The Chairman: You will have to give the name of the writer or tear it off.

Witness: I have torn it off.

Mr. O'Regan: I think the name should be given.

Witness: You can take it for what it is worth.

Mr. R. McKenzie: I agree that the letter is no use to us without the name of the writer.

Mr. Allen: The witness is sworn, and he says it is an extract from a letter received from London.

[Witness then read the following extract: "We are fully alive to the danger of adverse legislation on the part of the Government through the delay in opening up the property, and had it not been for the absolute necessity of obtaining a new agreement with the Kauri Timber Company we should have floated the new company some time ago, and by now active operations would have been in progress. While admitting the danger from adverse legislation, if the lands are locked up for an indefinite time, and no move made towards their development, we fail to see how it could be in the interest of any party in power to legislate adversely, or attempt anything approaching confiscation towards a powerful combination of European capitalists, especially when it is their intention to have the said lands vigorously developed, and to influence a large amount of outside capital for that purpose. I can assure you that any ill-conceived scheme on the part of any Government tending towards confiscation would meet with strenuous opposition on this side the water, and would prove most detrimental to the interests of New Zealand and the working-man, by alienating Home capital from the very industry that it is the duty of Government to foster."]

Witness: I hand that letter in.

Hon. Mr. Cadman: It is practically an anonymous letter.

Witness: I think I have pretty well stated my case.

5. *Mr. Fraser.*] You said just now that the Home capitalist is very particular about getting a Land Transfer title, that being safer, and a better title for mining purposes than the ordinary mining grant?—The Land Transfer title is supposed to be an indefeasible title.

6. To do what?—To own property with.

7. Do you mean, then, that at Home they imagine that a Land Transfer title gives them a right to mine for gold and silver?—I take it so, most decidedly.

8. And if that were so, then, having a Land Transfer title, they would be subject to the penalties, pains, and restrictions of an ordinary mining grant?—Certainly, sir.

9. Do you know yourself whether a Land Transfer title gives a right to mine for gold and silver?—I would not like to express an opinion. Possibly. I believe it is a very disputed point whether the Crown's prerogative runs in the colony or not.

10. You are prepared to run the risk?—Yes.

11. They will undertake that risk?—They must undertake it; it is a question of law.

12. *Mr. Allen.*] In answer to Mr. Fraser you said that the Land Transfer title gives you a right to mine for gold and silver without bringing you under the restrictions of mining-law? Was that what you said?—Not exactly, because you must be under the mining-law as regards the safety of the mine; but you would not be under the mining-law as regards the full manning of your property.

13. *Mr. Fraser.*] You mean the conditions of working?—Yes.

14. *Mr. Allen.*] You would not be under the conditions of the mining-law as to the conditions of working or the number of men employed?—I presume not.

15. Who are the promoters of this corporation you are interested in?—You mean in England?

16. No; here in the colony?—Well, that is a very difficult thing to say, sir. I was not in it myself at the start.

17. Is Mr. Horton one?—Mr. Horton is the only one in the colony I know in connection with the matter.

18. Who else in the colony are now connected with it?—That I really could not say. There are a few shareholders, and the Kauri Timber Company, of course, holds an interest as part of the sale price of the property.

19. You do not know the others?—I know some who hold shares, but only in very small numbers, probably five hundred or a thousand.

20. Your capital is £250,000?—Yes.

21. £60,000 is devoted to prospecting?—To prospecting and developing. The intention of the people in England is to float subsidiary companies directly the finds are made and proved. We will do all in our power to prevent "wild-cat" companies being floated, as that would ruin us.

22. What amount was paid in cash to the Kauri Timber Company?—I do not actually know; but even if I did I could not give it as evidence.

23. *The Chairman.*] If the Committee require the question answered you will require to answer it?—I am afraid I cannot answer it.

24. *Mr. Allen.*] You do not know?—I know to a certain extent, but I have never seen the agreement at all, and have never read it. What they got was cash for their land and a certain interest in the company in shares.

25. You do not know the amount of the cash or shares?—I have got an idea, but I would not like to say that I know. I am not absolutely certain that I should be telling the correct amount, as I only know it from hearsay. I would rather not give the evidence. You will recollect I am on oath, sir.

26. Is there anybody else coming before us who can give it correctly that you know of?—That I could not say.

27. *The Chairman.*] Do you know of your own knowledge?—I am in the peculiar position of only having heard from hearsay, and have never seen the agreement, and I do not exactly see what the Committee are trying to get at.

The Chairman: Only an answer to the question.