

16. I was asking what you were to get, not what Herrman Lewis was to get?—Herrman Lewis was to get £14,000—that was for the executors—and he was to get £11,000: that was £25,000 to be taken out of the estate. The land was to be cut up, and arbitrators were to be set up to say what I was to get. I resented that, and said it was not for arbitrators to be set up to say what I was to get. I said, “If you want to make a bargain do it now,” and that is the reason why the thing did not come off.

17. Is that what you were to get out of the property?—Yes, after it was sold.

18. I understood you to say you had some coal rights?—Everything had to be sold through a Board.

19. You were to get absolutely nothing?—It was for the arbitrators to say whether Herrman Lewis was to allow me anything or not. I resented the thing entirely. I maintained, and still maintain, that these executors who transferred the property to Herrman Lewis were my trustees. That is the position I took up in this matter. And not one farthing did Herrman Lewis pay for it, either by deposit or otherwise. His name was out on the Land Transfer Register, but he was a dummy for the whole thing, and those in Hawke's Bay who bought the property paid the money.

20. *Hon. Mr. George.*] Mr. T. G. Macarthy paid the money, did he not?—Afterwards. He came in and grabbed £25,000. Herrman Lewis did not owe him a penny on the Mokau transaction, neither did I. It was a dodge under the Land Transfer Act to stand in on the transfer of the property.

21. *Mr. McCallum.*] How did he get the money?—He said that Herrman Lewis owed him money for property in Christchurch and other properties in Wellington and the Hutt, which were mortgaged for £25,000, and Mr. Macarthy came in and said, “I want this as further security.” He is dead and gone, but no one can tell me that he was going to lend £25,000 to Herrman Lewis without £50,000 worth of security.

22. *Hon. Mr. George.*] Those are all private financial arrangements amongst the parties buying the property?—The mortgage was from Herrman Lewis to T. G. Macarthy, and when the parties came to buy Macarthy said, “I want £25,000.”

23. That did not do Herrman Lewis and his firm any good?—Why did Herrman Lewis give a mortgage over it for £25,000 when Mr. Macarthy had £50,000 of security?

24. What damage did it do you if Mr. T. G. Macarthy had made this arrangement?—It further entangles the thing. I think if a man gets £25,000 out of the estate and never lent a penny on it it prejudices my position.

25. *Hon. Captain Tucker.*] When Herrman Lewis mortgaged this property to T. G. Macarthy did Macarthy give him a release of the other properties secured?—Mr. Macarthy handed the mortgage on the other properties in Christchurch, Wellington, and the Hutt to the purchasers.

26. Do you mean by that that Herrman Lewis mortgaged this Mokau Estate but released the other properties?—Mr. T. G. Macarthy wanted additional security.

27. You say that no money passed?—Not a penny.

28. Well, Lewis would not give Macarthy £25,000 for nothing at all. Mr. Macarthy might say, “If you do not give me adequate securities over the other properties I will push you on this”?—That is so.

29. He released the other mortgages?—The securities he held were worth £50,000.

30. Why should he do this—was it as collateral security?—They worked the trick between Travers and Campbell through a little man named Orr.

31. You say that Macarthy did not give Lewis a penny?—It was never contended or argued that he did. Here is Mr. Dalziell's evidence before the Committee of 1910: Mr. T. G. Macarthy said, “I want that as security in addition to what I hold.”

32. *Mr. Mander.*] That was legitimate business, was it not?—If a man has £50,000 security and wants another £25,000, is that right?

33. Yes, if he thinks fit?—I do not say it was an illegal transaction.

34. *Hon. Mr. George.*] It did not affect you a bit?—Messrs. Travers and Campbell were still acting for the executors, and had no right to encumber the property for which, I contend, they were trustees. There is no doubt that Travers and Campbell stood in with this £25,000.

35. *Hon. Captain Tucker.*] You say they “stood in,” but you say on the other hand that no money passed?—There was no money passed between T. G. Macarthy and Herrman Lewis. A long time after—not at the time of the transaction of putting Herrman Lewis on the register—T. G. Macarthy pressed him and got this £25,000. It was an embargo on the estate, because Macarthy never lent a penny on it.

36. *Hon. Mr. George.*] Who was the nominal owner of the estate at the time?—Herrman Lewis.

37. Well, he could make what arrangement he liked?—My contention is that Herrman Lewis was my trustee.

38. Herrman Lewis was not the trustee?—I believe he was the dummy through which it was done.

39. *Mr. Statham.*] Have you any evidence to show that there was any agency or collusion between Herrman Lewis and Flower's executors?—It is very hard to prove collusion, but Herrman Lewis's evidence is this: that Flower's executors had asked three firms in Wellington to get their names put on the register for this property, and they had refused. He was the only one who would look at it. He lives close to Mr. Orr, at the Hutt. He says, “No one would look at it but me, and Messrs. Travers and Campbell asked me to take the property.” The same solicitors are the solicitors for the London executors, and also for T. G. Macarthy. Mr. Macarthy did the whole of his business with Messrs. Travers and Campbell. Mr. Orr is the gentleman who did it, but what he got out of it I do not know. I have heard it debated that T. G. Macarthy when he got this £25,000 had over £50,000 worth of security on the other properties in New Zealand.