a bad way, and if you give him a mortgage over these Mokau leases, any moneys you owe me, and any you may owe me if I go on with these transactions, will not be secured in any way, and I do not see my way to act for you if you give this mortgage to Mr. Macarthy.” And accordingly he arranged with Mr. Macarthy that he should give me a mortgage in priority to Mr. Macarthy for the sum of £1,000 to cover any moneys I might advance to him or he might be owing me for costs, and also any moneys which he might owe me in future in connection with this matter. Mr. Lewis is a man who has large dealings in properties of different kinds. There had been a good deal of work done in connection with this matter, and moneys advanced, and, as I say, I was not going on with it unless he gave me this mortgage. He gave me the mortgage, and then he also gave Mr. Macarthy another mortgage to secure the balance owing to Mr. Macarthy—about £25,000. After these mortgages were given, Mr. Campbell—I did not want to bother about registering mine—of Messrs. Travers, Campbell, and Russell, came to me and said he thought it was very wrong to lodge this caveat, and he was not going to submit to the caveat being there. He wanted to register his mortgage, and accordingly he threatened—he told me he did—the Registrar that he would go to the Supreme Court and have the caveat removed unless the Registrar took it off. I understand the Registrar removed the caveat. Mr. Campbell also registered my mortgage, because he wanted to register his own, and undertook to register both at the same time. I had no communication whatever with either the District Land Registrar or the Registrar-General. With regard to the removal of that caveat, I thought I need not bother about it. I might explain how that mortgage came to be registered in the name of Dr. Findlay and myself. I just in the ordinary way instructed my conveyancing clerk to prepare a mortgage to cover a sum of £1,000, telling him what the moneys were. I did not tell him in whose name it was to be, and he simply prepared it in the ordinary way to the members of the firm; but, as a matter of fact, Dr. Findlay has no interest of any kind whatever in that money.

1. *Mr. Hindmarsh.*] Do you know that the transfer to Mr. Wickham Flower's trustees was registered?—No. I never thought it necessary to go into the relations between Mr. Lewis and Mr. Flower's trustees at all. I was satisfied that Mr. Lewis was the proprietor so far as Mr. Jones was concerned.

2. When Mr. Lewis saw you, his transfer had been registered?—Yes—23rd July.

3. It appears that on the 23rd July all the documents were registered, two mortgages and a transfer. That is not so. The transfer to Mr. Lewis had been registered some months before?—Yes. The next year the other mortgages were registered.

4. *Hon. Mr. R. McKenzie.*] You stated that there was some invalidity or flaw in the title?—The solicitors for the Hawke's Bay people and the Commission suggested a flaw.

5. If that ever existed in the title, it had also existed in Mr. Jones's original title?—It was the flaw in Mr. Jones's title that was the trouble.

6. Do you consider that Mr. Jones has any money interests in these leases now?—Absolutely none. Not only that, but Mr. Lewis's title is guaranteed by the Assurance Fund.

7. So that Mr. Jones's claim is a matter of equity, not a legal claim?—It is not a legal claim.

8. When Mr. Lewis's transfer was registered, Mr. Jones had no legal claim?—No. Mr. Skerrett, acting on behalf of the Natives, has made an alternative claim. He has made a claim against the Insurance Fund to the amount of £80,000. He claims either that the leases ought to be taken off the register, or the Natives ought to get paid this £80,000 out of the Insurance Fund, because Mr. Jones's leases are improperly registered. He admits also that if he puts the Natives on the register and puts Mr. Lewis off, Mr. Lewis in turn would have a claim against the Insurance Fund. So that the Insurance Fund seems to be rather in a position to be shot at.

9. Coming to these mortgages, there is a mortgage of £1,000 registered in the name of Findlay and Dalziell?—Yes.

10. Is that the usual practice with firms?—Yes. My relations with Dr. Findlay are not known to our conveyancing clerk, and he simply drew the mortgage in the ordinary way for the firm. I did not know, as a matter of fact, until the question arose, that the mortgage had been put in our two names.

11. Your firm has nothing to do with that mortgage by Mr. Lewis and Mr. Macarthy for £27,000?—Nothing whatever.

12. Nor to Mr. Lewis's mortgage for £14,000?—No.

13. Your interest is simply for £1,000 for legal expenses?—Yes, and legal disbursements.

14. Has Dr. Findlay any active part in your business now?—No; I wish he had. He is still a partner, but does not take an active part in the work.

15. So far as your practice is concerned, he takes no active part?—No.

16. Do you consider that Mr. Lewis is the only person now who has any legal interest in these leases?—Yes, and the mortgagees.

17. *The Chairman.*] I believe you stated that the proposal to set up the Commission was subsequent to your request that Sir Robert Stout and Mr. Ngata should go into the matter. I wanted