Company incorporated on 18th September 1916 after this I mentioned the matter to Defendant Humphrys who told me he was representing Mrs. Hubbard and other Executors and other defendants in action *re* the *Will*. He was a proxy Director of Company and I spoke to him after a meeting. It may have been later in 1916. I told him position of the purchase of mining rights and right of way and that we wanted to buy the properties outright. I may have led him to understand we had purchased Aurora from Curators. I understood him to say that he would keep us in touch with what was going on. I never authorised him to purchase for Company. I had no such power. I have never at any time mentioned any sum of money to Humphrys for the purchase of these properties in 1916. I may have referred casually to properties with him. In October 1917 I was very ill and left Colony I returned in September 1918. During my absence I had no dealings with anyone as to properties. About February 1919 I heard from Secretary of Company that Humphrys had an option and that offers had been made by Company. I never mentioned $5,000 or any other sum to Humphrys as purchase price. I heard from Secretary A. G. King (Assistant Secretary) that Mr. Peotter who at that time was Managing Director of the Plaintiff Company had authorised a maximum offer of $5,000 for these properties. He had fullest powers. This is articles of Memorandum of Association, and articles of incorporation of Plaintiff Company (J. 3 "). I think at this time February 1919 Peotter was out of Colony, but still in employ of Company. No Managing Director in Colony at that time but my son A. G. King was acting.

Emory was in Colony he had left Company for some months he had been manager and Mr. Peotter Managing Director. Emory had everything to do with Company's properties, he knew Company wanted these properties.

About February 1919 when I met Emory at the club I asked him what he was back here for. He never would tell me. On another occasion I said "I hope you are not hostile to the Company" and he said "You will find out later what I am doing." We were always friendly. I knew Emory was a Bauxite man and that he was not here for us. I had seen Emory with Humphrys at club frequently and I formed my own conclusions. Knowing Humphrys had option I said to him "I hope you are going to give us a fair chance of bidding for the property" I don't swear to words. It was to that effect. A new element now entered into property. Emory was trying to get that property and hostile to Company. I was up the Coast and on my return to town I heard from the Secretary that the properties had been purchased by the Company for $11,200. I was staggered. It was not a fair price. $5,000 was the full value as a Bauxite property. The Company ratified the $11,200 by cable. We believed Emory was hostile and we considered it worth while to pay that price to keep him out of our midst. We wished no one to come into our midst especially Emory because we believed he represented hostile interests and not merely opponents of Bauxite interests. "In our midst" would

interfere with our labour problem and our shipping problem, also health problem, disease might be brought in. In order to exclude Emory and his friends I think the Company was right in giving $11,200.

Q. Does the Company know now that these properties are rich in bauxite?—*A.* The properties have not been prospected yet by the Company and therefore it is not known whether it is rich in bauxite or not. The Plaintiff Company at time of purchase did not believe they were rich in bauxite. Three Friends Hill is said to be a hill of bauxite and was found to have only six feet of bauxite and the rest is clay.

Cross-examined by Mr. Browne.

I saw Three Friends Hill week before last. I left Georgetown on 9th December (Thursday) and got to Three Friends on Friday and on Saturday I went to the hill—between 200 to 300 feet wide. I saw about half dozen pits about 500 feet cleared. It is a rich hill—never said it was not. I thought whole of hill was bauxite. I thought at an early stage it was desirable to get lands for Bauxite Company. I believe there are good deposits on lands the Company bought at $2.50 an acre—over 20,000 acres now. The Company would purchase all good bauxite lands obtainable and would compete in open market. No applications rejected by the Government at present. We have withdrawn many applications. We are now working at Three Friends—worked nowhere else. Should not think the Company would sell at $2.50 an acre. Would not sell at all, bought to be worked. $2.50 was a fair price at that time. Before the war marginal profit of bauxite was very small and it had to be carried on on a very big scale. Cost of freight was heavy and therefore price of land at a small figure. All this was settled when we leased the land from the Government. This was the case when we began to buy land early in 1914. After nearly two years, in 1916 prices began to soar and they are still soaring. As we were unable to ship we did not benefit. Small (*identified*) was employed by me to trace titles. No complaint has been made to me or brought to the Company's notice. I know of none. Spence was not in the employ of the Company when his rights were purchased but he was in their employ when the Company bought and he begged us to buy. Purchased three or four months ago. Spence is agent for buying timber.

Some of the proprietors who sold small lots of land had their own lawyers. The late Mr. Hutson was engaged in one. De Clou land—bought only mining rights. I do not think any lawyer acted for those who claim by prescription. Registrar was most particular. The Company never admitted the claim of Lorimer and Loncke. I would have fought their claim and if necessary would have gone to the Privy Council. Company paid them $5,000 each and they withdrew their action. Action discontinued. The Company wished to build on the land. This land is 197 acres. McKenzie told some people he had come to plant oranges.

We bought Nieuharden and paid $4.60 per acre for 1,000 acres ($4,600). I wrote this letter to Mr. Burrowes dated 23rd June 1914 (*tendered and*