

1906. It was paid to me in the Native Office. I did not see you there. I saw you in your office afterwards. You have told me not to come to you to borrow money. I have said I was in great trouble and needed the money. You have told me to pay my debts to tradesmen, and that you would lend me no money till I paid them. Other Europeans go round at pay-time to collect money from the Natives. When I said in examination-in-chief that you had got my cheque, I meant I had given it to you. You did tell me I ought to pay Mr. Paterson my own and my wife's account. I kept on coming to you because I could not get money from any one else at a lower rate of interest. I do not know any one who would lend it to me even at a higher rate.

*Mr. Bayley:* Do you think you have become degraded and impoverished by borrowing money from me?

*Witness* (giving no direct answer to the question): I do not consider you have done wrong in lending me money. About two years ago I set up an office in Hawera for lending money to Natives. I induced a European to advance money to lend to the Natives. He did not take the business out of my hands because I was cheating him. I did collect money for him. I have no money left out of the transaction now. I owed him £195, for which I gave him my land for ten years, commencing some two years ago. I charged the Natives 2s. 6d. in the pound for six months. I did not get 1s. in the pound remuneration. When I lent money to Natives I took acknowledgments from them. I remember lending £20 to Taari Taohua. I gave stamped receipts when money was repaid. I recognise the receipts now shown to me. I do not consider I was degrading or impoverishing the Natives by lending them money. When Mr. Fisher paid out rents I used to go round with a receipt-book and change, but you got most of the cheques from the Natives. Those that owed you no money paid me. You received most of the moneys. While I was engaged in this business I owed you money. I owe money now for loans from other Europeans. Several summonses have issued against me. You have helped me in my difficulties otherwise than by lending money. I was in trouble the other day in the Police Court, about three weeks ago. A warrant issued for my arrest for non-payment of fine. You paid for me. I have not repaid you.

Re-examined by Mr. Paterson: When I borrowed money from Mr. Bayley I had to pay 1s. in the pound cash, as I stated on Saturday. I did not sign acknowledgments for small sums handed me in the street. Mr. Bayley never rendered me any account apart from showing me the ledger. I took Mr. Bayley's word for its being correct. I remember how much I owe for the current six months. Mr. Bayley told me it was £34. If he had said £35 I should have been satisfied. It was always stipulated that the cheques when paid should go to Mr. Bayley. I do not think Mr. Bayley is a hard man—he has not been hard on me. No matter what quarrel we might have, he was always willing to lend me money. Once I received my cheque without having to hand it over to Mr. Bayley. On one occasion Mr. Bayley gave me 15s. change when I paid him my cheque. I do not remember any other occasion when he gave me change. He advanced me practically the whole amount of the rent coming to me, and charged me 5s. in the pound. When I was sued I gave my cheque to Mr. Bayley, because I understood he was going to pay my debts. When Mr. Bayley paid my fine the other day I understood it was on the usual loan terms—viz., 5s. in the pound. I tried to find a European who would lend money at a lower rate than Mr. Bayley. I found one who would lend at half Bayley's rate. When it came to collect the debts, Mr. Bayley's methods were too strong for me. The European was unregistered, and retired from the business. I did not hear any Native refuse to pay because the European was unregistered. The money I owe to other Europeans is for goods supplied, not for money lent.

To Commissioner, at Mr. Bayley's request: I have never had any reason to believe Mr. Bayley's account was incorrect.

*Whareaitu* (sworn): I live at Keteonetea. I have borrowed money from Mr. Bayley. He charged me interest 5s. in the pound for six months, the loan to be repaid within six months if rent became due. If loan was repaid one month after, the interest was just the same, 5s. in the pound. I have repaid Mr. Bayley. I left the receipts at home. There has never been any balance remaining due after I have paid. I could produce receipts to-morrow.

Mr. Bayley reserves his cross-examination till receipts are produced.

*Tonga Awhikau* (sworn): I live at Ketemarae. I have borrowed money from Mr. Bayley at rate of interest 5s. in the pound. One shilling in the pound is paid when the loan is made, and 4s. in the pound when the loan is repaid. The loans were for six months, to be paid earlier if rent was paid earlier. If repaid within a month, or even a week, the interest was the same, 5s. in the pound. If the rent is insufficient to pay the debt, the balance runs on for another six months, and another 5s. in the pound is charged. I have repaid to Mr. Bayley all that I have borrowed. I paid him £4 16s. on the 9th of the present month. The receipts I have brought with me are some given to my sister. I can get those given to myself.

Further examination reserved.

*Maro Kopa* (sworn): I live at Fraser Road, near Normanby. I have borrowed money from Mr. Bayley. At first I used to pay Mr. Bayley 2s. in the pound interest; latterly I have had to pay 5s. in the pound. I pay the 5s. when I repay the loan. The loans are made for six months and under, according as rent is payable. Sometimes I make a stipulation with Mr. Bayley as to when I will repay him. There is a stipulation that when I owe him money my rent-cheque shall go to him. Mr. Bayley is present when Mr. Fisher pays rent. I have receipts for amounts paid by me to Mr. Bayley. I produce some of them; the others are at home. The first transaction was in 1897, when 2s. in the pound was charged. The rent has never been insufficient to repay Mr. Bayley. Sometimes he has paid an outside account for me. If there is a balance still owing I am charged another 5s.

Cross-examined by Mr. Bayley: I have a farm and stock, and am in a fairly good position. I came to you to borrow money in accordance with Native custom when we had a big meeting. I came of my own free will. I knew you would charge me 5s. in the pound. I will explain why I