

61. *Hon. Sir J. Carroll.*] That was that the Natives should sell out?—And the scheme too. You approved of the scheme as well.

62. *Mr. Massey.*] Go on, please?—At the interview Mr. Carroll said, "Treadwell, just you draw out a telegram from me to Sir Joseph, asking his authority to give Mr. Jones a letter so that he can cable to London."

63. Was any one else present?—No, only we three. Mr. Treadwell wrote out the telegram, and Mr. Carroll signed it and sent it away there and then.

64. Was a copy taken of that telegram?—I do not know. The telegram was in Mr. Treadwell's handwriting. The letter he was to give me was to be "subject to approval by Parliament." I am not sure about a reply coming, but Mr. Treadwell saw Mr. Carroll, and the latter said, "Sir Joseph is hurrying back on account of the King's death, and when he arrives we will look into the matter." Sir Joseph arrived in Wellington on the Monday morning. I did not go near Mr. Carroll until the Thursday, knowing that the Premier would be flurried and worried. On the Thursday Mr. Hine was down from the country, and I was talking to him about it, and I said that we were trying to see Mr. Carroll that day. Mr. Hine said, "Why, there's Mr. Carroll over there in the street." He went over and shook hands, and Mr. Carroll said, "Come over at 3 o'clock—you and Jones and Treadwell." We went up, and Mr. Carroll said that they had had a meeting over this matter; that Cabinet had looked into the matter, and had decided not to go on with the deal, but it was concluded to send the matter to a Royal Commission.

65. Mr. Hine was present when that conversation took place?—Mr. Hine, Mr. Treadwell, and myself, when we were told that the Government would not go on with the agreement with me.

66. That, of course, prevented the negotiations being proceeded with?—Yes. I had my suspicions about the thing at the time, and I said to Mr. Carroll incidentally, "Might I ask you was Dr. Findlay at the Cabinet meeting?" and he said, "Yes, he was." That was all that took place, and there the matter ended. I have never been able to get that public inquiry yet.

67. *Mr. Massey.*] The point I am endeavouring to establish here, Mr. Chairman, is that a firm of business men were prepared to purchase the leasehold interests for £100,000 and to build a harbour at Mokau. Do you know anything, Mr. Jones, about the sale of their interest by the mortgagees, which took place, I think, at New Plymouth? The mortgagees sold their interest by order of the Registrar at New Plymouth?—On 10th August, 1907.

68. Did they hold that interest for long, or did they part with it?—They parted with it in the following June to a person named Herrman Lewis. On 12th June, 1908, a form of transfer of the property was put through to a man named Herrman Lewis at £14,000, and it was mortgaged back the same day for the same sum without any consideration passing.

69. Have you personal knowledge of that transaction?—The Land Transfer Register.

70. Would you mind showing me the document?—I have a copy of the Land Transfer Register, and will undertake to produce it.

71. Now, did you at any time offer your interest in the land to the Government, or, rather, to the Minister of Lands, who, of course, represented the Government?—Yes. When this man Lewis was negotiating for this property I offered my interest to Mr. McNab at a valuation.

72. You approached Mr. McNab and offered your interest in the block at a valuation?—On the 31st March, 1908.

73. By whom was the valuation to be made?—That was left out, I suppose. It would follow that the Crown would have an assessor and I an assessor—something of that sort. It did not go that far. My solicitor and Mr. Kennedy Macdonald and I went to see Mr. McNab. Mr. Jennings was to have gone with us, but he made himself scarce. He had to go to Palmerston, or something like that.

74. *The Chairman.*] On what date was that?—31st March, 1908.

75. I do not think I was in Wellington then?—You interviewed Mr. Macdonald with me at that time.

76. *Mr. Massey.*] You approached Mr. McNab: I want to get Mr. McNab's reply?—I went with Mr. Treadwell and Mr. Kennedy Macdonald to a place up here with a flagstaff in front of the door.

77. The Ministerial residence in Molesworth Street?—Yes. There was a crowd of people about there. I did not go in, but Mr. Treadwell and Mr. Macdonald were there nearly an hour discussing this matter. They came out and said, "Mr. McNab declines: he will not purchase this land. He will not take over your leases at their value"; and there was an end of it. I never saw Mr. McNab.

78. You are quite clear about the fact, though, that Mr. McNab, on behalf of the Government, declined to have anything to do with the proposed purchase of your interest in the land?—Absolutely. At this time, you must remember, this client of Findlay, Dalziell's, was negotiating for the purchase.

79. With whom?—With Flower's executors.

80. At that time Findlay, Dalziell, and Co. were negotiating on behalf of Mr. Herrman Lewis to purchase the interest of Flower—was that it?—To purchase it from Flower's agents here—Travers, Campbell, and Co. Herrman Lewis was then negotiating the purchase. He was Findlay, Dalziell's client, but they did not come into the transaction until the 3rd August, 1908.

81. What date did you approach Mr. McNab?—On the 31st March.

82. Then Findlay, Dalziell, and Co. did not come into it until some time afterwards?—No, though they were solicitors for Mr. Lewis—at least, Mr. Dalziell was.

83. Do you want the Committee to understand that Findlay, Dalziell, and Co. were solicitors for Mr. Herrman Lewis at the time Mr. Lewis purchased the interest of the mortgagees?—Not in this purchase. I cannot say that. Travers, Campbell, and Co. transferred the property to Herrman Lewis, and also got the mortgage back on the register. It was not necessary for him to go to his own solicitors, Messrs. Findlay, Dalziell, and Co., for that purpose. It was on the 3rd August, as he tells us that he went to them.