

152. The only interest you acquired for yourself or the bank was Karaitiana Takamoana's?—Yes.

153. You left the station in 1890?—Yes.

154. Immediately after this action was taken by the Native owners questioning the lease as affecting the whole block?—Soon after.

155. And you, as one of the witnesses, stated that the lease did not embrace the whole block: as one of the witnesses for the Natives?—No; I am not prepared to say that. I do not know if they questioned the lease, but they questioned the reserves. You quite understand this: that all this time I had a distinct understanding with the bank that when I had an opportunity of financing it the property was to come back into my hands. If I had done anything to injure the security I should have been cutting my own throat in raising a loan on the security.

156. You gave evidence that the lease did not include the whole block; that there was a reserve for the Native owners: is that not so?—Well, of course, it is a long time ago now; but I am quite certain, if I was asked when Messrs. McHardy and Lyons came to value the work, I rode round with them and showed them the land, and, riding round towards the boundary of this possible reserve, I pointed it out to them. Then they went round to the back of the country and came back and out the other way. Now, Smith was there; he was my manager then, and he rode with us. Now, it appeared that Mr. Lyons swore in Court on that business that he did not go out with me round this boundary; that we went out another way altogether; that we went out the reverse way, and never came near this boundary. I had no interest in this. It was doing what I did not want, raising the question of the title, which did away with my chance of borrowing on it to pay the bank. When Smith came back from the Court he turned to his diary and said, "I have got all that down; I was with you when you went round with Lyons and McHardy." And there the whole thing died out.

157. Might I suggest that you held a power of attorney from the Natives at this time, and engaged counsel for them in that particular case?—I had a power of attorney, and have still, power by which the Native gives you control over his rights, interests, and actions, and trusts you with looking after his money; but if a Native chooses to jump up and say, "I will go for this bank," whether you like it or not you cannot stop him. The Native says, "If I lose I lose; if I win I win." I said to the Natives, "If you had any chance of throwing the bank off Mangatoro I would help you," but I did not think they had. My advice to the Natives was, "You cannot touch the bank, therefore you had better leave it alone and accept it." They said, "If we are beaten we are beaten, and if we win we win."

158. They were beaten?—Yes.

159. Would it be correct to say that you retained counsel for them in that case (Mr. Dinwiddie)?—I could not tell; I think what the Natives did was to take and drive the sheep off what they considered was their reserve. They were returned by Lyons, and returned again by the Natives, or something of that kind. Then I think Lyons struck one of them, or something of that sort, and so the thing went on until, I fancy, the Natives were summoned for doing it. After they had done this several times I said, "Now you are summoned you will have to get somebody to defend you." It is no use saying I said they would have a lot of trouble over it. I was not acting hostilely to the bank. I was simply trying to get them out of the mess they had got into.

160. Immediately after that Supreme Court action in which the Natives questioned the lease, the bank applied to have their interests located, their freehold, in 1891, at Dannevirke?—You mean at the sitting of the Court to individualise the interests?

161. Yes?—I do not know that the bank had anything to do with it. My impression was that the Natives in the ordinary course of business—from what I remember the Natives in the ordinary course of Native Land Court business—applied to have their interest put through the Court. Was it by the bank or by the Court?

162. There were several applications, Maata Hoewaka made an application, and Wikiriwhi Rautahi made an application?—It was the Natives that made the application for subdivision.

163. When the bank sold you had purchased one interest, you say—one share?—Yes.

164. Now, what was that share worth?—Well, it ought to have been worth £3,000.

165. The interests had not been defined, had they?—No.

166. No one knew; it might be 1 acre or it might be 10,000 acres, but it ought to have been worth £3,000: that is on the basis of one-tenth?—Yes.

167. So any one purchasing your interest could not assess the value of the freehold property?—No. If the thing had not been out of my hands the Natives would probably have left it to me to define their interests, but as it was out of my hands the thing had to go through the Court in the ordinary way. That was the difference.

168. The value of the freehold was an unknown quantity. Now we will come to the leasehold. Was the actual validity of the lease at this time not under question?—I think some question had been raised by the Natives about one signature: about Maata's.

169. And, as a matter of fact, is this not so: that from the signing of that lease until to-day that woman has refused to receive the rent because, she says, the lease is bad?—Yes.

170. From a financial point of view, or a business point of view, can you in your mind say whether the title of this block on the 25th March, 1889, was a good one to lend £60,000 on?—Well, it would have been a good one to lend £60,000 on if it had been in my hands, because I should have arranged the thing; but when the title went to somebody else the Natives would not deal with them.

171. In 1889 it was not a title worth £60,000, but if it had been in your hands it would have been a safe investment?—I do not say it was a title or that it was not a title.

171A. The freehold was an unknown quantity. The lease was disputed, and that was your only security. Your freehold was an unknown acreage, and your leasehold was disputed?—From