

Simson. We then let the water to Graham's party for our interest in the claim—£3 a week. They did remarkably well for some time, and paid their rent regularly. They got a lot of gold out of the claim, but afterwards they fell out amongst themselves. At holiday times they got on the spree, and allowed the gear to get into disorder, and the ground fell in in the claim. All this time the hotel and surface rights of Acton belonged to Simson. Simson made up his mind to sell out and go to Australia, and sold out to Allan McDonald. I think this was over eighteen months since. He tried to sell his half share of the water right to me, but I was disgusted with the whole business, and for a time the water ran to waste, and any one used it that liked. I offered the whole water for £200 at this time, and could not get a purchaser. Some little time after Simson came back from Victoria, and went to Switzers again, and by the time McDonald had built a large stable and made some other improvements in the property, and Simson came to me and said that McDonald was desirous of selling out, that he was sick of it, and that he would sell the place for £900. Simson put it to me that he had great faith in the ultimate result of the thing, that there was good gold there, and that he could do a good butchering and store business, and that if I would back him in the affair he would feel inclined to go into it. I agreed to go into the claim, and that he should carry on the business himself, and pay me a rental for the property. I told him I would make arrangements for his getting credit as long as I was satisfied with the way he was going on; and that if the claim paid, as soon as it did, he should rank as half-owner of the property, allowing me bank interest on any of my money that was out, to be reckoned every six months. I then bought the property from Allan McDonald. This included hotel and other buildings, pumps, and whatever surface rights he had over the 50 acres, and adjoining claims, for the sum of £900. I gave him £500 cash, and bills for the balance. I got a receipt from McDonald for this, but have not got it by me. It is at Lawrence, and I am willing to produce it. I think this was about February, 1872. While the bills I gave McDonald were current, McDonald came to me at Lawrence and said, "I find I can make that property freehold." I said, "Indeed;" and he said, "If I can make it freehold, what will you give me for it extra above the £900?" We had a good deal of conversation on the subject, and ultimately I agreed to give him £200 above what he had to pay for the land. McDonald agreed to this, and I said I would be prepared to pay the money when I got a title to the land. He gave me the deed, and I gave him the money. It was a month or two before I got the deed. I did not hear of the propriety of the sale being called in question until some time after I got my title. I made the purchase of the land for the purpose of carrying on the claim—I mean working the claim, the old "Break'em All Claim." I did not know at that time how much of the land was auriferous, and Simson required land for carrying on his butchering. I cannot say whether there is a lead of gold running through the land. We allowed people to prospect the ground on a very small tribute. They could not make it pay, it requires such a large outlay of money to work the ground.

The debtor and creditor account of the claim now stands, that the claim is due me over £2,450 exclusive of the water right. We have been employing men for the last nine months, paying some as much as £3 per week. I have sent up as much as £100 per week for twelve weeks in succession, for the payment of wages on the claim, and as far as I am concerned am quite willing to give up the claim at a loss. I am heartily tired of the whole concern.

The whole feeling on Switzers in connection with the sale of the land arose from the fact that the miners had had the use of my water for some time for nothing; and a jealousy existed among the business people at Switzers, from the fact of my backing up Simson, who was doing a large butchering and storekeeping business, and taking business away from the hill. Any impartial man must know and admit that no miners could have worked this ground without my water and a large amount of capital; and my spending such an amount of wages in the district must have done good.

I told the owner of a house on the 50 acres that I was not aware it was on the ground when I bought it, and that he was at full liberty to remove it, which he did.

With regard to the person who has got a house and paddock on the 50 acres, I am inclined to let him stop on, and am willing to give him a lease of the ground for five years at a nominal rent.

Mr. Simson is indebted to me in a large sum of money, and the property belongs to me until he pays me, when he will become possessed of one half-share. Our largest yield was £1,200 in six weeks. During the past four weeks I have sent up £570, which has been spent in timber and expenses. This represents the expenditure since the receipt of gold from the claim. I positively state that the idea of purchasing the property originated with McDonald, and not with me. Had not McDonald agreed to have transferred the freehold to me, I should have opposed the purchase by him.

HORACE BASTINGS.

JOHN NUGENT WOOD, Warden and Resident Magistrate, residing at Switzers, examined.

In explanation of Mr. Thomson's telegram—Mr. J. T. Thomson to Mr. G. S. Cooper, on 20th October, 1871, being enclosure No. 4 in the printed correspondence—the only communication that could in any way be construed into a recommendation or that I was favourable to the sale of the 50 acres in question, was a letter which I wrote to the Provincial Government enclosing the copy of Swanstone's receipt of 4th May, 1868, for his interest as runholder, in which I asked the Government, at Mr. Acton's request, to get the survey proceeded with, he having informed me that he had lodged a sum of money with the Waste Lands Board for that purpose. I received no written communication on that subject from the Government. After that a survey took place by the Government Surveyor, Mr. Prentice.

In October or November, 1868, I was in Dunedin, and either Mr. Duncan or Mr. Hughes spoke to me on the subject of selling the land to Acton. In reply to their inquiries, I believe I said "I would not recommend the sale of the 50 acres." About the same time, or a day or two after, I met Mr. De Carle, Acton's agent; who asked me if I would recommend the sale of the 50 acres to Acton. I told him "I would not do so." Afterwards I met him in the Provincial Government Buildings with Mr. Macandrew. Mr. Macandrew said, "Mr. De Carle wishes to purchase 50 acres for Acton up at Switzers." I stated that I would not recommend it; and on His Honor asking me why, I said "that the land might prove auriferous and be floated as a Switzers Freehold Mining Company, and I should