

10. That had really nothing to do with the Mokau-Mohakatino Block?—No, except that it fixes the capital of the company, and concerns this company in that the shares which the Native owners got apply equally to the mines.

11. *Hon. Mr. Ngata.*] It applies to the mine on the other side—not on Native land?—It is on Native land, but not on the Mokau-Mohakatino Block. It belongs to the owners of the Mangapapa Block, and reverts to the Natives ultimately. There was an option also from Mr. Fraser over two steamers, called the “Tainui” and the “Manukau.” They are outside of this, of course. The agreement, which is dated the 27th January, between the parties has a memorandum fixing the commission of the agents. That was executed in duplicate, and on the copy that I am handing to you there is nothing further, but on the other copy there was a further memorandum put on at a later date, of which I have a typewritten copy. This I will hand in.

12. *The Chairman.*] Is it certified?—I can get it certified; in the meantime it is not. It reads, “In consideration of the within-mentioned Herrman Lewis granting certain extended time for the completion of the within-recited option, and in consideration of the said Herrman Lewis agreeing to hand over to the company all offers, options, and other documents relating to the property, we the vendors agree to the issue by the company to Thomas Mason Chambers of an additional four hundred shares of the nominal value of £10 fully paid up, to be held by the said T. M. Chambers until the completion by the said Herrman Lewis of his undertaking aforesaid.” That is signed by Mr. Mason Chambers and Mr. Loughnan. Mr. Loughnan had signed as attorney for Mr. J. A. Fraser, one of the parties to the agreement, and this is a further memorandum on the option, by which the purchase-price was increased by the sum of £4,000, making the total purchase-price £85,000. [Document handed in.]

13. *Mr. Herries.*] What was the date of the memorandum?—The 9th February. Then the company was registered on the 18th March. I was appointed chairman at the first meeting. The meeting was held on the 29th March. I think it was at that meeting that I was appointed chairman.

14. *The Chairman.*] Was it held at Palmerston?—I think it was at Palmerston. We met alternately at Palmerston and Hastings or Dannevirke. On the 15th April a resolution was passed authorizing the adoption of the agreement and the payment to Mr. T. M. Chambers of £85,000. That amount was afterwards paid through our solicitor, who handed in to us a statement, of which this [document produced] is a copy, showing how he had disposed of the £85,000.

The Chairman: This is the statement:—

“The MOKAU COAL AND ESTATES COMPANY (LIMITED) in account with T. M. CHAMBERS, Esq.

	£	s.	d.
“Dr. To purchase-money of Mokau-Mohakatino Block	85,000	0	0
“Cr. Paid Travers, Russell, and Campbell, first and second mortgagees	44,221	1	6
„ Maori Maniapoto Land Board	25,000	0	0
„ survey liens and other encumbrances cleared	1,469	8	3
„ cheque to Findlay, Dalziel, and Co. for balance due to Herrman Lewis	3,809	10	3
„ shares held by T. M. Chambers	8,000	0	0
„ shares to Maori Land Board	2,500	0	0
	£85,000	0	0
	£85,000	0	0

“June 13, 1911.”

Witness: In connection with that statement, you will notice that the £2,500 worth of shares that go to the Maori Land Board came from Mr. Chambers. They are included in the £85,000. I suppose I can refer to what I have seen in the papers as evidence. Mention has been made of a mortgage to certain named parties, of whom I am one, and apparently it could not be explained to the Committee.

15. *Hon. Mr. Ngata.*] You mean mortgages by Mr. Bowler?—Yes. When we made our arrangements with the bank we paid Mr. Mason Chambers in cash and fully-paid-up shares, as per agreement, completely clearing us of all liability to him. To enable that large sum of money, and others also, to be obtained, we made arrangements with the bank under which certain of the directors guaranteed the account so as to enable the company to draw. Some of the guarantors asked that before signing the guarantee they should get security over the assets of the company in the event of the bank calling upon them to pay, and to enable that to be done the directors, thinking it was a reasonable request, made arrangements for a mortgage to be executed guaranteeing the directors; and at a meeting in Dannevirke on the 11th May a resolution was passed authorizing the chairman, one director, and the secretary to impress the seal of the company on a memorandum of mortgage, and mortgage debentures, and all documents required for giving security to the guarantors or the bank in respect of all financial accommodation required for financing the various purchases and undertakings of the company. I presume that is the mortgage that has been referred to here.

16. *Mr. Herries.*] Do you know what the amount of the mortgage was?—I could mention it. I do not object to disclosing the business of the company, but it is purely a private matter. The amount of the mortgage, I think, is £75,000. That is subject to correction. I may say that during the whole of that time I had no communication whatever with any member of the Ministry, either Sir John Findlay or Sir James Carroll, upon the subject, and never discussed it with any of them until after the statement made by Mr. Massey, when I asked when the Committee was going to be set up, and so forth. No person was authorized by the company to represent them