

146. Will you give us your reason?—The reason is that people have bought land in good faith that this land could not be resumed, and formed companies with large capital to take up and develop these mines. Then they see that this land is liable to be resumed, and say, "We will not spend any money, because when we find anything good, people will rush the land and take it away from us."

147. You say you were consulted about those regulations?—No, I only saw a draft in embryo.

148. How do you reconcile the statement about blackmailing speculators after the discovery of a reef and then selling it?—They sell things without discovering them. There is blackmailing everywhere.

Mr. CHARLES RHODES in attendance, and sworn.

149. *The Chairman.*] What is your name?—Charles Rhodes.

150. And occupation?—Secretary of the Kauri Freehold Gold Estates Company.

151. Would you now make whatever statement you wish with reference to the matter.

*Mr. Rhodes:* Mr. Chairman and Gentlemen,—I do not know that I need go into this matter very particularly, because it is within my knowledge that a mass of evidence I have to give has already been placed before you. The evidence I wish to offer you now is simply confirmatory, and what I believe to be facts with respect to the effect that the passing of the re-entry clauses in the proposed Bill will have on the flow of capital into the colony for the development of mines. I think, if this clause be passed—in fact, I have information in my possession by way of cable from the Kauri Company there, which represents powerful capitalists, that they are already somewhat uneasy as to the effect the legislation will have, and if the Bill finally comes into force it will have the effect of checking capital. If the Land Transfer title which some companies and the company I represent have, and which others in the colony have, is to be opposed at short notice by legislation, it surely must have the effect of producing a sense of uncertainty with regard to other titles. I suppose it is within the knowledge of you gentlemen that in mining there are certain districts and certain colonies that have their turns, and it is the fashion to invest in them, and at present New Zealand seems to be the fashion. The tide of capital is flowing this way. If this legislation passes, and other titles offered which might be fairly satisfactory, it may be that this tide of capital will cease. The present mining revival in the North has already produced a marked improvement in trade and commerce. The prospects of the whole colony have improved and benefited by this, so that it is somewhat important that no check be put on the influx of this capital now, because by-and-by we might not get it. The country has lain idle for a long time, and it is only now that it has a chance, and the majority of miners say this chance should still continue. With regard to the clause in question, having moved about among miners where the majority of them are really anxious that no legislation should be passed whereby resumption of freeholds might be affected, I may say that some, no doubt, would be in its favour. Many others, I think, would be against it, especially as it is the fact that the mining areas already pegged out are so considerable that it would take probably the whole adult population of the colony to man them in accordance with the mining laws of the colony. It seems, then, there is no particular urgency to throw open more areas than are now in existence if we find such a difficulty in manning them. I know that every one of the mine-managers in the North is experiencing difficulty in obtaining miners to man their ground, and, with respect to the company I represent, our managers report from week to week that they cannot carry out work they are instructed to carry into effect, as men are not obtainable. Many men offer themselves for work, but when tried they are totally unsuited for the class of labour required to be performed underground. The employment of such men, of course, involves danger to those who are miners, by reason of the inexperience they bring to bear. About these Kauri Company's regulations, a copy of which I handed in yesterday, they are considered at the present time to be but a mere proof, and they are in an incomplete state, and liable to amendment like any other rules which have yet to be tested. These regulations were framed during the last two or three weeks to enable us to throw open certain blocks, and have been hurriedly done. That is one reason that they have not been printed. There is nothing hard and fast about them; they are subject to amendment, and we realise that this is so. They have been framed in some respects with special reference to making fair terms with prospectors, and those who go on to the land to look for gold and silver; and I am safe in telling you, with respect to those clauses which refer to prospectors who take up leases or come and report finds, that, with regard to all the thirty-four I issued before leaving Auckland, the men have expressed themselves perfectly satisfied with the terms of the company that are offered them. I refer particularly to clause 15 and 15c. You will see by referring to the regulations that the company proposes, if a prospector brings a find to them to open it up, if he wishes the company to do it, or allow him to do it, and if it be such as can be floated in London, they undertake to float it and give him as his proportion one-fifth in fully-paid-up shares, and if we open it up his proportion is 5 per cent. That is, that in a company of £150,000 his proportion would be £7,500, and he does not risk a penny. Those I have spoken to about the regulations have expressed themselves fully satisfied with them. I do not know that I need say much more except to refer to that clause of the regulations which states that the company reserves the adjoining blocks. That has been put in there for the set purpose of preventing pegging out and promoting wild-cat ventures on the strength of joint finds. It is rarely in the northern fields that 100 acres will cover the extent of a good find. The exceptions are somewhat rare. It seems to me clear that to prevent the pegging out of joint areas and floating them into companies is a wise course. There are already, I believe, a great deal too many small companies floated under the no-liability system with a small or nominal capital, and I am afraid that the calls required will prove a great tax on the shareholders in New Zealand, and, probably, a great loss to them.