

33. Who is Mr. Loughnan, by the way?—He was the solicitor, I understood, for the company.

34. How did you know that?—Mr. White, I think, had mentioned Mr. Loughnan's name. I cannot tell you exactly at the moment why I went to him, except that I knew the head office was in Palmerston, and that he had something to do with the company. Anyhow, I went to Mr. Loughnan, and put the matter before him. I told him what the Natives wished—that they wanted not only their money, but to retain an interest in their land. I said that that would satisfy them, because if the land sold well they would profit by it. If there was any dividend they would receive $2\frac{1}{2}$ per cent. of it, their £2,500 representing $2\frac{1}{2}$ per cent. of the capital. Mr. White told me that the company were proposing to buy the Mokau coal business for £45,000.

35. That had nothing to do with this?—No. As I say, the total capital of the company was £100,000, but the Natives' interest in it would be £25,000 and 10 per cent. on that—£2,500 in shares.

36. But do you not see that £2,500 worth of shares is not 10 per cent. on the £25,000 received by the Natives?—Well—

Mr. Massey: It does not matter; leave it.

Witness: I thought the 10 per cent. was a fair amount. If I had said 20 per cent. it might have been considered excessive.

The Chairman: I shall ask you to confine yourself, please, to the subject of the inquiry. We do not want to deal with the Mangapapa Block at all: it will only create confusion, I think.

Witness: I thought that if I omitted anything it might be a suggestion of falsehood. That is the reason why I mentioned this matter.

37. *Mr. Massey*.] I do not want to hurry you, but I want to make it clear that I am not asking for all this detail. I want you to come now to your interview with Mr. Loughnan?—We talked the matter over, and he agreed.

38. *The Chairman*.] Had your interview with Mr. Loughnan any bearing on the matter before the Committee, or did it deal with the Mangapapa Block?—It had to do with this inquiry, because the Natives were getting an interest in both.

39. I would ask you to confine yourself to evidence in connection with this particular inquiry. If you can dissociate the two it would simplify matters?—It would be a difficult matter to dissociate without dissembling.

40. Then you will have to do your best?—I would prefer to answer questions, and then perhaps I need not digress so much.

41. *Mr. Massey*.] About this interview with Mr. Loughnan: did you make the suggestion to Mr. Loughnan as solicitor to the company?—I did not know what position Mr. Loughnan held in the matter. I only knew that he was interested in the company.

42. And you went to him on that account?—Yes.

43. What did you suggest to him, or did he suggest to you?—He did not suggest anything.

44. What did you suggest to him?—I said that the Natives had decided that they would like to have shares in the company if it were formed.

45. In addition to the £25,000?—Yes.

46. That is to say, that if the Natives sold the freehold, either to Mr. Herrman Lewis as an individual or to the company, they required £25,000 in cash and £2,500 worth of shares?—Yes.

47. What did Mr. Loughnan say to you?—He agreed.

48. On behalf of his principals?—I presume so.

49. Did you see any one else in connection with the company?—Yes. They sent for a gentleman, and that was Mr. Mason Chambers. I was asked to state the position to Mr. Chambers exactly, which I did, and he said it was a very fair proposition. He said that as far as he was concerned he was quite satisfied.

50. Did you see any one else besides Mr. Mason Chambers?—I think there was a clerk there. Only those two.

51. Is Mr. Mason Chambers chairman of the company?—I could not say. I do not think he is.

52. You do not know who is chairman?—I do not know, except from what I have seen in the paper.

53. Was any document drawn up between you as representing the Natives and Mr. Chambers?—None whatever; it was simply a verbal arrangement.

54. Were you satisfied with that?—I thought that was a fair arrangement.

55. The fact of receiving £2,500 additional in the form of shares was sufficient to induce you, as representing the Natives, to change your mind with regard to the sale of the block?—No. I kept a perfectly even mind. I said, "I cannot confirm this; we must put this before the Natives." So I hurried back. I first of all telegraphed to Damon to go to Mokau, and to Tuiti Macdonald at Te Kuiti to go to Mahoenui, telling them at the same time that I was coming on.

56. You got back to Te Kuiti?—I went straight away back. I got home on the Saturday night at 2 o'clock, and on the Sunday morning I drove into Mahoenui with Tuiti Macdonald, at which place it had been decided the meeting should be held. We got together there all the Natives it was possible to get, and made known as well as we could what the proposition was, and instructed the Natives to be sure to come to the meeting on the 22nd at Te Kuiti. It was on the 19th when I went there, and I left again on the 21st. Everybody was present at that meeting at Te Kuiti.

57. Everybody?—Everybody of any importance who was interested.

58. How many were there?—I suppose the room was pretty well full, say, fifty or sixty. All the chief representatives of the Natives, anyhow, on both sides. I did not take any part in that at all. I did not attend the meeting that came off before the Board assembled.

59. You were at the meeting all the same?—No. I came afterwards, but I did not attend the preliminary korero they had there, because, as I said, I did not take any active part in the Board business at all. The man who did that was Tuiti Macdonald.