

30. *Hon. Mr. Anstey.*] Did you actually give that mortgage for £17,000?—I did, sir.

31. Have you a copy of it?—Not of the mortgage, but I admit it.

32. We want the entering date of that mortgage?—It was about July, 1906, but there was an extension of six months that ran it into about March, 1907.

33. *Mr. Bell.*] For how long was the mortgage?—They sold the property within twelve months of my giving the mortgage.

34. You have not got a draft of the mortgage?—No, sir, I have not. It was during the currency of the mortgage and extension that they put out the bad reports and stopped me from selling. That was the ground on which I stood when I re-entered an action in August, 1907. It came on before Mr. Justice Parker, who said that “for all that he is entitled to his equity and trial.”

35. *Hon. Mr. Anstey.*] You have a mortgage for three years, and they sold the property within one year?—It was after the compromise. I do not think there was any limit to the mortgage.

36. *Mr. Craigie.*] There must have been certain conditions attached to that mortgage and you did not comply with them?—I did not pay the money. The point I make is this: During the currency of the mortgage they circulated the bad report to people who were buying the property for £200,000.

37. Supposing they had not put out that report, you do not suggest that they would not have been entitled to sell?—They could have sold.

38. You say that because they put this report about again they broke their compact and everything was off?—The condition of the contract was that if they did these things again they reverted back to the old position and were still my trustees.

39. *Hon. Captain Tucker.*] That was the order of the Court?—It was part of the agreement in the compromise.

40. *Hon. the Chairman.*] This agreement was arrived at in Court by counsel on both sides?—To give a mortgage, yes.

41. Can you produce the mortgage?—No. It is on the register in New Plymouth.

WEDNESDAY, 9TH OCTOBER, 1912

JOSHUA JONES further examined. (No. 2.)

Witness: Yesterday I undertook to produce the original bill of costs of Messrs. Flower and Nussey. Here is a reference to it that will perhaps satisfy you. The items are not given, but this paper, published in 1898, when the thing was fresh, deals with it. It is written by a man named Vowles in the newspaper *Truth*. Speaking of Messrs. Flower and Nussey's bill of costs, he says, “The bill is in a somewhat unusual form, the individual items not being priced in the ordinary way, but a round sum of £1,000 being stated by way of total on the last page. In this bill of costs there are actually entered items having relation to the sale of the Mokau property on the 8th April. If a purchase was effected purely as an independent speculation on Mr. Flower's part, how comes it that the firm did not charge Mr. Flower with the costs? If, on the other hand, they have debited all the expenses to Jones, how can it be open to the firm to contend that in the matter of the purchase they were not acting as Jones's solicitors?” I will put this in for what it may be worth. But I will get the bill of costs, extending over a long time. [Exhibit L.] I will put in here an article that relates to the matter raised by Mr. Bell on the question of the bill of costs—“The Demoralization of the Law,” *Westminster Review* for May, 1909. [Exhibit M.] Here is a document I desire to put in to show that while all this litigation was going on I had an opportunity of selling the property in London. This is an original letter: “The West Australian Mining Company (Limited), 257 Winchester House, Old Broad Street, London E.C., 23rd September, 1895.—Dear Sir,—*Re* Mokau Estate, N.Z., 50,000 acres: Having inspected your plan and reports of this property, we desire to say that we are prepared to consider an offer to purchase your interests in the same provided the amount of purchase-money as stipulated by yourself does not exceed £200,000 in a capital of £500,000, say half in cash and half in shares or debentures, and if the latter at bearing not more than 4 per cent. interest, our company to have a free hand in placing the matter before the public with your best assistance. Out of the £500,000 the sum of £100,000 will be devoted to working capital. You will be good enough to let us know at your earliest convenience whether this suggestion meets your views, and we shall be prepared to consider the business as soon as your position will enable you to get a title to the satisfaction of our solicitor. In the event of a purchase being effected we see no objection to the payment of an instalment of £20,000 in cash as required by you as deposit on the purchase-money.—Yours faithfully, H. J. E. BYRNE, Secretary.—Joshua Jones, Esq., 10 Brownlow Street, Holborn W.C.” On the 19th March, 1896, a resolution was adopted by the same company with regard to the property, of which this is a copy: “The Chairman submitted a draft prospectus of Jones's Mokau property, which was considered, and it was resolved that the company should act as promoters of a company to be formed provided the managing director reports satisfactorily on the position of affairs in connection with the same.” The reason why I could not give a title at the moment was because Flower was setting up an adverse claim to it, and this claim was not settled, and I lost the sale of the property. [Exhibit N.] In 1908 I was in hopes of getting a public inquiry into this matter, as recommended by a Committee of the Upper Chamber. Anticipating that, I wrote this letter to Messrs. Doyle and Wright, 88 Bishopsgate Within, London E.C. They were my London agents: “25th November, 1908.—Dear Sirs,—In the Dominion of New Zealand Parliament.—The Mokau