

184. *Mr. Chairman.*] The whole thing may be summed up—namely, you object either to prospecting or mining upon your freeholds unless with your consent and under some agreement you may be satisfied with?—Yes.

THURSDAY, 20TH AUGUST, 1896.

Mr. SEYMOUR THORNE GEORGE in attendance as witness, and sworn.

1. *The Chairman.*] What is your name?—Seymour Thorne George.
2. And your profession?—My profession is that of an agent.
3. You wish to give evidence on the Mining Act Amendment Bill that is at present before the Committee?—That is my desire.

4. Would you, then, at once proceed with your statement?—It is my wish, Sir, to point out to the Committee the injurious effect the passage of this Bill would have on our mining interests, and more especially as regards its effect on the introduction of English capital. As you gentlemen are probably aware, being most of you goldfields representatives, for many years the goldfields industry has been languishing in this colony, but, thanks to the introduction of the cyanide process a few years ago, we are now able to make low-grade ores pay. In order, however, to do this a very large amount of capital is required, because unless you can work on such a scale as to turn out a certain quantity of ore the low grade will not pay. To do this requires a capital of, approximately, at least £25,000. We have never been able for many years to raise a working capital of this amount in the colony, and it has therefore been necessary to go to other markets for that purpose. For the last two years we have had what is known as a mining boom, and the capital has been coming in very freely. I might say with regard to this that the group of financiers whom I represent in the colony, and also many others with whom I have been connected in mining, have during the past few years floated no less than nine companies on the English market, the nominal capital of which is over a million and a half, and the working capital which they have found is at least £400,000. That has or will all come to the colony. All these mines, I might say, are being vigorously worked. This money has all come here without costing the colony a single penny. At this juncture, when everything is going on well, and my English people were on the look-out where to obtain freeholds as a better title than the ordinary mining license, when everything, as gentlemen from Auckland know, was in an exceedingly flourishing condition, and the business likely eventually to become a profitable one, the introduction of this Bill comes in, and will, without any doubt, cause great alarm to the English financier. We are now connected with certain groups of financiers at Home; and it has been said that if they do not take up the mines others will. I think it will probably not be so, because if the group you represent take up the flotation of a company at Home they go to other companies or syndicates working in the colony, and these other people generally take up shares; so that, although we have in Auckland about fifteen groups represented, in most instances at least three or four will be interested or concerned in the flotation of a company. The next point I would refer to is more particularly the company which this Bill most affects. I refer to the Kauri Freehold Gold Estates Company. This company was floated in London by the people whom I represent. It was taken up by a group of six financiers, some of the strongest men on the London Stock Exchange, and the whole of the capital, which consists of £250,000, was subscribed privately amongst themselves. Out of that sum £60,000 has been set aside for the purpose of prospecting and opening up the freehold blocks which they have obtained. These blocks, as you are aware, were bought from the Kauri Timber Company for cash and shares. I do not think it would be right for me to state the exact amount that was paid for these properties, for I do not think it has anything to do with the principle of the re-entry clause, and my people at Home are very particular that in all instances terms should be kept private.

*Hon. Mr. Cadman:* We shall want to know it—in fact, we have already got it.

*Witness:* I am only an agent for English financiers, and their instructions are that whenever I deal for them, if it is possible, to keep the terms private.

*The Chairman:* You are making your statement now and had better go on with it.

*Witness:* I may say that when the negotiations were proceeding—I did not carry out the negotiations here, and that is why I am not exactly fully intimate with what the terms were—instructions came from Home to, if possible, get all the titles transferred to the Land Transfer title, which was supposed to be an indefeasible title. What happens? Only a few months after comes this Bill. The people at Home pay over their money for this property. The assignment was made only shortly before the House, or during the time the House, was sitting. Having paid their money and taken over the property, after they have got the best title possible in the colony, down comes this Bill, which says, “We are going to take it away from you.” That is what this Bill simply means. What will the effect of that be in London? The effect must be serious, and a very little will turn the stream of money from this colony to some other colony in which there may be finds of value made. Well, this money is coming in now, and, although Auckland is reaping the benefit for the moment, it must benefit the whole colony. The West Coast is already beginning to experience the effect of English capital, and Otago will soon follow the same way—in fact, people are now negotiating for the purchase of properties in the South. Then, I may say that a syndicate in Auckland, of which I was one, were in negotiation the other day for securing the right to mine over 600 acres of freehold. The agreement was all drawn, and everything nearly fixed, when down came this Bill before us, and we decided at once that it would be impossible to send this property to England, and, consequently, it has been dropped in the meanwhile. I think that is pretty well all the statement I have to make to you. I may add that I am doubtful in my own mind whether the miners at the Thames desire the introduction of the re-entry clauses, which are the only ones I am referring to in regard to this Bill. It will stop the influx of capital, and on this point I would like to read an extract from a letter received by a friend of mine from London.