

42. I want to know whether Mr. Dalziell's statement that he would withdraw the offer unless finality was reached at that meeting influenced the Natives?—I could not tell what was in their minds.

43. Did you notice any change in the behaviour of the Natives after that?—No specific act on their part.

44. Andrew Eketone objected to Mr. Dalziell's action?—Yes.

45. Then the position was that because the Natives could not raise the £800 they were practically forced into the sale? They had to make the best of a bad job?—That was their matter. I did not influence them at all. I avoided all through the fight anything that would appear to be undue influence.

46. Coming to that meeting you had with Mr. White, did he say the company had been formed or was about to be formed?—No, he was getting a list of the names of the subscribers. I suppose it was a sort of provisional prospectus. I did not think it was my duty to enter too deeply into a thing when I was not intending to take any part in it. I could not help knowing what I did know, and I felt justified when the crisis arose to make use of it.

47. What crisis?—Well, when they found that they could not possibly go on. The only time I mentioned it to them was on the 11th March.

48. Then you took advantage of the knowledge you got through Mr. White?—Yes.

49. And do you know whether the company was formed on the 11th March?—The subsequent proceedings of the company interested me no more.

50. You did not know?—I only know what I saw in the newspapers.

51. With regard to the £2,500 worth of shares, are they fully-paid-up shares?—Yes.

52. No calls on them?—No.

53. What value did you put on those shares at the time?—I certainly put the value at £1 a share—that is £2,500.

54. They were £10 shares?—Yes, that means 250 shares at £10 a share.

55. You think they were value for £2,500?—Yes. I thought if things were allowed to take their course they might perhaps be worth up to £2 a share or may be worth £5. It depends on how it is advertised.

56. Do you still think they are worth the value put on them?—I do not wish to express any opinion with regard to that. Very much depends on what the Government are going to do with regard to the scenic reserve.

57. *Hon. Sir J. Carroll.*] The company's property is inclusive of Mangapapa?—Yes, certainly. I think it is a very good proposition.

58. *Mr. Herries.*] What was the idea of giving shares to the Natives: was the idea to sell them or to hold them as an investment?—Hold them as an investment, so that if the company profited the Natives would do better either in actual sales or profits on working.

59. What would be the average profits of companies of that nature—what would they come to in a year?—I could not say. It might be a South Sea bubble.

60. You would not expect them to give more than 10 per cent. would you?—I do not know. If they sold any of the property well they might make 200 or 300 per cent.

61. But annually?—The capital would go then but the Maoris would be getting a share of it, and they would benefit by any investment on the part of the company or any dealings with the coal or other things.

62. If the company kept on as a going concern?—Yes, of course. If the company fails, it will have failed by virtue of the fact that the land was not what it was made out to be; and if they failed in that respect they could not reasonably complain. They would have got their pound of flesh in the £25,000. They were out to either gain or lose by the transaction, and if they did not look at it in that light that was their business, not mine.

63. You thought it was a distinct advantage to them to get the shares in the company?—If the people who took it in hand could make anything out of it they would be entitled to something. The Natives could not lose on what they were obliged to take at first, which is the £25,000. There was everything to gain, and nothing to lose.

64. But that was an additional inducement to them to sell, was it not?—That was for their consideration.

65. And you considered it was an extra inducement?—No, I did not consider it was an extra inducement. What it was intended for was to assuage any sentimental feelings of regret that the Natives might have at leaving their ancestral homes. This was more in regard to the people living at Mokau than the others scattered about, who were anxious to cultivate their lands, and who are now cultivating their lands with the money obtained from the Board.

66. Are there any reserves set aside for the Natives?—I was not concerned with that. I did not interfere with that. I trusted to Mr. Loughnan to act as a gentleman and do the best. I knew Mr. Chambers was also in it, and that he would see there was no robbery.

67. You say it was done for sentimental reasons in order to give the Natives a hold on the land?—Yes, that is what it was for.

68. Do you think £2,500 shares in £100,000 worth of shares has any weight in the control of a company?—Certainly I do.

69. You think 2½ per cent. would have a controlling effect?—Yes, on their share capital.

70. What is their share of the capital?—£2,500.

71. And what is the total?—But their own contribution to the capital is £2,500—that is, 10 per cent.

72. I am speaking after the company has been formed: the Natives hold 2,500 shares—that is, £2,500?—£2,500 in the concern.

73. Out of £100,000?—Yes.