

Mr. J. Sheehan,
M.H.R.
Nov. 8, 1877.

have heard things said about the transaction with Stannus Jones. I have heard it stated by a very high official, I believe, that the transaction was a swindle. I did not receive a single penny from Jones of consideration-money. I had no understanding from him that I was to receive any money, and I will satisfy the Committee by what I am about to state. When the Government made up their minds to settle, Jones came to me and said, "I want to have this settled." I said, "What is the lowest amount you will take?" He said, "£450 will recoup me; but you had better ask £500, and keep the £50 for your trouble." I said: "Mr. Jones, I am not in the habit of doing business in that way; it is out of my line, and you forget the person you are speaking to." I believed £450 was fair. I got him £300, and paid him that amount; and, subsequently, he received from the Government £150, which was in Mr. Davies's hands. He had not received this £150 up to the time I was leaving to come to Hawke's Bay or Wellington, and he issued a Judge's summons against me to stop me from going away until I explained why this £150 was not paid. I made a short affidavit of the above facts, and filed it, and I departed from the province in peace. There is one other point here to which I would refer. Clark states in his evidence before the Frauds Commissioner that he did not receive £100 from Jones on account of timber. The statement is an absolute falsehood; and the clearest and most convincing proof of that is, that he paid back to me without scruple the amount—£150—which I afterwards paid Jones. I would point out, further, that Clark in his evidence was guilty, beyond all question, of a deliberate perjury. He swore he never signed the cheque for £200; whereas all the witnesses gave evidence that he did, and the Commissioner himself said there could be no doubt he did. I might also point out that the Commissioner himself says, with reference to the evidence of Hori te More, that he could not make anything out of him, as the man was imbecile. I would point this out to the Committee: that I consider I have been dealt with very unfairly indeed, because from the start I have been acting in the public interest. I thought it would be a prudent thing to realize the property. It was entirely out of the question to lease it; and I was certain that if an alteration in the law took place the estate would have been swallowed up in a few years in payment of rates. This matter has been going on now, I think, for two years—I mean the dispute between the Government and Brissenden. When it came before the Frauds Commissioner in Auckland I had ceased practically to reside in Auckland. I got a wire from the Frauds Commissioner asking me to go up to Auckland and give evidence in relation to this transaction. The wire did not disclose that any difficulty had arisen about it, and I presumed that nothing more than the ordinary inquiry was being made. I telegraphed back as follows: "Impossible come Auckland as Supreme Court sitting, and leave for Wellington attend Parliament when Court done. Will answer any questions by wire or mail." That telegram was sent back without paying for it, and I had to pay 3s. 6d. before the Frauds Commissioner would accept it. I added, "Will be happy to answer any questions by letter or mail." The Commissioner took evidence, damaging to my private and public character, and came to a conclusion without any reference to me. I would have gone to Auckland and speedily upset the evidence of witnesses, and have had two or three of them committed for perjury. But I was not aware of the evidence they had given. I complain very much that for two years these papers have been in the hands of my friend opposite (Major Atkinson), and I have not had any intimation about them. If I had been asked two years ago I would have been too happy to explain them, but it was not until I came into office that I saw them; and they made my hair stand on end, because I am pronounced a criminal of the deepest dye.

75. *Mr. Rees.*] Who was the Frauds Commissioner?—Colonel Haultain. On no account should the Frauds Commissioner have come to a conclusion until I had refused to come and give evidence. He had power to summon me to give evidence.

76. Is the Frauds Commissioners' a public or private Court?—The point has never been settled. Some Commissioners hold open Court, and others closed Courts. My impression is it should be an open Court. There is one point I forgot to refer to: the half of the £1,600 was to be held until the title was completed—half from each—namely, £400. In this agreement it said £800. It was understood by Mr. Brissenden that he would pay that amount into an account, in trust for the completion of the sale. I was under the impression it was paid in in such a way as not to be interfered with until the purchase was completed. I afterwards found out that it was paid into the Pakiri Purchase Account. Mr. Brissenden was a Government officer and stood in a responsible position, and when called upon to complete the transaction he knew we should require £800, no matter where it came from.

77. *Hon. Major Atkinson.*] You had nothing to do with that £800?—Nothing whatever. I might state, further, as bearing on the charge made by the Auditor-General, that I have asked Mr. Brissenden since how this came about, and he said he thought he carried out the agreement sufficiently by paying it into the Public Account. He operated on that account. I asked him why he did so, and he told me he had authority to operate on it from Dr. Pollen. I want to deny completely and absolutely that there was any collusion between myself and Mr. Brissenden. Mr. Brissenden came to me because he could not avoid coming, because I was a trustee in the block, and he took up what had been commenced two years before. I have made nothing out of it.

78. *Mr. Murray-Aynsley.*] How did the money go out of the Treasury for one purpose, and was used for other purposes, independent of whatever the Treasury might have done?—I could not possibly answer that question.

79. Had you ever it in your banking account, or under your control?—Never; the money was never in my hands, never under my control. It was agreed at the time the agreement was signed that Brissenden should lodge £800 in a special account at the bank, and so lodge it that none of the parties could operate upon it until the title was complete.

80. *Mr. Ormond.*] He did not carry it out?—No; it would seem so.

81. *Hon. Major Atkinson.*] It was to be placed so that it could not be operated on without your approval?—Yes, to be available when the title was complete.

82. *Hon. Mr. Reynolds.*] If you gave a receipt for the £800 to be carried to a separate account, would not you be responsible for it?—I do not think so. In dealing with the Natives no sane man