1896.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE

REPORTS OF, ON THE MINING ACT AMENDMENT BILL, AND ON THE PETITION OF FREDERICK MOORE AND OTHERS, TOGETHER WITH COPY OF THE PETITION, DEPARTMENTAL REPORT THEREON, AND EVIDENCE.

Brought up on the 18th and 22nd September in the House of Representatives, and ordered to be printed.

Report No. 1.

Mining Act Amendment Bill.

The Goldfields and Mines Committee, to whom was referred the above-mentioned Bill, have the honour to report that, having duly considered the same, they recommend that the Bill be allowed to proceed, subject to the amendments shown on a copy of the Bill attached hereto.

18th September, 1896. J. McGowan, Chairman.

Report No. 2.

No. 250.—Petition of Frederick Moore and Others.

Petitioners pray for relief so that they may be enabled to enter into arrangements with the owners of lands alienated from the Crown to mine upon and develop the same.

The Goldfields and Mines Committee, in view of the fact that the Mining Act Amendment Act, which deals with the question of mining upon private lands, is now under the consideration of your honourable House, have the honour to report upon this petition that they have no recommendation to make.

22nd September, 1896. J. McGowan, Chairman.

Petition.

To the Honourable the Speaker and Members of the House of Representatives of the Colony of New Zealand in Parliament assembled.

The petition of the undersigned humbly showeth,—

That your petitioners are the holders of mining rights duly issued under "The Mining Act, 1891," and the statutes amending the same.

That your petitioners, acting as they believed in the exercise of such rights, selected certain claims on land situated in the Ohinemuri district, in the Provincial District of Auckland, known as the Waihi Blocks Nos. 1, 2, and 5.

That your petitioners have expended considerable sums of money in prospecting the said lands and surveying claims, and have duly lodged applications for the same.

That your petitioners have ascertained that the said lands, although situated within a mining district, are some of the blocks that were specially exempted, under clause 8 of the agreement entered into by the Natives for the cession of the Ohinemuri Goldfield, from the operation of the Mining Acts.

That Crown grants for the said lands were duly issued to the Natives declared by the Native Land Court to be the owners of the same, and were dated on the 1st day of September, 1879.

That in the Crown grants a reservation was contained that mining rights for gold or other precious metals could not be alienated to individuals except with the consent of a Judge of the Native Land Court, but there was no restriction preventing the free alienation of the lands.

That many years ago the said lands were duly alienated by the Natives to one George Vesey Stewart, who, we understand, subsequently transferred the same, but there was no transfer of the mining rights in manner prescribed by the said grants.

That, since the transfer to the said George Vesey Stewart of the said lands, your petitioners have ascertained that the Crown has acquired the mining rights not before transferred by the said Natives.

That your petitioners have approached the present owner of the said lands with a view to an arrangement being made whereby they could commence mining operations thereon, but although satisfactory terms can be arranged, yet, as the owner did not acquire the right to mine, your petitioners are advised that they cannot safely commence operations.

That your petitioners are advised that, owing to the peculiar reservation contained in the Crown grant, serious complications are certain to ensue unless arrangements are come to with the owner of the freehold.

That your petitioners are informed by the owners that, if your petitioners can obtain the right to mine under the proposed arrangements, the owners are prepared to relinquish their rights to the surface of the lands required by them for mining, and cede such surface as Crown land for mining purposes.

That if your petitioners have no reason to be in any way dissatisfied with the proposed arrangements, and are prepared forthwith, can they be assured of their position to develop any mines that may be found to exist upon the said lands, as the necessary capital has been provided therefor?

That, should the proposed arrangement between the owners of the said lands and your petitioners be carried out, the lands will then become ordinary mining lands, and will then come within the jurisdiction of the Warden for the district, and all usual fees and payments will be made on account thereof.

Your petitioners therefore pray that your honourable House will be pleased to take their petition into their most favourable consideration, and grant your petitioners the relief they desire, by enabling them to enter into the proposed arrangements with the owners of the said lands for the mining and developing of the same.

And your petioners will ever pray.

Frederick Moore.
A. F. Moginie.
E. B. Grey.
John Alison.
J. H. Gray.
D. S. Gray.
Sydney Coldicutts.

Departmental Report on the Petition of Frederick Moore and 5 Others, No. 250 Session 1896.

Mines Department, Wellington, 10th August, 1896.

The statements as to the issue of Crown grants to Natives, with a reservation as to the right to mine for gold or other precious metals, are correctly referred to by the petitioners.

The question as to the respective interests of the Crown and the owner of the freehold of the land are so intermixed that it has been proposed to the owner that, so soon as he has removed all doubts as to the validity of his title to the lands referred to in the petition by bringing them under the Land Transfer Act, the Government will be prepared to negotiate with him for the acquisition of his rights in respect to such lands. Should the Government ultimately acquire the lands, they will be opened for mining under "The Mining Act, 1891," and the amendments thereto.

The petition is returned herewith.

H. J. H. Eliott, Under-Secretary.

MINUTES OF EVIDENCE.

TUESDAY, 18TH AUGUST, 1896. (MR. J. McGOWAN, Chairman.)

Mr. V. B. TRAPP, Managing Director of the Kauri Timber Company, examined.

1. *The Chairman.*] Your name is Mr. V. B. Trapp, and you are managing director of the Kauri Timber Company?—Yes.

2. Will you make your statement to the Committee?

Mr. Trapp: Referring to the Mining Act Amendment Bill, I would ask you to thoroughly study the position in which it will place our company should certain clauses become law.

1. "Prospecting on land and resumption of the land for mining purposes."—This means the death of the Kauri Timber Company. You cannot put the ordinary land in the same class as timber land, as with timber lands, especially kauri, we are dependent upon creeks and streams to get the timber to the mill. Block these and the timber is wasted. In this clause you state that the payment is to be for surface-damage only; and without the consent of the owners the land can be taken for mining purposes. Now, take surface-damage only. To us it is not only unjust, but cruel, and I will point out the reason to you. We have about £250,000 sunk in machinery, so that if you paid the surface-damage only, I presume it will be the same as the Government charge for their standing timber. This is unjust, for we do not make on standing timber, but by milling it for the various markets; so that should compensation be paid it should be, and must be, the price of the timber, *plus* what we would make out of it by milling, and adding to it the cost of our machinery, which would have to remain idle. To give you an illustration of what I mean by this, say we have a block with 50,000,000ft. in it; we charge ourselves, say, the same royalty as the Government, 1s. per 100ft. The cost of getting that timber out and milling it would be 5s. per 100ft. Thus we spend £125,000 in labour before that timber is ready for the market. As most of it would be exported, this labour is paid by other countries; so, although we pay this amount, New Zealand gets it back again at a profit. As we make, or should do so, a profit by our sales, we have to take all this into consideration when arranging for the surface-value, which, I am sure, the Government would not listen to, and thus spoil the labour as well as the money coming into the country.

I want now to place before you the position of your taking land unless under arrangement with us. Suppose we have a bush partly cleared near the river which will take the logs to our booms, if mining is started on this, unless on the parts which we mark out, it would in all probability block the timber on two blocks behind it; so that, perhaps, in taking a thousand acres it may mean the loss of over 50,000,000ft. to us. Then, again, supposing they were to take the same quantity of land, or even lesser at one of the back blocks, we may have timber in front of it; so that it is absolutely necessary for the creeks to be in our possession, as we have to build dams in order to collect the water to drive the timber out. These dams cost from £800 up to £2,000 to build, and it may so happen one or two might be on the part taken from us. You can see the serious difficulty which will arise in this.

I now take you to what the company has done during the past three years. I cannot be responsible for the actions of the company, or the way it was carried on in the past, I only supervising it from March last year. During all the depression in Auckland, the cry of the unemployed was very little, most of them being either log-getting, or in the mills, or else gum-digging on the company's property. To give you a better idea of what this adverse Bill will do, I give you the amounts paid in labour, salaries, rates, and taxes during the last three years. Mr. Cadman has a signed copy from the auditor in Auckland. During the year ending 30th April, 1894, we paid £131,321 10s. 3d.; the 30th April, 1895, £148,876 15s. 5d.; the year ending 30th April, 1896, £211,674 4s. 1d.; so that in three years the total was £491,872 9s. 9d. And on the face of this the company lost, as per the balance-sheet, £63,824 17s. 4d. All the money earned, *plus* the losses, absolutely went in labour. Just now, judging from the payments being made, I should say it would be fully £250,000 for this year. But if the resumption clause passes it really must end our days. It is no use the Government stating the Bill will not harm us, it is very nice to think this; but you must allow us to be the judges, for this reason: Only two on this Committee have had experience in getting timber out, and I appeal to them to know if my statements are not absolutely correct.

You cannot tell how far-reaching the interests of this company go. We turn now, and I hand you a list of the vessels locally owned which are kept constantly trading for this company, taking timber to Australia, along the coast, and bringing the logs from various branches. It is a source of wealth to the country, and comes in an undercurrent, which nobody can absolutely trace; for instance, the vessels take the timber to Australia, they then—no matter which port they go to—find their way to Newcastle, and load coal back to some port in New Zealand. By this means your importing of coal, as well as your exporting of timber, mean the money for freight retained in the colony, a factor which must not be lost sight of. I want only to draw your attention to one other fact as regards shipping. We are loading about eight to ten large foreign vessels for the Home market. As fortune favoured us, these vessels came in ballast from the Cape; so that their expenses in your port, what with provisions, &c., would mean certainly not less than £500 a vessel, all considerations which must be taken into account before passing a Bill which must end the days of the company. It is estimated that we spend in freight £50,000 or £60,000 a year. Shipowners know that if they get 12 per cent. out of this they are doing uncommonly well, so that the advantages to this part of the business is very large. I want now to point out the number of others that are dependent upon the Timber Company for a lot of their business—wheelwrights, shipwrights, wharf-labourers, engineers, and various others who obtain employment indirectly through the company. If you take the number of hands employed directly and indirectly in getting and milling of the timber, it would mean certainly not less than four thousand, and indirectly in connection with its ramifications, another thousand. It is certainly running a great risk to these number of men. You may think it will not do the harm I state; I am absolutely positive it will, and every one employed in our company admits it. They are, in fact, eager to have a demonstration against any action of the Government to interfere with their rights and privileges. This I will not allow them to do; and you must not think, because our mill-hands are quiet, that they are not most deeply interested in the result. Some people seem to imagine that if they lose their position in the mills, or as joiners or carpenters, it is quite easy for them to go as miners. I think this cruel, unjust, unreasonable, and unfair. Why should they, earning good wages at a business they have had to learn, leave a district in which they might own their house, and perhaps a block of land they are improving as a stand-by for their old age, and take their wives and children most likely into a district which they do not know, and with the off-chance of getting a position as a miner? If any of you were to put yourselves in these poor, unfortunate men's position, I do not think you would rest as easy as they are doing. And all this is for what? One of the biggest and grossest mistakes which has ever been perpetrated in any part of the world. None of you, I think, have grasped what it means to New Zealand unless a stop is put to company-mongering. You down here have not been through many booms; I have, unfortunately, been in several, and can talk with a certain amount of authority on the results. Melbourne, in all its dishonesty and mad-brained speculation, was not within "cooey" of the present idiotic boom in Auckland. These most likely are strong expressions which the loud-tongued company-promoter will not like. I refer you now to your list of mines, and you will find, by adding them up, over twenty-eight million shares were on the Auckland Exchange by June this year. I notice since then 278 licenses have been given, consequently, if they can get fools enough, 278 more mines will be floated. If you cast your eye down the list you will find that for every company under seventy thousand shares they have half a dozen over ninety thousand shares. As they are no-liability companies, and in many instances from ½d. to 3d. paid up, what can they do? They must get machinery, they must sink shafts, and as there is no fund put aside it is compulsory that they should make calls, so that, if they make 1d. per share per month on taking two-thirds of the mines which will be in the market before this time next year, it will take certainly not less than £300,000 per year to pay calls. This means forfeiture all round; there is no getting away from the fact; you can all calculate it out, and say whether I am correct or not. What will this result in? Simply utter chaos, and the worst distress imaginable, and ruination to your mining industry; and ruins your timber industry, throws thousands of men out of employment for nothing, grasping at a shadow which may not exist. There are few of you that have been brought more into contact with the English people than myself; and they all state there is to be a wonderful future for gold-mining in the North Island, but a very bad one for company-promoting in its present foolish style. Seeing that the mines are being floated at such a rate, would it not be better, instead of opening fresh ground and crippling an industry, not to grant any more licenses for a year? As looking facts fairly in the face, can they hoodwink the British public any longer? Suppose he buttons up his pockets for a time, what are they going to do with all these mines they have floated? They are not manned, they get protection orders for six months in the hope of floating them at Home. If they have to make calls no one can pay—and, according to the statements of many influential men in New Zealand, only 3 per cent. of the present mines are any good—then why interfere with us for a paltry thousand or two acres of land?

In conclusion, I would give you a list of the mines quoted by one of the Melbourne circulars, and you will notice what legitimate mining is like. For every company in Melbourne over twenty-eight thousand shares we have half a dozen under twenty-five thousand shares. I think yours should be the same; and, instead of taking land without the consent of the owner, would it not at the present time be better in the interest of all in New Zealand to grant no more licenses, unless the company were not over forty thousand shares, with a paid-up capital for working-expenses of not less than £7,500?

3. *The Chairman.*] Is there anything further you wish to say to the Committee, Mr. Trapp?—No, except if there is a block, as one has been shown to us, where there is a good prospect of gold, we will do our best to clear that block; and if we have to put a certain amount of money into it—it will cost a certain amount to clear—we want a little consideration if we are compelled to clear it.

4. *Mr. Fraser.*] When it is cleared, Mr. Trapp, what then?—Then we would say, If part of the block is 1,500 acres, we would come to some arrangement, have one or two mines on it, and not go to the Government for any compensation. We have just given a mine to a man, although we had an offer of £6,000 and so much in shares. I would sooner have no mining at all, and have our timber. It is our timber that has lost us money, and we now stand a chance to make out of it; and it is the timber which keeps Auckland going. I wish mining had not sprung up at all.

5. *Mr. Allen.*] When was your land acquired?—Most of it was acquired before the goldfields proclamation. It is outside the goldfields area. There is some of our land in the goldfields area. Most of it is Land Transfer title—a good deal of it before 1863.

6. What do you mean by saying the mining would prevent you from getting the timber out? Would not the stream be there all the same?—The stream would be there all the same.

7. Then, you mean the tailings would block the stream against your timber?—Yes. Then, they might take water from any of our creeks and let our dams get dry.

8. What is the area of the land you hold—I mean only the Crown-granted land?—About 40,000 to 50,000 acres that is in the goldfields district. Then, we hold land up in the north of the Island, supposed now to be a goldfields district. We hold timber lands round Kaipara.

9. How much?—I could not say.

10. Is there mining up there ?—No, not yet.

11. The present land affected by mining is this 40,000 or 50,000 acres ?—Yes. We have been paying rates and taxes on that land for ages, and I suppose the rates and taxes must come to more than the surface-value.

12. What would you understand to be the charges on your timber land ?—They are of an immense amount.

13. Some of your land has been taken up for mining purposes ?—Yes.

14. By arrangement with yourselves ?—Yes.

15. How much ?—The Wangapoua Blocks.

16. How many acres have been taken up for mining ?—About 36,000 acres.

17. What arrangement is there—supposing prospecting turns out all right—for taking out mining rights ?—They have a right to take up others.

18. Is this 36,000 acres part of the forty ?—Yes.

19. Then, practically the whole of your land is under offer to a mining syndicate ?—Yes, they have practically paid the money.

20. What syndicate is this ?—The Kauri Company's Gold Estates Company.

21. *Mr. Carncross.*] You say you have lost £63,000 in four years ?—Yes.

22. I suppose it would not be hard to come to terms to buy you out ?—Yes, uncommonly hard, as things are looking up.

23. Things are mending ?—Wonderfully.

24. You do not expect this mining to continue ?—No.

25. How many hands do you give employment to in the bush ?—I have let contracts lately for about 60, 70, perhaps 80,000,000ft.; all that is brought out by men in the bush. We have men cutting them into lengths in the bush, making dams, and driving, &c.

26. How many men have you employed ?—Indirectly, 4,000. The contractors' men may not absolutely be in our employ, but in the employ of our contractors.

27. There are some parts of your land you are quite willing to allow men to go on ?—On certain sections.

28. That does not interfere with your creeks ?—We have sold some land, and we have kept control of the creeks.

29. About the syndicate ?—It is an absolute company.

30. How much money have they put into it ?—About £170,000 solid cash.

31. That is for the right of the property ?—Yes.

32. Have they done anything practical for you ?—They have now started to work right away. They cannot put any more men on ; they have have put as many on as they can. If this Bill passes they will have to take men off.

33. Have you any machinery in it ?—They have been opening up.

34. Is the Kauri Timber Company interested ?—Deeply.

35. *Mr. Fraser.*] You said you paid some taxes since you purchased the land. What benefits have you derived ? Has there been any expenditure on roads ?—We have no benefit at all. We have to make our own roads ; there are really no roads.

36. You referred to local bodies' rates, or paying land-tax ?—We have had to pay land-tax and local Council's rates and taxes, assessed on the income from the land.

37. You were speaking about the surface-value, and that that would probably be assessed at 1s. per 100ft. Have you any grounds for making that statement ?—None whatever. I presume what the Government would sell at we should be willing to sell at.

38. The price of agricultural land that the Government want to take away, the value is calculated upon the capitalists' profits. Why should not the same rule apply to the timber-land ?—If you put it in that way, I expect the timber will increase 30 or 40 per cent.

39. Is there no provision in the Bill which limits the compensation the company give to any particular parts ?—Only the surface-value land.

40. You say this English company paid from £80,000 to £100,000 ?—They have paid it into the bank either here or in England.

41. To the credit of whom ?—To the credit of the Gold Estates Company.

42. I understood you to say the £80,000 to £100,000 was for the right to prospect ?—It is to be spent on the ground whether there is gold there or not.

43. *Mr. Carncross.*] You said the company is deeply interested ?—We have a certain quantity of shares. The company has got a capital of £250,000, of which practically £100,000 of that is retained for prospecting the land. It is paid up to find out where there is gold.

44. *Mr. Fraser.*] The remainder ?—It is spent in various ways.

45. *Mr. Carncross.*] What do you estimate their interest at ?—I could not answer that question exactly. It is a private thing between the company and ourselves.

46. *Mr. Fraser.*] Has this company you refer to spent any money so far ?—Yes, and spending more every day.

47. Can you give an idea as to how much ?—I could not.

48. With regard to your own position apart from mining, you contend, I understand, that if this Bill is given effect to, by allowing all and sundry the right to prospect and clear roads throughout your land, it would hamper your industry and ultimately compel you to give up ?—Yes ; perhaps these people will wedge up a creek and interfere with water that we could get timber out by.

49. Do I understand you to mean that, in the event of the Bill passing, the only fair way would be to claim that the whole be taken from you at a fair value ?—Yes, at a fair value, and the value must be taken on the basis that I stated. Then, of course, it will want £500,000 to £700,000.

50. Then, you have 40,000 or 50,000 acres. Supposing they were purchased at what you consider it fair compensation for these particular acres, that would be the value of these. It is not,

then, the particular surface of the particular portion taken, but the relative value done to the property?—That is it.

51. You know there is a provision in the Public Works Act, do you know whether that provision applies?—It is doubtful.

52. Another point you raised is this: that your company has spent so much capital employed and employing so much labour—spending so much in wages—that it is a question whether so large an amount would be spent in mining?—Ours is certain, mining is not.

53. How long are your operations likely to continue?—I hope for fifty years, because kauri is going to get dearer and dearer.

54. You mean the money you are going to expend could be expended over fifty years?—For, say, twenty years, and then by that time we would still be a large concern, and New Zealand would have to import the same as other places, and the prices of getting kauri out would be so much higher, the difference would be still in it, and you could reckon that about £200,000 a year would have to be spent.

55. *Mr. R. McKenzie.*] Did your company invest their money in this land for mining purposes or for milling purposes—that is, the Kauri Timber Company?—The prospectus stated they had bought a certain amount of timber-land and a certain amount of land which would some day help to build the company up on account of its gold.

56. Do you consider that an honest prospectus to issue?—I cannot help what prospectus was issued. I had nothing to do with the company.

57. Do you consider that was an honest prospectus to issue?—Undoubtedly it was.

58. When the Kauri Company issued that prospectus were they aware they had no right to the minerals?—As it has never been tried; and never tested, everybody who had land would presume the Land Transfer title was indefeasible.

59. You referred to the number of vessels employed, and you afterwards said they carry coals back?—Yes.

60. Do you consider that a benefit to New Zealand?—If you did not do this some foreign vessels would have to bring it, instead of those bringing it now.

61. Is there not plenty of coal in the Auckland Province?—If you will show us where there is coal we will get it.

62. You say you have four thousand hands employed?—Four thousand directly in the timber business and one thousand indirectly.

63. The statistics of the colony show only eighteen hundred or two thousand are employed?—If there are only eighteen hundred men employed, and we spend £200,000, they are making too much money out of us. In getting the logs they have to be cut down, taken out, rafted down, put into the mill, and then shipped, all by different lots of men.

Hon. Mr. Cadman here stated Mr. McKenzie was wrong.

64. *Mr. R. McKenzie.*] You say if this Bill passes into law all these men will have to be thrown out?—You will have to make timber to keep them.

65. You do not imagine we have the intention of burning the kauri forests?—The kauri forests are getting scarcer; and let miners in and it will be burnt.

66. We know your company suppose no other company is likely to take up the kauri forests?—They cannot.

67. With reference to that word you substituted when reading your statement, Mr. Trapp, you say it was one of the biggest—presumably you mean one of the biggest legislation swindles ever perpetrated?—No; what I meant was this: "All this is for what? One of the biggest and grossest mistakes which has ever been perpetrated in any part of the world. None of you have grasped, I think, what it means to New Zealand unless a stop is put to company-mongering. You down here have not been through many booms. I have, unfortunately, been in several, and can talk with a certain amount of authority on the results. Melbourne, in all its dishonesty and mad-brained speculation, was not within cooey of the present idiotic boom in Auckland."

68. You say no more than 3 per cent. of the companies floated are legitimate ventures?—Will be legitimate ventures. I think I got that remark from you, Mr. Cadman.

Hon. Mr. Cadman: Not 3 per cent.; but I am quite prepared to say a very large proportion of the companies floated will never do any good. It is the same all over the world.

69. *Mr. R. McKenzie.*] Of course, this is a very sweeping accusation against the mining community of the colony?—It is not the mining at all, it is the company-mongering which I look upon as bad—for instance, people offering from 80,000 to 100,000 shares of a company at 1d. a share paid up with no liability. If a stockbroker floats 25,000 shares he only gets a certain amount, and prefers to float 120,000 shares.

70. Do you mean this to apply to the Provincial District of Auckland wholly?—No; but the West Coast, I believe, is very sound.

71. I can assure you they are floating companies there, but more than 3 per cent. are legitimate ventures?—The West Coast is sound.

72. Do you mean this to apply to the Kauri Company's ventures?—No; because they have the £100,000 subscribed for prospecting.

73. How much is supposed to be proclaimed goldfields?—It is not in the goldfields area.

74. I understood you to say you had 26,000 acres?—I cannot tell you without a map which is the goldfields area.

75. You have disposed of these 36,000 acres. Under what legal authority did you dispose of it for mining purposes?—Under the protection of an English colony, for a Land Transfer title is indefeasible.

76. Of course, your principal objection to this Bill is that it is likely to take away the rights of that company to any mineral?—I wish to heavens I had never seen this new mining company.

77. What is the nominal capital of this new company?—I do not know whether I can answer that question.

78. Is it £500,000 or £250,000?—I do not feel called upon to answer that question. Mr. Chairman, is there any necessity to answer that question?

79. *The Chairman:* If the witness declines to answer the question I do not think we can call upon him to answer it.

Mr. Trapp: I think it is £250,000.

80. *Mr. R. McKenzie.*] How many shareholders were there in it when you sold out?—I could not say.

81. Are the Kauri Company shareholders?—They are interested. We are not exactly the promoters.

82. Can you tell us who the promoters are then?—Mr. Horton. I deal with the English people through Mr. Horton.

83. You can only give us Mr. Horton's name then?—I believe that there are a lot of others interested in it—Mr. Seymour George, the Wilsons, the Nathans, Mr. Coates, and there are several others.

84. Are you manager of the Kauri Company?—Yes.

85. Are the Kauri Company shareholders?—To a large extent.

86. And do you know who are the shareholders in the colony?—We are the shareholders on the one part, with Mr. Horton and others on the other part.

87. You do not know any others?—No.

88. You only know one promoter in the colony?—I do not really know that he is a promoter. It was an arrangement between Mr. Horton and our people.

89. How many paid-up shares are there in this company?—About two hundred and fifty thousand.

90. I would like to know who has got them all?—You can get quotation-lists in the Auckland market.

91. I want to get the whole of them?—I do not think you can get that information until it comes out from England.

92. You say Mr. Seymour George is a large shareholder?—A shareholder.

93. Is he the only one?—No; Mr. Coates, the Nathans, Mr. Horton, and the Wilsons.

94. About these streams: You say the tailings will block the creeks so that you cannot get your kauri timber down?—Yes.

95. Can most of these creeks be diverted?—Then it will take the water from our dams.

96. Is it necessary to put the tailings into these creeks?—Where would you put them?

97. It is an easy matter to carry the tailings away.—It is not as if you were only going to have one mine doing it, but you are going to have so many. We must have flood-water.

98. Under this Bill there is no necessity to take the water away?—Then the Bill is of no value; if you cannot get water then the mining is no good. We have the rights and privileges of the water, and we must hold them; they cannot use it.

99. If it is diverted at a battery and returned to the creek again, that does not take away your water?—Suppose they put up a dam and we have some logs behind that dam, when they come down the dam would have to go.

100. They need not make that dam the same?—They will have to have a dam there to collect the water.

101. Yes?—Well, when that dam is set up the next lot of logs that comes down from the dam, and the weight of five hundred logs will knock it down.

102. Your principal objection is that the tailings will block the creek?—My principal objection is that the Bill ruins the timber trade in every way. It is the number of mines and number of creeks.

103. How many mines do you think will go to work?—I hope one hundred or three hundred, the more there are the better it is for us.

104. I thought you said you wish you had never heard of this company?—You cannot really tell what is in the land. Supposing there is nothing in half that land and you have taken our timbers, it is really no good to us.

105. Would you object to this Bill if the Government took over the whole of the land?—We would most decidedly object.

106. Why?—Should people that have been led from their boyhood to believe that a certain thing is law, and who have an indefeasible title, be subjected to people coming and taking their land.

107. The question is, if your land is taken at a fair valuation, do you still object to this Bill?—Yes.

108. On what grounds do you base your objections?—My grounds are in my statement—it ruins my company.

109. What! to have your lands taken at a fair valuation?—Yes, undoubtedly.

110. You state that within twenty years, if this Bill passes, you will have to import timber?—If that Bill passes, within five years.

111. What are the principal clauses that you object to?—Principally, 3 and 4, and 2.

112. Do you also object to prospectors going on your ground?—Not if we can come to some satisfactory arrangements.

113. What are the conditions?—They are too large to state, if they do not interfere with our timber and we have the control of what they are doing.

114. You would not be prepared for the Government to make regulations for prospectors to go and prospect?—Undoubtedly not.

115. *Mr. Mills.*] What quantity of the land that your company own is now in a proclaimed goldfields district?—I should say about eight or ten thousand acres; perhaps more, say, fifteen thousand.

116. Have the Crown any reserve rights to the minerals over it?—No.

117. Can you suggest any plan by which the mining industry could be carried on satisfactorily without any injury to your timber industry?—That is a very large question; each block of our land would have to be separately treated.

118. What timber do the company consider they own?—In that place from about three hundred and fifty to four hundred and fifty million superficial feet.

119. Do I understand your company have only parted with their mining rights to the syndicate at Home?—We have parted with the title of the land for straight-out sale, but reserve all rights and privileges to get our timber out.

120. You still, however, hold and reserve the timber?—Yes.

121. Does the present company—that is, the Timber Company—hold large interest in the syndicate?—As large as I could possibly get from them.

122. *Hon. Mr. Larnach.*] How long is it since your company was first floated?—Between seven and eight years.

123. Have you a copy of the original prospectus?—No.

124. Have you seen it?—I saw it in the Melbourne papers.

125. Can you carry your memory back as to whether, although floated as a timber company, it did not specially refer to having considerable mineral possessions?—It did refer to it in the prospectus.

126. You have no connection with the goldmining now going on?—No.

127. Are all your freehold lands under the same title? and do you think you have the absolute right to all that is in the ground?—Yes, so far as I know.

128. Then, those 36,000 acres you sold, they were freehold?—Yes, under the Land Transfer.

129. Then you have sold your title under the Land Transfer Act?—Yes.

130. You know something of land?—Yes.

131. With reference to the kauri-land, what is your opinion in respect to that land for agricultural purposes, absolutely worthless I suppose?—You get a few hollows where it is good, but a thousand places where it is not.

132. Your objection to this Bill in the first place, I take it, is in the interests of the company you represent?—Primarily.

133. You have had some experience in connection with the floating of companies, and also in financing for companies; you have read this Bill, and understand its different provisions; now, to put your company out of consideration altogether, what, in your opinion, would be the effect upon the progress of mining in this colony so far as influencing or discouraging the introduction of capital to the colony if this Bill becomes law?—No more capital would come into the colony of New Zealand, or very little.

134. *Mr. W. Kelly.*] You say each block would have to be separately treated?—Yes.

135. How many blocks are there?—About thirty or forty.

136. On the East Coast?—Yes, some are up to 5,000 acres in extent.

137. Numerous arrangements would have to be made?—Yes.

138. You say you have sold the freehold and reserve the right to "take off" the timber of the 36,000 acres?—Yes.

139. Was that registered?—I think they had to pay £800 bill-stamp.

140. *Hon. Mr. Cadman.*] You say, Mr. Trapp, you have sold 36,000 acres. I presume that refers mostly to Whangapoua?—Yes.

141. Have you any objection to tell the Committee how much cash and paid-up shares?—The deed will show that.

142. With respect to Whangapoua, I suppose 30,000 acres would be in Whangapoua?—I think there are about 32,000 out of the 36,000.

143. Can you tell us how many millions of feet are left in Whangapoua now?—Roughly, about thirty-two millions.

144. Does that include Punga-Punga?—Not sold.

145. Can you give us some of the names?—Otongaru, Hikutawatawa, Waitekauri, and Owera.

146. You stated, also, one of the objections you had to the Bill was the tailings would go in and block up the creeks. Do you consider yourself an authority on mining matters?—I do not.

147. Suppose tailings did block up a creek, the first drive of logs would sweep those tailings away, without a doubt.

Mr. Trapp: Then where would those tailings go?

Hon. Mr. Cadman: Into the sea, I should say.

Mr. Trapp: If they have to go down a creek they may stick to the side. You know, if you send a drive of logs, some go to the sides, and naturally some of those tailings would go to the sides.

Hon. Mr. Cadman: The tailings from stamper-batteries are as fine as sand, and, even if the creek was blocked up, the first drive of logs that came along would simply clear the whole creek out. I have seen a stone nearly half the size of this room rolled for a hundred yards. As far as the *débris* going into the creek is concerned, the first drive of logs will simply clear the whole creek out.

Mr. Trapp: Where would the earth go?

148. *Hon. Mr. Cadman.*] The earth on the banks?—Yes. If you start on a new creek, it may not be 5ft. wide, but before you are done it may be 50ft. wide. The earth would all go away into the sea.

149. You come from Victoria, I understand?—Yes.

150. Have they not a right to mine on private property in Victoria?—I think from 1884.

151. You admit they have a right to mine on private land in Victoria?—Yes.

152. Are you aware they have a right to mine on private land in New South Wales also?—I think there was a Bill to that effect, but it was thrown out in the Upper House.

153. You are not aware they have a Bill of 1894 which is on the statute book?—I believe there was a Bill tried, but was thrown out by the Upper House.

154. That is, this last session?—Yes.

155. You spoke about the profits of the company from the timber: Have you any objection to tell us what profits the company have made from their timber since they have been in business?—Last year they lost £3,000 and the year before £29,000. Since I came I altered the loss from £29,000 to £3,000, and I expect to make a profit of £30,000 this year.

156. You stated your company paid rates and taxes quite equal to the surface-value of the land?—Taking the surplus value outside the timber.

157. Have you any objection to let us know what the accurate value of the properties are?—I have not the slightest idea.

158. With respect to Whangapoua, I understand your company is offering it to prospectors?—I do not know anything at all about it; they will be before you in a day or two and can explain it.

159. *Hon. Mr. Larnach.*] I understand you to say, Mr. Trapp, that the Kauri Timber Company have no objection to prospecting on their lands providing it was carried out on mutually fair terms?—Mutually between the Government and ourselves.

160. Would you mind telling the Committee what are your conditions?—Each block would have to be provided for separately.

161. In fact, the conditions your company is ready to make with regard to the prospecting are such that your company could carry out?—From time to time.

162. Then your company has always been ready to encourage prospecting in that direction?—No; that is the reason of the Bill.

163. Have you ever received applications for prospecting?—The company have refused in the past, but that is now changed.

164. Now that it is under your management?—We have refused nothing in reason.

165. Your company is prepared to make any arrangement reasonable on certain conditions?—On certain conditions. We had a plan drawn up last year to allow certain prospecting, to pay the prospectors a certain amount, to give them an interest, and to help them in every way.

166. In any gold found on the company's land, do you claim a royalty?—We would go into a company with them or claim a royalty.

167. Do you know the amount of royalty usually claimed?—It depends upon circumstances.

168. *Mr. R. McKenzie.*] Did you give a Land Transfer title with this 36,000 acres?—To the Bank of Australasia to be handed in escrow in London.

169. Is the Kauri Gold Estates Company registered in the colony?—It is to be, I believe.

170. I suppose this company is now in course of formation?—Everything is paid up.

171. It is not registered in the colony?—I do not think they have had time.

172. *Mr. W. Kelly.*] I understood you to say the deed was registered in Auckland?—When you get a Land Transfer title you have to pay a certain amount of transfer. It has been transferred from us to them.

173. *Mr. Allen.*] The capital of this Gold Estates Company is £250,000. Does that include the freehold?—Yes.

174. £80,000 to £100,000 is to be spent in prospecting?—Yes.

175. *Mr. Fraser.*] Mr. Trapp, you said the amount of rates and taxes on it really amounted to the surface-value of the land. Do you mean the surface-value to you or the amount the Government would pay you?—The amount the Government would pay us as fair compensation for previous value.

176. *Hon. Mr. Cadman.*] There is a portion of the Bill, Mr. Trapp, which deals with the question of the surrender of outstanding leases of Native or other lands—section 27?—If you could put in one word——

177. I am speaking of it generally.—Does that mean you could make any arrangements you liked with us?

178. To come to some arrangement.—To come to some amicable arrangement with ourselves, whether we take money or anything else as compensation?

179. I mean virtually able to make arrangements. Would you prefer having this clause taken out of the Bill? These clauses, from section 27 onwards, are put in purposely to meet the Kauri Timber Company. Do you, Mr. Trapp, object to these clauses and think they should come out?—May I ask you a question? What is the meaning of compensation? Does it mean exchange?

Hon. Mr. Cadman: I cannot answer that question.

Mr. Trapp: If it means exchange or arranging we have no objection, but if it means paying surface-value, then it comes back to the one point: Why should we, if you ask us to benefit mining, spend £30,000 to £40,000 for a block to help the Government, and not have a prior right to something in that if we do not accept compensation. I should like to see the clause more definite as to the word "Compensation."

180. *Hon. Mr. Larnach.*] On the subject of this large amount of stamp duty paid—£800—are you aware of the rate per hundred?—No, I am not.

181. Do you still decline to say what the price was of that land sold?—It would be about £40,000.

182. How many shares did the Kauri Company take up?—As many as I could possibly screw out of them. We took between £30,000 and £40,000 in paid-up shares.

183. *Mr. Allen.*] You will not tell us the cash you got?—We have got £37,500 in cash from the English people, and they had to spend £900 for survey-fees.

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.

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.

Witness : It does not seem to affect the question of re-entry.

The Chairman : That is for our decision.

Mr. Allen : This witness refuses to answer.

The Chairman : We must get either an answer or no answer.

Witness : Then I must refuse to answer. That will probably be the best way of putting it.

The Chairman : Then I would suggest that you retire and the Committee will deliberate.

Mr. R. McKenzie : I think you might ask for the approximate amount.

Mr. Allen : Perhaps it is fair to ask him for the approximate amount. I do not want him to answer what he does not know.

Witness : I know approximately.

The Chairman: Your answer, when given, becomes the property of the Committee. If the Committee will be satisfied with that answer I shall be happy to go on.

The Committee decided "Aye."

Witness : The approximate amount was one-eighth in shares, and, I believe, something like £1 an acre.

28. *Mr. Allen.*] In cash?—Yes.

29. How many acres?—There are thirty odd thousand. I do not know the exact area.

30. *Mr. Duncan.*] How many shares?—One-eighth of 250,000. I am not perfectly confident about it, but I believe that was the amount.

31. *Mr. R. McKenzie.*] Does that mean fully-paid-up shares?—Yes, fully paid up.

32. *Mr. Allen.*] That is to say, about £70,000 went in cash and paid-up shares, and about £60,000 is to be devoted in prospecting?—Something about that.

33. That is £130,000 out of the £250,000. What became of the balance?—I could not tell you. The people who float at Home generally get a very large interest for finding the cash. The usual thing is that they take about two-thirds. I am always pleased if I can float a company at Home and get one-third back, unless it is something extra good.

34. There is only one of these corporations in England connected with it?—I believe there are five or six, but I do not know, and cannot say. These things they keep to themselves always.

35. Is the Anglo-Continental Corporation connected with it?—I really do not know, but I believe they are.

36. *Mr. Duncan.*] What quantity of land is comprised in this application to be taken up under this company?—Some 30,000 acres.

37. This prospectus you have mentioned is to cover the whole 30,000 acres?—Yes; that is what they bought.

38. Who was it bought from originally?—From the Kauri Timber Company.

39. Originally?—I believe the original grants were direct from the Natives.

Hon. Mr. Cadman : Yes; that is quite right.

40. *Mr. Duncan.*] This company has bought from the Kauri Timber Company 30,000 acres?—Yes.

41. Were they aware that they had no right to the minerals when they went into this purchase?—We thought we had every right. That is why we bought it.

42. They would surely have advice on the matter before they went into such a large undertaking?—I do not think they considered advice would be necessary. The best legal advice was taken.

43. Do you consider yourself an expert in mining business?—I do not like the name expert at all, sir.

44. I am not surprised at that. However, you have a knowledge of how mines are worked?—I think so, sir.

45. Do you really think it would be to the advantage of New Zealand to allow land to be occupied under similar conditions to those, so that blocks of 30,000 acres would be handed over to a company to do what they liked with—mine or no mine?—It would not pay a company to tie it up.

46. If they do not get the labour they could tie it up?—The object of the corporation that has taken up this block is to develop it, and then float subsidiary companies. That is how they are going to make their money. That is what we are proposing to do, and what we are doing now.

47. What I was alluding to was the fact of this company expecting to get this concession. Would others get it, too?—I should say that if strong companies take up blocks of land it will be a good thing for the colony. It brings in English money without any cost to the colony, and it is not as if there is no mining land left, and I may say that I believe many shareholders of the smaller companies will certainly lose their money.

48. It does not matter whether large ones use it or not?—Well, people without capital are rushing into the small ones as if they were mad.

49. Have they brought this land under the Land Transfer Act?—I believe the whole of it is under it now.

50. Do you know on what date that was got?—No; I could not tell you that.

51. *Mr. W. Kelly.*] You stated just now that when this land was purchased the purchasers understood they were entitled to mine?—Certainly they did.

52. And you said previously it was a question of law?—That is the question Mr. Fraser asked me, whether the Crown held the prerogative over the Royal minerals; that is a question of law.

53. *Mr. Fraser.*] Whether you could mine without the permission of the Crown?—We maintain we can, of course.

54. *Mr. W. Kelly.*] I apprehend, then, that all other lands in the country under the Land Transfer Act would be in a similar position to this land?—No, I think not; because, as far as I can remember, there was an Act passed in 1873 under which, when any land was alienated by the

Crown, the Crown held the mineral rights, thereby showing that prior to the passing of that Act they conceived they had not the mineral rights.

55. That is what your company bases its claim on?—Purely.

56. Supposing this Act was passed, how would it affect your company when there are ample means for compensation for lands taken from them?—It would affect them in this way: the land would be taken from them.

57. You would be fully compensated for it?—On surface-value only, whatever that may be; and if you take the Coromandel Ranges, and take off the kauri-trees, 2s. 6d. an acre would be dear.

58. If you have the right to the mines I suppose you would be able to show they are of value?—This Act would take away the mines and give you only surface-value.

58A. You say the capital of the company is £250,000?—That is so.

59. I notice Mr. Gordon has made a statement that it is £600,000?—I think Mr. Gordon is wrong.

60. *Mr. R. McKenzie.*] At the commencement of your address you said this Bill affected the Kauri Freehold Gold Company principally?—I do not know that I said that, because there are other companies in the same position.

61. You consider your company to be the principal one?—No; there are much larger companies than ours.

62. You have told us the amount that was paid?—Yes, approximately.

63. You are not one of the promoters of the company?—No.

64. You cannot say who they are?—To my knowledge Mr. Horton was the only one in the colony.

65. Has this company got a colonial board of directors or an advisory board?—Yes, sir.

66. Can you tell us who they are?—Mr. Horton, Colonel Burton, Mr. W. S. Wilson, and myself.

67. Is the company registered in the colony?—I think so.

68. I would like you to say definitely?—I think it must be registered. We have a registered office, I know.

69. You say as a fact it is registered?—I do not say as a fact, but I know it must be, because you cannot carry on business without.

70. You told us there are few shareholders in this company?—Yes, in the colony.

71. Can you tell us the names of those who hold these shares, and who paid for them originally?—I do not think I should be right in replying; that is going into private individuals' business.

72. It is very important, in my opinion?—I only know one or two who hold shares, but there may be others; they held no shares till the company was floated in London.

73. I would like to find out who they are?—I do not know any one who can tell. The colonial register has not been opened.

74. *The Chairman.*] Your answer is that you do not know?—I know a few—my own personal friends—but it would be impossible for any one to give a list of the shareholders.

75. *Mr. R. McKenzie.*] What effect will this have on the Kauri Company?—I take it it will better their position.

76. I mean the passing of this Bill?—Oh! most detrimental. I thought you meant the effect of the company.

77. How will it be detrimental?—Because it will interfere with the flotation of subsidiary companies in London, the advantage of which they would share.

78. I suppose you are aware of the Ohinemuri——

The Chairman: That does not apply here at all.

79. *Mr. R. McKenzie.*] As long as it does not apply I do not want it. Were you satisfied when you went into this company that you had got a title?—Yes; I never had any doubt in my mind.

80. Are you aware of a company holding about a hundred thousand acres of land, and exploiting it for similar purposes?—Yes; Taitapu.

81. They are in a somewhat similar position to what you are?—I think so; I should say in an exactly similar position.

82. You say this land was granted direct from the Natives?—I believe so.

83. Do you know if any minerals were reserved for the Crown?—No; I do not know that there were. There are instances where Natives sold their land on the Coromandel Peninsula and maintained their mineral rights; and there are cases, I believe, where the Crown has bought from the Natives and allowed them to retain their mineral rights.

84. Did the Crown buy from the Natives in this case?—I do not think so.

Hon. Mr. Cadman: No; the Crown has never held this land. It went direct from the Natives to Europeans, and passed on through two or three hands to the Kauri Company.

85. *Mr. R. McKenzie.*] Do you think the effect of this Bill will be to drive capital from the colony?—Most decidedly. We have already had cables from London asking what those re-entry clauses are. Once you check the stream of English capital it is most wonderful how it ceases. You will have gentlemen before you who can probably speak more definitely on this subject than I can—Mr. Gordon and Mr. Hunt, who represent the Rothschilds at Home.

86. Do you think their evidence will be from interested motives?—I think they will speak the truth.

87. *Mr. O'Regan.*] I think I understood Mr. George to say that the freehold was necessary to give proper security?—Not absolutely necessary, but they like freehold because they consider it best.

88. And this Bill will check the influx of capital? How do you account, then, for money coming to the West Coast where we never think of giving a freehold title?—Once you raise the question of changing the title from freehold you do not know what is going to happen.

89. It is this feeling of uncertainty that causes anxiety?—Yes.

90. Do you consider it equally as legitimate to resume land for mining purposes as for other purposes?—There is this difference: that when you resume land for settlement the owner of the property gets the value of his property, and is glad to get it; but when you resume land for mining purposes you are resuming land that is valueless for other purposes.

91. You must consider this: that in many cases the minerals are worthless comparatively in the ground, and it is merely problematical whether they are there; therefore your argument will only apply to ground that has been proved to be rich?—You do not know whether land is rich until it has been tried.

92. *Mr. Mills.*] Did I understand you to say that you negotiated the sale of the property?—No, sir; I had nothing to do with it.

93. Do you know who did negotiate it?—Mr. Horton was the only one I knew in the colony.

94. Do you know what rights he negotiated?—He simply negotiated the freehold.

95. Did he convey the mineral rights?—It was certainly considered that it did so, but there were certain restrictions about timber.

96. Did they sell the timber rights?—No; certain blocks we cannot touch for some time, till they cut the kauri bush.

97. Do you consider the colony has any right to the minerals on this land?—I hold peculiar views on this question. I do not think the Crown has any right to the minerals. It has been acknowledged by the fact that the Natives had a right to the minerals, and you have issued miners' rights, and the Natives get the money.

98. Do you know that the Land Act gives no right to any minerals?—That Act is since 1873, and it also proves that the Crown has no right to these minerals, I take it.

99. If the right of these minerals is vested in the colony—proved to be vested in the colony—would the company be prepared to make any concession on receiving the right to the minerals?—I could not say. There is an easy way out of the difficulty. If the Crown thinks the colony owns the Royal minerals, why not put on a royalty and have done with it.

100. Would the company be prepared to pay a royalty on the minerals raised?—We do pay royalty in the North Island, which the South Island does not pay. We pay 2s. an ounce on every ounce we export. It goes to the local government.

101. Do you know whether they would be prepared to work these mines under the Mining Act?—I do not understand the question exactly. They must work under the Mining Acts.

102. You stated a short time ago the freehold tenure gave owners the right to mine or not mine as they like. Our Mining Act is very explicit as to how all mines should be worked, and if the company is about to start operations on an extensive scale, as you have explained, I wish to know whether they would work under the present mining-laws?—That I cannot answer. Of course, if the present mining-laws are enforced, the men are not here to carry them out. We cannot get miners now.

103. You cannot get sufficient?—Not what I call miners; you can get pick-and-shovel men.

104. Have they done anything yet towards the prospecting of this property?—Yes; we have already got about forty men at work.

105. Prospecting for reefs?—Some prospecting and some opening up known reefs; and there are also applications by outside prospectors—some thirty odd.

106. What has the company done with the timber rights on the same property?—I do not know what the Timber Company are doing with the timber they are cutting there.

107. What blocks are they on?—I cannot tell you.

108. Is it where these men are prospecting?—No; we cannot let prospectors into kauri bush. They would be worse than gum-diggers. We have no right to touch this till the bush is cleared.

109. What class of country is prospected over?—Where the bush is cleared.

110. *Mr. Carncross.*] You say this is a group of six financiers?—Six corporations.

111. You did not say individuals?—No.

112. You say the re-entry under this Bill would seriously affect the Kauri Company. Are there any other companies that would be in the same position?—Yes; the Taitapu in the other Island.

113. Do you know any other companies in the same position as the one you represent?—I take it every mine with a freehold would be affected.

114. Do you know of any large blocks?—Personally I do not know of any, but I know there must be some.

115. You put in an extract from a letter?—Yes.

116. Was it written by some one whose opinion you admit to have weight?—Yes, sir, one who has put thousands on thousands of pounds into mining in the colony. One of the strongest men on the London Stock Exchange.

117. Where was it written?—In London.

118. You do not know the date?—No; it arrived about two months ago, and was written to a friend of mine.

119. What was the cause of that letter being written?—I do not know.

120. It refers to confiscatory legislation. Was there any rumour then of this Bill?—I do not know, sir.

121. It is a matter of importance if this letter arrived here two months ago, before this Bill was circulated. It looks as if it was written after. Did you know of any contemplated legislation four months ago?—I hardly recollect when this legislation was first talked about.

122. With reference to the promoters in the colony, have they put any money into the concern?—Yes, certainly; I put some in myself.

123. That is, it will be in when the shares are allotted?—Yes.

124. There are some 30,000 acres of mineral country affected by this Bill. How do you propose to deal with it?—We can only deal with that portion which is cleared, and we propose to throw it open to prospectors, and on finds being made there are several ways of dealing with them.

125. Is it not to be worked by floating a large number of companies in London?—That is what we are trying to prevent. One "wild-cat" company would ruin us. Directly we find anything of value—of sufficient value—to offer in London it is our intention to offer it.

126. In other words, there will be a lot of companies?—I hope so.

127. What was the original object of starting the Kauri Timber Company?—As a timber company. They bought up all the kauri timber companies in Auckland which were in the hands of the bank—some five or six.

128. You say this Bill will be detrimental to their interests?—Yes.

129. Not detrimental to their original idea as a timber company?—As shareholders in this mining company.

130. I suppose you have no knowledge what price was paid to the Natives for this land?—Not the slightest; it was bought years ago.

131. *Mr. Fraser.*] You say that the effect of this Bill upon the Kauri Company would be their inability to derive any advantage from the flotation of these mines. Do you say that there would be any other disadvantage with regard to the working of the kauri forests?—I could not tell you that.

132. You did not mean to say that that was the only disadvantage?—I do not know; but under this Bill you can only resume for mining purposes. Suppose you resume a block of kauri-trees, then you only compensate for standing trees. I only mean to say that it would be detrimental to this extent: that they are the owners of shares in this company.

133. *Hon. Mr. Cadman.*] I understand you to say that you are one of the colonial directors of the Kauri Freehold Gold Estates Company?—Yes.

134. You are therefore personally interested in the passing of this Bill?—Of course, I am interested to the extent that I am a director and represent the English capitalists, but my interest is small.

135. You are personally interested?—I am; I hold a few shares.

136. You are down here as representative of the company?—Yes.

137. Being a director of the company, therefore you would be aware whether the company had offered any conditions to people to prospect?—Yes.

138. Can you get us a copy of the regulations?—I cannot, but I suppose a copy can be got.

139. I want to ask you to get us one?—I will telegraph to Auckland for one, or I may be able to get one here.

140. You say that you are under the impression that the Crown does not hold the prerogative of royal metals?—That is my private opinion.

141. Are you aware that in both Victoria and New South Wales they have passed Acts to allow people to mine on private land?—I heard so yesterday for the first time.

142. Why did you think the freehold title is better than one the Warden can give you?—One reason is that the freehold title is a very popular title in England, and another reason is that you are not bound to work under the mining regulations.

143. You say that if this Bill were passed, a good deal of capital would be diverted from New Zealand?—I think probably so.

144. You have been a member of this House, and are fairly conversant with political matters?—Yes.

145. Was it not stated a few years ago that capital was going to leave New Zealand if our land-tax was introduced?—I think it was, but I forget.

146. From your knowledge of New Zealand now, would you think that capital has been driven away by our land-tax?—I was always in favour of a land-tax; but you must remember we have had a great number of very bad years.

147. You consider a land transfer title indefeasible?—That is an idea we have always had.

148. Are you not aware that any person can get a land transfer title, since 1873?—Yes.

149. Would that not be indefeasible?—I think it would be in exactly the same position as one before 1873.

150. Notwithstanding an Act of Parliament to the contrary?—Is there an Act of Parliament?

151. I am referring, of course, to the question of resumption of land for mining purposes?—I do not know that there is an Act.

152. I think you referred to resumption?—Yes, where land was held from the Crown, but you still gave a title to minerals under the surface.

153. The law is that land alienated since 1873 can be resumed without the consent of the owner?—I did not know that it went to that extent. A person buying since 1873 would know under what law he was buying.

154. You mentioned that the Crown had bought land, and allowed the Natives to hold mineral rights—can you give us an instance?—Not from my personal knowledge; that was only hearsay.

155. Is it correct that you have been canvassing members of Parliament against this Bill?—That depends on what is meant by canvassing. I have spoken to numerous members explaining the effect I think the Bill would have.

156. *Mr. Duncan.*] Within your knowledge, are there any other areas similarly situated as to require the same concession?—There are a number of freeholds on the Coromandel Peninsula which are in the same position. One questioner went further and asked if there are any big companies. The only one I know is Tai Tapu, which has 89,000 acres in Collingwood, in the South Island.

157. Seeing that it only affects two blocks, the Bill should not prove so injurious, even supposing they turn out failures?—I do not know what the English people will say if you sell them a freehold for mining purposes and then take it away again. It is worse than repudiating a loan.

158. *Mr. Allen.*] You stated in reply to one question that you thought there were instances where the Natives had sold to the Government their mineral rights, but in reply to the Hon. Mr.

Cadman you said you did not know of any except from hearsay. Can you produce any instances?—I can tell you of one block—Waihi West—in which a prospector pegged out for me 200 acres, fifteen months ago, on which the money was lodged in the Warden's Court, and it is still there.

159. *Hon. Mr. Cadman.*] You mean Vesey Stewart's land?—Yes.

160. *Mr. Allen.*] I do not think you have got hold of my question. You say the Natives have retained their mineral rights?—There are instances of their having sold the land and retained their mineral rights—this Waihi West is one. I believe the Crown has since bought the mineral rights from them, although a private individual has bought the land in the meanwhile.

161. Can you produce any evidence of that?—No, sir.

162. *The Chairman.*] You know there is such a thing as a miner's right?—Yes.

163. Are you aware that a miner's right gives no title to the surface of the land?—It gives a right to mines only, I take it.

164. Do you know anything about the origin of that right to search for minerals?—No. The Natives conceded the mineral rights on certain conditions.

165. What is the right issued for?—It was issued to pay the Natives for the right to the minerals originally at the Thames.

166. You require a grant to mine where the Natives have no land, do you not?—Yes.

167. Why do you require it?—Because the law makes it necessary.

168. What is the implication if the law makes it necessary that a miner must have a miners' right to search for minerals?—I hardly know. My recollections go back to about 1869, when I understood the original miners' right on the Thames was for the purpose of paying the Natives.

169. I am talking about Crown lands?—I could not say, unless it was another way of raising revenue.

170. I think you understand the question—If the Crown did not maintain their rights to the royal minerals, why should they issue a right to search for them?—I could not tell you.

171. *Mr. R. McKenzie.*] What percentage of the mining ventures placed on the market from Auckland do you consider likely to be profitable?—I could not say. I believe there are four or five thousand claims altogether. If they get one good one in ten it will be a wonderful proportion. The whole thing is due to the cyanide process, by which reefs that would not otherwise pay will pay, and there will be a great number of them that will. I reckon 10 per cent. an enormous number.

172. *Mr. Fraser.*] With regard to this right to mine. Is your syndicate asking for any concession, or do they simply object to the Bill?—All we ask is to be let alone.

173. Suppose it turns out afterwards that the opinion of the purchasers as to their right to mine is not sound, what would be their position then?—I cannot say. They have their lawyers to look into the titles, and they are satisfied.

174. You are not asking to have any invalidity of your title made valid?—We are asking nothing at all, sir, only to be left alone.

175. Your objection is that what you consider to be a valid title is to be taken from you?—That is our objection.

HENRY ANDREW GORDON, sworn.

176. *The Chairman.*] What is your profession?—Civil, also mining, engineer.

177. Do you appear before the Committee as one personally interested in this Bill, or at the request of others?—The reason I am here is because of several cables that I have received from people supplying capital for mining purposes stating that the present Mining Bill, which they had just received in England, would be the cause of people withdrawing their capital, and asking me to represent that to the Government.

178. Why should it be the means of withdrawing capital?—There is a deal of freehold land which people believe could not be resumed, for the simple reason that it was purchased prior to 1873.

179. I suppose you know that the Royal minerals are the property of the Crown?—I do not know anything of the sort. It is purely a legal question, that I cannot take up.

180. Well, you can give us your opinion?—No; it would be a matter, that, for a higher Court than any one in the colony.

181. You know there is such a thing as a miner's right?—Yes.

182. Does it not give him a surface right?—Yes.

183. Can he not also build?—He can take up a residence-site.

184. It gives him the right to extract minerals?—Yes.

185. Is not that a recognition of the ownership of the Crown by these miners?—It means that on Crown lands, but not on lands held in fee-simple.

186. On Crown lands it is so?—Most undoubtedly.

187. Are you aware of any instances in which the Crown has ever relinquished its rights to the Royal minerals?—I do not know of an instance, and could not quote one.

188. Do you know the Kauri Freehold Gold Estates Company?—I do.

189. Are you interested in that?—We are interested to a certain extent in that company.

190. Have you held any shares in it?—I could not tell.

191. Yourself, personally?—No.

192. Do you think your company has any shares?—Personally, I cannot tell whether the syndicate has any shares.

193. Have you received any valuable consideration from them for any shares?—No.

The Chairman: You had now better make your statement in the ordinary way.

Witness: The objections I have to the present Mining Bill are these: There were certain lands which people supplying capital for the purpose of developing the goldfields of the colony thought they could make arrangements with the owners of the Kauri Timber Company to purchase.

After they have purchased portion of that land and have money out here now, ready to spend a large amount of capital in prospecting and opening it up, they find they cannot do so if this Bill is passed, for the simple reason that they may spend £50,000 or £100,000 in prospecting, and when they have found something another company can mark off the land, and make an application to the Government for its resumption. After spending all this money the people at Home think it is not dealing with them fairly. We have not the capital in the colony to develop its mineral wealth, and now, when capital is willing to come into the colony, they think it is a very unfair thing to bring in a Bill for the resumption of land from those who were willing to open it up. It is not one syndicate alone that is affected. There are plenty more that will say the same. These syndicates are so mixed up together that you are dealing with all the English capitalists who have money coming to the colony, for their interests are involved one with another. I really feel an interest in mining, and I wish to see the mines of the country opened up, when I believe the industry will be far the largest in the colony; at the same time I do not wish to see a monopoly. Give the capitalist a chance: induce capital to come into the colony, and hem them in with such provisions that you can make working the land a condition, so that you do not make a monopoly of it. The people now connected with this boom in Auckland, taking up so much land, are not really capitalists, but people without the means to spend one sixpence in developing the country. A man will go out on horseback with four pegs, and come back to you and say, "Here is the thing for English capital: we have a great property to sell, with a splendid reef"; or, "We are alongside a company that is being run by English capital." And they ask you a big price. In one instance I have been charged personally £1,000 to be allowed to go on to land and look at it, and see whether I will take it or not.

194. *Mr. Duncan.*] Have you paid any of that £1000?—No, but I have at the present time an option. If I do not give that thousand I have no opportunity of prospecting it. If I were to go on spending money in this way I would have to spend thousands of pounds; so I have telegraphed since I came to Wellington to take the men off the property, as I would not pay the money. And I am not alone. There are many syndicates in the same position as I am.

195. *Hon. the Minister of Mines.*] Is that private or Crown Lands?—I believe it is Crown land, but there is something wrong with the title.

The Chairman: Perhaps you had better finish your statement.

Mr. Gordon: That is the position. I think, if the Government would only allow capital to come in, and then if the capitalists did not work the land, it will be plenty of time to bring in such a Bill as this to resume. That is really the pith of the thing, and I do not think it is any use taking up the time of the Committee. That is what the English capitalists want represented to the Government.

196. *Mr. Carncross.*] You suggest, instead of legislation, that they take steps to hem such companies with such conditions as will make them to work the land to advantage?—Yes.

197. Do these conditions not already exist in our mining laws?—Yes, as far as Crown lands are concerned, but not as far as private freehold land goes.

198. You would suggest conditions for freehold land—to make them comply with certain conditions?—I think it would be a good thing to do that.

199. What position does this really place freehold in in this respect: We will suppose an English capitalist has purchased a freehold; if this Bill is passed, then, can your people go Home with it and place companies on the market?—No; but I may say they wish to have the land thoroughly prospected before they form any company, or take land for the purpose of forming companies on the English market. At present some men say they must place properties on the market or throw them up. There are companies being sent Home at the present time and getting English capital, of which the investors will never see one sixpence back. It would be much better that a company should develop it before taking up the land and trying to form companies to work it.

200. Do you know Kathleen?—Yes.

201. That belongs to an English company?—Yes.

202. Is it a fact that since this Bill has been proposed certain individuals have gone on it and pegged out claims in the heart of it, and if this Bill is passed they can take them up?—I do not know, but if the Bill is passed they may likely do that.

203. *Mr. Mills.*] Do you know this land now comprised in the Kauri Freehold Gold Estates Company?—Yes, I know it.

204. Does its main value, in your opinion, consist in its minerals?—It consists in its minerals and timber. Where the land is denuded of timber it is not worth a shilling an acre. The surface-value is worthless.

205. Then, if I sold you a block of similar land, and reserved the minerals, and a rich reef was found on it, would you claim the right to the minerals?—I could not claim it if that was mentioned in the sale that the minerals were excluded.

206. Then, if the colony had such a proviso in the sale of that land, would you think they ought to maintain them?—Yes, if they had such a proviso.

207. Do you think that if some arrangements could be made with a company of that description to pay a royalty for the concession from the Crown, that it would meet the case?—I think it would meet the case, and I think the company would be quite willing to pay royalty. I think it might be possible to get them to make a compromise.

Hon. Mr. Cadman: I am sure that is a sign of weakness.

Mr. Gordon: They would rather do that than fight.

208. *Mr. Mills.*] Do you know from your experience if there are other blocks that would be affected by the Bill?—There is no doubt about it. I could point out two properties purchased previous to 1873 that would be affected.

209. Do you know of any very large blocks held by companies?—I could not point them out.

210. Do you know the Taitapu Block?—It was purchased, I think, since 1873, and it would not affect that.

211. *Mr. R. McKenzie.*] I see you were interviewed by a *New Zealand Times* reporter?—Yes.

212. Was that interview arranged at your own request?—Not exactly. It was purely accidental.

213. It was not intended to prejudice the mind of Parliament against this Bill?—Certainly not. I did not think the members could be prejudiced.

214. You said you had no shares or valuable consideration from this Kauri Gold Estates Company?—I did.

215. Do you think it is a legitimate purpose to resume lands for public works?—Most undoubtedly.

216. And for settlement?—In certain cases.

217. Are you of opinion it is not legitimate to resume land for mining?—It might be legitimate, but not politic at the present time, when there is any quantity of land lying open for mining which is not taken up. And it is only opening a door to allow people to blackmail capital coming into the country.

218. You come here to oppose the Bill as a representative of English capital?—I am not opposing the Bill, because I am not in the position to do this, but if I could approve it I would do it to the utmost; I am only stating what I think of it.

220. Does this company object to work its ground under the ordinary mining laws?—I cannot say.

221. Do you know what capital they have?—About half a million.

222. Do you know any of the shareholders?—I could not tell you the shareholders. I believe I know them, but then it would only be surmise.

223. Do you know the Kauri Timber Company's ground?—Yes.

224. Do you know the ground it proposes to operate on?—Yes.

225. Do you think the tailings would prevent them floating the timber down the creeks?—I should not think that.

226. You think it would not have any injurious effect upon the floating of timber?—It might in some cases.

227. You think that could not be raised as a legitimate objection to this Bill?—It could be raised as one.

228. Do you consider it a legitimate objection?—It would be legitimate if you put in tailings wholesale, and so stick up the timber.

229. Do you think these tailings will find their way to the sea?—No doubt they will find their way there eventually.

230. You know Taitapu: how will this Bill affect it?—I do not think it will at all. It has been alienated since 1873.

231. As to the number of companies that have been floated in the Auckland Provincial District, are you aware how many there are?—I could not tell you exactly the number at all.

232. What percentage of them are likely to be profitable?—They have not had an opportunity of proving that, because the claims that have been taken up lately have not been developed to see if they are payable or not; but there are plenty of claims taken up upon which there is not the slightest chance of the shareholders getting their money back.

233. On what grounds do you base your opinion?—Some knowledge of mining, and the indication of the ground I have gone over. I do not pretend to be a geologist, able to see what lies buried in the bowels of the earth.

234. Have you ever known places in New Zealand where there was supposed to be no gold, and they were afterwards proved to be payable?—No man can tell what lies buried underneath the surface.

235. Do you not think the statement about wild-cat schemes is likely to frighten English capital?—It would be a good thing for the colony to frighten them from going into some companies, because I am sure some of these will never pay.

236. You consider yourself justified in putting this statement to the world?—Perfectly so. It will make people more careful before they take up those schemes.

237. Have you any personal motive?—No; I have an interest in the development of the goldfields.

238. Does it mean that other people are coming into competition?—There is no one coming into competition, because we are too happy a family.

239. What effect, supposing this land is opened up for mining, will it have on the Kauri Timber Company?—I do not know the Kauri Timber Company's business.

240. I mean, any danger of burning bush?—There is a danger of burning bush in the summer-time. We have seen enough of that at Puhipuhi, where there was a splendid forest burnt.

241. If this Bill is passed do you think the English company you represent in the colony is likely to discontinue its operations?—There is a great deal of capital that would be spent in such things as these, but they will take it elsewhere.

242. Do you think they will take up Crown lands?—I do not know.

243. Would you recommend them to withdraw their capital?—That is my business; I will not tell you.

244. You are here to give evidence?—I could not answer such a question as that.

The Chairman: How do you put your question?

Mr. R. McKenzie: If this Bill is passed, what effect would it have on the company represented by Mr. Gordon, and how would he recommend them to act?

The Chairman: The first part of the question is in order; the second part is undoubtedly not in order.

Mr. R. McKenzie : He has told us that the Bill, if passed, will frighten capital, and I wish to know what he would recommend his company to do?

The Chairman : My ruling is that Mr. Gordon need not answer what he would recommend.

246. *Mr. R. McKenzie.*] I will put it this way: Will your company discontinue operations if this Bill is passed?—I cannot answer that question.

247. If this Bill is passed what will he recommend his company to do?

The Chairman : I have ruled that Mr. Gordon need not answer that question.

Mr. R. McKenzie : Then, I will move that the question be debated. I am willing to adjourn, but I will not ask any more questions till I get an answer to this.

248. *Mr. Duncan.*] What is the nature of your company's operations? Do they intend working these mines or exploiting them for sale?—My company will either take them up and advance capital to develop the minerals, or form companies for the purpose of working them. We will do anything that is required to thoroughly test and ascertain the value of the ground before putting it on the market for flotation.

249. Then, to begin again. Supposing we confined the question to this particular property. Is it for the purpose of working the gold in that property that they are now endeavouring to stop the passage of this Bill, or for the purpose of exploiting it for selling to other companies?—There is no doubt that no one company could in itself really work the whole of it. They would need to form subsidiary companies to work different portions. A company or syndicate would want millions, otherwise, to work it.

250. To work 30,000 acres?—That is only portion of it. Portion is leasehold, and there are 24,000 acres of freehold not included in the Kauri Gold Estates at all.

251. Held by whom at present?—Held by the Kauri Timber Company.

Hon. Mr. Cadman : They have got the whole side of a country.

252. *Mr. Duncan.*] You stated in your evidence that you did not like monopolies?—Yes.

253. Is not this in the nature of a monopoly?—No company can be a monopoly if you make it utilise land to the greatest extent it can do. If you make it spend money and employ labour, then it cannot possibly be a monopoly.

254. Would it not have a tendency to frighten capital away if we impose these conditions?—They are perfectly willing to take up this land on these conditions, which are the same as on Crown lands.

255. What are they so frightened for?—You cannot for a moment expect that they are going to spend £50,000 or £100,000 in opening up portion of this land only to find people the moment that anything is found to come and take up their land. What is the use of taking up a special claim until you get something worth taking up? There is one thing I am sure of, and that is that the capital is not in the colony to open up the country, and if you do not get outside capital the land will lie useless for years.

256. I do not see that they have very much to complain of. They are able to hold more ground, and if we are not to pass a Bill submitting them to the ordinary conditions of the goldfields they could not hold the same ground?—We do not want to hold more ground, but my company tells me to be sure I do not send Home a thing to be put on the market unless I am perfectly satisfied that there is a fair prospect of the men getting their money back.

257. What I am coming to is these monopolies. I do not say they are not a good thing, but it is necessary there should be exceptional facilities for special work?—The greatest monopoly at the present time is that of people holding these lands who will not make use of them, and will not take a price at which capitalists can take them up.

258. What right have they to hold Crown lands and not work them?—The Commissioner of Crown Lands thought he had a power to grant claims, and claims were granted, and it was found he had not the power to grant them, and until such time as they get it the title under the Goldfields——

259. Then they have really no title?—They have a title now, because they have a prospecting area.

260. What is the maximum size of a prospecting area?

Hon. Mr. Cadman : A mile square.

261. *Mr. Duncan.*] Do you represent the only one in the same class of business in New Zealand?—I think all the companies from London are interested one with another.

262. Amalgamation?—Not exactly amalgamation.

263. *Mr. Allen.*] What company do you represent?—The Anglo-Continental Gold Syndidate (Limited).

264. You say their interests are entwined with all the others?—They are connected with most of them.

265. Are they connected with this Kauri Gold Estates Company?—I cannot tell, but I think they are connected in some way.

266. Can you tell, with regard to land purchased prior to 1873, whether the Crown retained the right over precious minerals?—That is a question of law: whether the minerals belong to the Crown or the Natives.

267. Can you tell us whether the Natives retained the gold and silver?—The Natives have, in some instances, sold land and retained the mineral rights.

268. Can you give us an instance?—Waihi West; in which Mr. Vesey Stewart told me they have sold him the land and the Government purchased the mineral rights.

269. Supposing the Government had retained the right for gold and silver, would they retain any right to mine for it?—None whatever; they could not break the surface.

270. *Hon. Mr. Cadman.*] How do you give that opinion not being a lawyer?

TUESDAY, 21st AUGUST, 1896.

Mr. H. A. GORDON's examination continued.

1. *Mr. Allen.*] When we adjourned I was asking you questions about these precious minerals. You were an officer in the department for a long time?—Yes.

2. And pretty well up in our mining-law?—Yes.

3. You know the Auckland Goldfields Proclamations Validation Act of 1869?—Yes.

4. Under that Act the Government purchased certain mining rights from the Natives, or acquired them?—They made agreements that certain lands be ceded for mining purposes.

5. It was under that agreement the agreements were made before?—It validated the agreements. The agreements had been made with the Natives, who ceded to the Governor for mining purposes on receiving certain concessions.

6. What do you mean by mining purposes, for gold or silver?—I know it is for mining purposes, but I do not know whether that is specially specified in the agreements.

7. For gold-mining purposes. Is that not so?—That is the Validation Act. I was speaking of the agreements.

8. You represent some syndicate here?—Yes.

9. What is it?—Anglo-Continental Gold Syndicate (Limited).

10. Have they a board of advice?—Yes.

11. Who are they?—Messrs. Seddon, Horton, and Murray.

12. What Murray?—T. L. Murray.

13. Manager of the Bank of New Zealand at Auckland?—Yes.

14. You told me yesterday that your syndicate is interested in the Kauri Gold Estates Company?—I could not say; I believe them to be, but I have no definite instructions from them.

15. You could not tell me what the interest is?—No; I could not tell you.

16. And the Anglo-Continental Company is opposing this Bill?—Yes. I believe they are in some way interested in the Kauri Estates Company, and other freehold lands of a similar nature.

17. Do you receive your advice from England or the advisory board here?—From England.

18. And your real objection to the Bill is that it will prevent the influx of English capital?—Yes; in my opinion it does, and that is what a cable I got out says. They were holding meetings in London with a view of seeing the Agent-General and asking him to represent the thing to the Government.

19. *Mr. Fraser.*] Does a miner's right confer the right to mine or prospect on freehold land?—No.

20. Before resumption I mean?—Not before resumption; certainly not.

21. Will the Bill confer that right?—It would confer that right. It would not confer that right before it was resumed.

22. Have you read the Bill?—A man could go and prospect for gold on private land.

23. Could he do that before?—Certainly he could not do that before with the consent of the Warden and the owner of the land.

24. It has been contended that the Land Transfer Act—I am not saying property—in certain cases confers a right to mine for minerals, gold and silver?—Yes.

25. What effect would this Bill have upon that contention if it is a correct one?—I do not understand the question.

26. It has been contended by certain parties that the Crown has not got the sole right of minerals—that the freeholder has a right under certain circumstances to mine for gold and silver. Well, does this Bill upset that right if it exists at present? Assuming that right exists in the freehold, would this Bill affect his rights?—Of course it would, because it takes the whole thing away from him, and gives him no compensation except for what he has on the surface.

27. That is confiscation of his right if he has one?—Yes; absolutely it would be confiscating that right.

28. You have read the Bill. Is there any provision for compensation for that right if it exists?—No; none whatever.

29. Then, if it does exist, that would be confiscation?—Yes.

Hon. Mr. Cadman: My contention is that does not exist.

30. *Mr. Fraser.*] Suppose it does exist. Then, even supposing the right does not exist, and the Crown has the sole right to the gold and silver in the land, do I understand you to say that this Bill affects the rights of the freeholder to the surface?—It affects it in this manner: that the surface of a great deal of this land is worth nothing.

31. I refer to land sold prior to 1873?—It affects it in this way: that a great deal of the land away North when denuded of timber is worth nothing for agricultural purposes—not 1s. an acre except for the minerals, and he would get nothing for the surface rights.

32. That was the answer to my previous question. What I wanted to ask you is this: Assuming that the Crown has sold the right of the freehold but none of the minerals, under the law as it stands at present, can the Crown authorise any one to mine on that land?—I do not think a man has a right—in fact, it has been recognised in England that the Crown has no right to break the surface, although it has a right to the minerals.

33. Then, if this Bill passes now, will those who have certain rights under the Act of 1873 be affected?—They are deprived of any rights they have at present.

34. Do you know whether when the Act of 1873 was passed it was not made retrospective? I could not tell whether or not.

35. Have you any idea?—No; I do not know whether it was done. I have not read *Hansard* so carefully.

36. Would it be for this reason that Parliament did not desire to take away from any one any rights, and therefore only legislated in the direction of lands to be sold after 1873?—I could not

tell that; but I could tell one thing: that, though lands could be resumed since 1873, the proprietors had a better claim for compensation under the Act of 1886, and that Act was one of its amendments. There it specially provided that any one holding land in fee-simple was only entitled to compensation for the surface.

37. That does not affect any land prior to 1873?—No.

38. Then there was no confiscation?—I do not know. It was not retrospective; but I do not know whether the compensation was limited to surface rights.

39. You will talk of 1896. I am talking of 1873?—I do not know whether the Act was made retrospective.

40. Did the Act of 1873 confiscate any existing rights?—Not prior to 1873.

41. Then there is a difference between this Act and the Act of 1873?—Undoubtedly; this takes in everything from the foundation of the colony.

42. There has been some analogy drawn between the resumption of land for settlement and the resumption of land for mining. Do you know what takes place when land is resumed for settlement with regard to value?—I look upon them as two different things altogether. Land resumed for settlement is agricultural land, which a man wants to utilise on the surface and make a home for himself.

43. I was not referring to that aspect but to the question of compensation?—As far as the question of compensation is concerned, the surface of that land you take up for settlement has a value, whereas in the case of mines land has no value at all on the surface.

44. You mean that in the one case a man gets compensation to the full value of all his rights? —Yes.

45. In the other case he may not do so?—I do not know.

46. Assuming he has the right to the minerals?—He would not get full compensation assuming he had the right to the minerals.

47. *Hon. Mr. Cadman.*] I understood you to say yesterday that you approved of the resumption of land for mining purposes, but you thought it might be inopportune?—Yes, I did not say I believed in the resumption of lands for mining purposes; but what I did say was that I thought the resumption of land at the present time was inopportune.

48. Do you believe that the land should be resumed if required for mining purposes in any part of the colony?—I think so, if actually required, but I do not think they are actually required at the present time.

49. Does not this Bill make ample provision for payment of compensation before any one can start to prospect on private land?—That is limited to the surface rights, which are worth very little. It is part and parcel of the Act of 1891.

50. You think in making arrangements for compensation it should also make arrangements for the mineral rights?—That is purely a legal question. I cannot answer as to whether on land that never belonged to the Government, but belonged to the Natives who handed down their title to other people, the Government had any mineral rights.

51. I am talking of freehold on private land generally?—On lands acquired from the Crown I suppose they have.

52. You have a full knowledge of the Kauri Timber Company's land and of the Auckland goldfields?—I know a great part of them.

53. You still think that that land is not worth much more than 1s. an acre if denuded of timber?—Not worth that a lot of it.

54. So far as surface-value is concerned?—Yes.

55. What is the main object of the company you represent? Is it to develop mining or acquire freehold land?—We prefer to acquire freehold lands in order that we may have a better title to carry on mining, if we can get them.

56. Your company prefer speculating in private lands rather than mine on Crown lands?—No; we prefer to take up private lands for mining in order to hold the fee-simple. We look on it that holding it that way would be a better title.

57. I understood you to say that this Bill would not affect the Tai Tapu Estate in the South Island?—I understood their title has been issued since 1873, and consequently it would not affect them.

58. *Mr. Fraser.*] How would that be?—They can be prospected under the present law.

59. How?—By Act.

59A. Which Act? The Act of 1892, without consent?—Yes.

60. *Hon. Mr. Cadman.*] Do you think your company would object to deal with lands which have been alienated since 1873?—They do not object, because they are taking up Crown lands at the present time.

61. You do not consider there is any risk in the title there?—They consider there is twenty times the risk in the title. That is why they are always so frightened.

62. Well, they are still taking them up?—They are taking them up, but they do not like the titles.

63. There seems to be an impression that, if this Bill passes, the Government are likely to resume all the freehold land in the country?—I do not think the Government could find money for that.

64. You have been an officer of the department for a long time: can you give any idea of the land resumed?—I do not think there is a great deal of land resumed, but it gives you power to resume. The moment a man prospects this land, people peg all round him; that is what frightens the capitalists, and they do not like to be put in that position. I do not believe for one moment that the Government is going to resume all the land, but this will frighten them from spending capital.

65. Do you think there have been 300 acres resumed by the Crown since the Act was passed? —Yes; more than that.

66. Have there been more than 500 acres?—Yes; more than 500 acres.
67. Will you tell us some places?—Over 100 acres at Naseby and Kyburn; land was resumed at The Arrow. I could not tell exactly, because I cannot call them to memory.
68. During the twenty-three years, would you consider the amount of land resumed large or small?—Small. I think there were over 200 or 300 acres resumed in the Maerewhenua alone.
69. Are you aware that both in Victoria and New South Wales they have Acts quite as stringent as this, allowing mining on private land?—I do not know the Acts, but I believe the Act in New South Wales was thrown out.
70. Do you know, from your own knowledge, whether capital was frightened away from Victoria?—There is no doubt about that. Capital has been withdrawn from Victoria, but I do not know about New South Wales.
71. Do you think, if you had a good find, there would be any difficulty in working it in Victoria?—If there is a good find it is possible to get capital; but you want capital to develop, and I think there will be great difficulty in that. Companies do not want to develop things for other people.
72. Would your company object to take up lands in Victoria?—I expect they would take up lands the same as here; but they do not like Victoria, and would rather be here at present.
73. Is not your company interested in mining in Victoria?—They are interested in Australia, but I am not sure of Victoria. In Western Australia they are interested.
74. Do you know the Whangapoua land recently sold to the Kauri Gold Estates Company?—Yes.
75. Can you tell the Committee whether there has been any anxiety during the past ten or fifteen years to mine on that land?—No doubt there has been mining carried on on that land for the last ten or fifteen years.
76. But has there been any anxiety on the part of the mining community of Coromandel to get on the land to mine?—No doubt about it, some of them want to get on the land to mine.
77. Do you ever hear any complaints of rates and charges thrown in the way of mining?—Yes, the time the Kauri Timber Company had it the people complained about the stringent regulations.
78. Have you read the proposed regulations by the present company?—No; I have seen a draft copy when they were in embryo, but have not read them.
79. Speaking from memory of the draft, would you not consider their proposals were to open the land on the gridironing principle?—Yes; I do not believe in that principle. It is wrong.
80. You estimate the value of the land, outside the timber, at 1s. an acre. Are you aware that they are asking £1 an acre annual rent for this land?—No, I am not aware of that. I know they are only asking £1 an acre for it altogether.
81. The Gold Estates Company's regulations I am speaking of.—I cannot say what they are asking.
82. Would you consider £1 an acre reasonable or unreasonable?—I should think it too much, but I did not know they were charging that. I understood it was 10s. an acre, the same as is charged by the Government.
83. Would you be surprised to know it is 10s. an acre half-yearly, payable in advance?—I would not be surprised, because I do not know.
84. You have been in that district, about the creeks where the driving of logs takes place. From what you have seen would you think, if batteries were erected and the tailings allowed to go into the creeks, they would interfere with the driving of the logs?—I do not think the tailings or crushings of a battery would, though they might pile up a little.
85. Have you ever seen a pile of logs?—No.
86. As representing a mining company, do you think one hundred acres of land is a large area, or would you consider it small for a company which would work on the lines the company you represent would like to work?—It is too small.
87. Would you be surprised to learn that, under the regulations of the Gold Assets Company, they are only going to allow 60 acres as a claim?—I think it is too small.
88. Then, do you think it would be possible to peg a claim in any particular shape, say, square or rectangular?—So far as pegging out a claim on reefs is concerned, I think you could peg out rectangular.
89. From the general contour of the country, with the spurs winding about as they do, do you think a man taking the rectangle would be likely to have the whole reef in his run?—I cannot say whether you would get the whole of the reefs, because there are so many cross-reefs in that country.
90. Do you think its effect in throwing open land for prospecting they should ask that, when a man finds gold no one should go within 30 chains of him?—I do not believe in gridironing the land; at the same time, I do believe it would prevent wild-cat things being floated, as, in the event of gold being struck in one claim, the one adjoining would be sold to capitalists, on the strength of reports made that the adjoining one is being worked with English capital. I think that ought to be put a stop to.
91. With the rent payable half-yearly in advance, do you think it is harsh or reasonable to give power of distress if the rent happens to be in arrear for thirty days considering the expense of starting a mine?—I do not think there is much harshness. There is no difference between that and the Government regulations. If the Government were to carry out their regulations I think they would be pretty much the same.
92. It is being payable half-yearly I am speaking of?—If a man does not pay his rent under the Government regulations he is liable to distraint.
93. Do you not think that on top of the rents they are making, a person should have the right to use some of the water for plant without coming to a fresh arrangement?—I do not think they have the right of water themselves: the Kauri Timber Company has reserved the right of floating

their logs, and they could not give what they have not got themselves. I think if they get the land on the same terms as they get it from the Government it would be reasonable enough.

94. Do you think this is a reasonable price to pay? Supposing a man wants some mining timber, say, rata, to pay at the rate of 9d. per 100ft.?—I never understood that they had to pay that. I understood they had to pay that for kauri, but no other timber.

95. Would you be surprised that the regulations say that every tree exceeding 6ft. in girth is to be paid for at the rate of 9d. per 100ft.?—The regulations may say so, but I do not think it was so intended, because, when they were talking about it, it was kauri that was contemplated. Miners were to be allowed to use any timber for mining purposes.

96. Then, you would be surprised?—Yes; I think that is wrong. I quite think they are perfectly right as to kauri.

97. Do you think it reasonable provision for the Estates Company floating a prospector's claim for him should take four-fifths of the whole thing?—Well, my experience is that you have to pay through the nose for companies floated in England, or you cannot get them floated at all; and, whether it is reasonable or not, it is a thing you cannot avoid—that is the trouble. I was a long time before I could be brought to understand that.

98. Do you think this is a fair proposal: Should the prospectors be unable to find the necessary funds for taking up land under these regulations, on the company being satisfied of the value of the discovery, they take over the whole thing and give him only 5 per cent.?—If they give him 5 per cent. of the capital he would get a big sum.

99. You think that reasonable?—I think it would be on a capital of, say, £150,000.

100. What I want to find out is this: He finds good gold—is the 5 per cent. equivalent to his finding gold?—What I understood was that they pay all expenses as well as the 5 per cent. of the capital, and I think that would be very reasonable.

101. I will read the clause: "On the company being satisfied that the said discovery is of value, and should they then proceed to form a company to work the said discovery, then upon the formation of such new company the prospector shall be entitled to 5 per cent. of the capital in fully paid-up shares, or to such cash payment as may be mutually agreed upon, in full payment for such discovery." Do you think it is fair that the Estates Company should claim one-fourth the net profits of a man's working before he floats his company?—That may appear too stringent, but I think they are entitled to a certain percentage. At present, even miners among themselves agree to the charge of 25 per cent. on tribute, and it only amounts to the same thing.

102. It is equal to 25 per cent. tribute on top of the other terms?—That may appear, at first sight, a little too stringent; but they are entitled to a percentage.

Mr. Fraser: The profits are not ascertained till all the other charges are paid?

Hon. Mr. Cadman: I am talking of the other charges to the man who pegs out the land.

Mr. Fraser: The £1 per acre rent, and so on.

103. *Hon. Mr. Cadman:* That would be deducted first. [To witness.] I think you stated that you thought, if Government wanted to do anything in this matter, they ought to charge royalty?—I did not say so, but I said that a compromise might be effected, though not recognising their right to charge it.

104. Well, then, who did you think should pay it?—The people who are working the land.

105. Not the company?—The company that is working the land.

106. Not the owners of the land?—Not the owners of the land.

107. Therefore the owners of the land would pay nothing?—When you say that, I mean the company who is going to work the mine. If the owners form subsidiary companies, they will take the royalties off their shoulders.

108. I understood you to say yesterday that the land open for mining was something over 30,000 acres under the Estates Company?—38,000 acres, I think, the Gold Estates Company.

109. Are you aware that the area of land open under its regulations is not much above ten or twelve thousand?—I do not think it would be advisable, in the interests of the colony or the company, to throw open any land that has kauri timber upon it, because that timber would be totally destroyed the same as at Puhipuhi.

110. Then, the fact is that stating there are 36,000 acres open for mining is incorrect?—I cannot tell what they intend to open; but I should not think they would allow prospecting on land where there is heavy kauri bush.

111. You know the Opitinui Block?—Yes.

111A. Do not you think that land might be mined on?—Part of it there is very little timber upon, and that portion could be thrown open. I am thoroughly convinced that, if you allow companies to come in to develop that land, everything will be thrown open that is possible to throw open.

112. I want to show that the impression that there is 36,000 acres of land open is incorrect.

Mr. Fraser: Mr Trapp in his evidence said that the land was reserved, and only the land denuded of timber is open.

Mr. Allen: You led us to believe that some one in his evidence had said there were 36,000 acres thrown open.

Hon. Mr. Cadman: I said it was purchased. I will read the clause in the company's regulations on the matter: "The term 'company's estates' herein used shall mean the whole of the Kauri Freehold Gold Estates (Limited), freehold land, comprising about 36,000 acres, subject to such reservations as are stated in the schedule hereto, and to such further reservations as the company may from time to time decide upon, and notify to inquirers at the company's office in Auckland."

Mr. Fraser: It is clear from the reservations it is not the whole 36,000 acres.

Mr. Gordon: I think, by the regulations, the company only intend to open up certain blocks of land at first.

Mr. Fraser: The land was sold with the reservation that it was not to be thrown open for mining.

The Chairman: The only reservation is as to cutting the timber.

113. *Hon. Mr. Cadman.*] That is why I asked Mr. Gordon if he knew the Opitinui Block, which is not thrown open to mining. Can you tell the Committee why the company reserves the right of 1,000 yards inland from high-water mark?—I could not tell you; I have no idea.

114. *Mr. Carncross.*] Have you had an interview with the Hon. Mr. Cadman (Minister of Mines) concerning this Bill, with the object of trying to modify this Bill?—Yes.

115. And you were not able to come to any agreement?—No.

116. *Mr. Allen.*] Mr. Horton is one of your advisers?—Yes.

117. The same Mr. Horton as is on the Gold Estates Company?—Yes.

118. Then, the two companies are intertwined?—It would be hard to say what companies are not intertwined.

119. All in for the plunder?—I do not know what you call plunder. It is a question of the people of the colony plundering English capitalists.

120. *Mr. Fraser.*] You know the whole of this country in Coromandel?—I know it pretty well.

121. The mining would be purely quartz-reefing?—Yes.

122. No alluvial mining?—No. It is land that requires much capital..

123. Then, this question does not interfere with the working-miner?—No working-miner without capital can work them.

124. Is it, then, the case that the operation of this Bill in that part of the colony would be in favour of a certain set of speculators who hold no right to the land as against another set of speculators who hold the freehold?—Yes.

125. Does that convey the meaning of the Bill—a certain set of speculators who hold no rights as against a certain set of speculators who hold the freehold?—I look upon it, if this Bill is passed, you are opening the door to allow of the levying of blackmail. Those who have no means of working the land levy heavy charges on men of capital who wish to work it.

126. Will this portion of the Bill, as affecting the North Island, benefit *bonâ fide* mining?—Oh, no, it will not benefit mining.

127. Will it benefit one set of speculators against another?—It will tend to benefit men without money.

127A. It will not benefit *bonâ fide* men?—No.

128. *Mr. Mills.*] You said something about assisting blackmailers; but, supposing that any one took up a piece of country, it would be Crown lands, I presume, and they would have to work it under the Mining Act?—No, it would be under the Kauri Gold Estates regulations.

129. I understand Mr. Gordon to be speaking generally?—No, only of the Kauri Gold Estates Company.

130. How could any one who took up land hold on to it against the company and the company's conditions?—If the Bill passed, of course they can.

131. I understand the Kauri Timber Company has only parted with the interest in the land on certain conditions—that the Estates Company work it under the Mining Act?—No; they sold it absolutely without any condition except timber rights.

132. Is that all the right they have retained?—The Kauri Company have no rights except those of cutting the timber on it.

133. *Mr. W. Kelly.*] What is a *bonâ fide* miner? How do you define the term?—I think any one with a miner's right, although he may never have seen a pick in his life.

134. How will this Bill injure the *bonâ fide* miner if it comes into force?—It will injure the people who put capital into mining.

135. *Hon. Mr. Cadman.*] Going back to the question of a shilling an acre value for this land, I want to ask you—the whole peninsula has country of about the same value with exceptional cases—supposing any one holding a lease of that land for the purpose of taking timber off it, when the timber was taken off would that land be no value at all to him?—I do not think the surface is any value.

136. You reckon the surface-value at nothing?—No.

137. Do you consider it worth paying rates and taxes on?—I would not take it to pay rates and taxes on it.

138. The statement was made yesterday—speaking about land at Waihi West—that the Government had arranged to purchase the Native mineral rights?—I did not say the Government had arranged to purchase the Native mineral rights. I said that I had been told by the gentleman who purchased it—Mr. Vesey Stewart—and who held that the Natives had sold their mineral rights to the Crown.

139. That is what I want to bring out. Mr. Stewart has said that the Government has purchased the mineral rights on land he had purchased?—Yes.

Hon. Mr. Cadman: The Government do not happen to have done so.

140. *The Chairman.*] Have you reported on the Kauri Gold Estates Company at any time?—No, I never made a report.

141. *Mr. R. McKenzie.*] To the Government?—I have reported on mines to the Government.

142. Do you know of any ill effect arising from the Act of 1886?—I do not know of any.

143. And you have had a knowledge of the mining operations throughout the colony during that period?—Yes.

144. And it has had no ill effect?—I do not know of any.

145. Judging from that, what makes you think that the passing of an Act dealing with land anterior to that would have any ill effect?—I am only giving you my opinion that I think it will have.

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.

152. *Mr. R. McKenzie.*] You say this Bill is likely to frighten capital?—Yes.
153. You have information to that effect?—That is the tenor of our cables from London.
154. Do you put them in as evidence?—No, sir, I have not them with me.
155. Are you aware of capital invested in Crown lands for mining purposes?—Yes.
156. What would be the difference if this land is reserved between it and Crown land?—The British investor has a preference for freehold title or Land Transfer, and any property with such a title offered in London goes off more easily.
157. That is not the point. I want you to give us your opinion. What is the difference between this land as resumed and Crown land?—My opinion is that if freeholds are assailable, any other property would be assailable.
158. That is getting back to it again. Would any investors invest in it the same as in Crown lands?—No doubt they might, but I think the preference is for freehold land.
159. You say miners are unobtainable. What wages do you pay them?—From 8s. to 9s. a day.
160. Do you think if you raised the wages you could get plenty?—No, I do not think they are there. If you raise wages out of all proportion, of course they would come.
161. Do you know how many shareholders of the Kauri Freehold Estates Company there are in the colony?—No, I do not know. There are no shares registered in the colony.
162. Do you know how many people hold shares?—No, I do not. It is only twenty-eight days since I took hold of this thing, and the arrears of work were so large and the ordinary work so great I have not had time to look up the history of the company.
163. *Mr. Mills.*] Do you know whether the company you represent as secretary would be prepared to pay any royalty on the gold obtained from the land if the Crown conceded their rights?—Do you mean over and above the gold-duty?
164. Yes.—No, I could not say. That matter has never come up at the board meetings.
165. *Mr. Allen.*] You hold Land Transfer title for all these lands?—Yes.
166. Prior to 1873?—Yes.
167. No reservation?—No reservation. The titles are perfectly clean.
168. When were your regulations issued?—Within the last fortnight.
169. How many licenses to prospect have you issued within that last fortnight?—It is a fortnight to-day since we issued, and when I left Auckland on Saturday I had issued thirty-four licenses.
170. And the prospector under your conditions—has he, in your opinion, a better opportunity of success, eventually, than if he were a prospector on Crown lands?—Yes; he has our help.
171. What interest has the Anglo-Continental Company in the Kauri Freehold Estates Company?—I do not know that it has any.
172. Mr. Horton is on your board?—Yes; he is chairman.
173. He is also on the Anglo-Continental?—On the advisory board, I believe.
174. You do not know what interest they have?—I have never heard that they have any interest.
175. *Mr. Duncan.*] Has this Anglo-Continental Gold-mining Company and Kauri Freehold entered into any arrangement with regard to the passage of this Gold-mining Bill?—No, not that I know of. There have been no negotiations through the board in Auckland since I have known anything of it.
176. What necessity do they seem to have in opposing the Bill, seeing there is plenty of Crown lands, and this is only certain of the goldfields that the Kauri Company is interested in?—I really could not tell you. I have no knowledge of their affairs.
177. You are directed to oppose this Bill in the interests of your company?—Not alone in the interests of this company, because, as a matter of fact, this company considers the title they have carries with it mineral rights. At the same time, no company wants to go to law, and therefore they are anxious as to the result of this legislation.
178. That almost means a threat that there will be a law-suit?—Not in that sense, but if this Bill passes there is no doubt the ground will be pegged out every time it is worth it.
179. Has your company any intention of entering into this mining speculation on its own bottom? Will they exploit a mine, or work it?—We have £60,000 in the bank for that set purpose.
180. Is that £60,000 the company's money, or other companies'?—Our company's; and the board have the ability to influence very much more to develop this and other areas spoken of.
181. How much ground have these applicants paid for?—All have not yet applied. They went to look at the ground before they pegged out. But there have been 11,000 acres applied for.
182. Has that been pegged out?—They say so.
183. Is there any kauri timber growing on this part of the property you have issued licenses for?—Very little. We would have been much more contented had it not been for objection between the Kauri Timber Company and this company. This objection, however, has been got over within the last few days, and considerably larger areas will be open, but even then reservations will have to be made on account of the standing kauri, and on account of the danger of fire.
184. *Hon. Mr. Cadman.*] You have been living on the goldfields for a good while?—Yes.
185. And are conversant with several English companies?—Yes.
186. Have you ever heard any complaints that the areas allowed by Act for special claims are not sufficient?—If it comes to complaints, I cannot say that I have, but I have heard them say they would like more ground, and did obtain it by getting two special areas close together, and if possible obtaining permission to work them jointly. This is evidence that they want larger areas. At present Waihi is something like 400 acres, and Crown about 180 acres; but I am not speaking absolutely.
187. From the impression you have, you would think the English companies would prefer having more than 100 acres for special claims?—In that case it is so, but the English directors of the Kauri Company think 60 acres is enough. I do not see exactly how they can reconcile that.

188. You are aware of the regulations issued by the company? Do you consider they are an improvement on the Government regulations for taking up land?—Excepting the term wherein the company retains its proportion, they are pretty much based on the Government regulations.

189. You said just now that the object of preventing any one mining within 30 chains was to prevent wild-cat schemes being floated?—Yes, that was the tenor of it.

190. Then, if a man makes a find of gold, the company retains 30 chains on each side of him for themselves?—Yes; after he has his area.

191. They retain three-quarters of a mile?—Yes.

191A. This is the position: the company take up three-quarters of a mile on every claim?—It would not be on every claim. It would be on one at the end, but not on all.

192. Of course, you understand that the people who will be mining over these blocks will be scattered all over them, and the company reserves 30 chains on each side of a claim?—Yes; it is so specifically stated to prevent their dealing with syndicates.

193. You have said the object of the company was to prevent wild-cat schemes?—I meant the promotion of further companies with small capital. It wants a large capital to handle this business.

194. It practically reserves the land for the benefit of the company?—Yes; except that the company cannot expect to get better terms for themselves than the others, excepting that they can arrange to get the other company to open it. No one can tell which is "wild cat" and which is not till it is properly opened up.

195. There would not be more than half the area open for mining?—Not for prospectors to peg on, but open to be taken up by syndicates who will spend fair sums of money.

196. Do you know the Whangapoa lands?—No, I have not had time to go over them.

197. Can you give us any reason why Opitmines has not been thrown open?—Yes, because the Kauri Timber Company tied it up on account of the kauri upon it; but that particular block was never intended to be included with Tupararahi. This has been pointed out to the manager of the Kauri Timber Company, and he has admitted it was not in the original agreement, and within a short space of time I understand it will be open with the rest. That is the intention of the board.

198. Do you think the mining community as a whole will approve of the regulations issued by the board?—Yes, I think so, except that particular class we have spoken of who desire a redivision of the adjoining blocks.

199. *Mr. R. McKenzie.*] I should like to know the area of these blocks that the regulations allow prospecting upon?—I do not quite understand.

200. You say you issue licenses for mining, and reserve 30 chains on each side. I want to know the size of these blocks you issue licenses for?—What we call licenses are, in fact, miners' rights, and, having a license, a man may peg out exactly as if he had a miners' right on Crown lands.

202. What size is his claim?—It may be up to 100 acres if he goes on to the land and makes a *bonâ fide* find 80 chains from any one else; otherwise, he would have 60 acres.

203. What shape is it?—Rectangular—the same shape as the mining regulations require.

204. So that virtually the company will save of each ground?—Yes, in that sense.

205. *The Chairman.*] You issue what you term a miners' right?—Yes.

206. For which you charge?—Five shillings.

207. That entitles them simply to go on the land?—To prospect.

208. And the rent, supposing you lease to them, how much?—Same as New Zealand regulations, 10s.

209. Per half-year?—Per acre. Oh, no.

210. *Hon. Mr. Cadman.*] I have the regulations, and they say half-year. [The Hon. Mr. Cadman read the regulation on the subject.]

Mr. Allen: That is only 10s. a year, and not half-year.

211. *The Chairman.*] Do you think three months is sufficient time to allow a miner to come in contact with the capitalist and float his mine?—It does not say so there.

212. I think it gives him three months?—No, it gives him three months absolute protection after he gets his license, and it gives him twelve months to do what you say.

213. Do you assist the prospectors?—We have two clauses about prospectors. A man goes to the company. "I have a find. I have no purse, and can carry no risk; but I can show you a *bonâ fide* find. Will you help me to open it up?" We say, "Yes. If you show it to our mine-manager, we will take you on as wages-man, and give you time to open it up." If it then is such a find as may be floated as a legitimate thing we undertake to float it, and out of a company of £150,000 nominal, of which his share is £7,500 fully paid up. At the same time, the working capital is £30,000, and his interest is of tangible value. That is to say, there is information in his brain of no mortal use to you or him, but we can convert it into £7,500.

Mr. R. McKenzie: I look on that as not assisting a prospector at all.

214. *Mr. Fraser.*] What my question was directed to was more than giving aid to the prospector in the initial stage. Does your company in any way offer to assist a man to go out. Supposing he has experience as a miner, is there any way by which the company can assist him for a few weeks?—No, Sir, there is no such thing in the regulations at all. I would not have advised it at all.

215. *Mr. R. McKenzie.*] On the other hand, instead of assisting them, you charge them for a license?—Five shillings.

216. You charge them 10s. an acre for rent?—They get a fifty years' title for that. The Crown do the same.

Hon. Mr. Cadman: I would like to have it put on record as to the misapprehension I was under when I asked Mr. Gordon about the rent. It is 10s. yearly, and not half-yearly.

Mr. William Berry in attendance, and sworn.

218. *The Chairman.*] What is your name?—William Berry.

219. Your profession?—Editor of the *New Zealand Herald*.

220. You are here to give what evidence you can with reference to this proposed Mining Act?—I am willing to give any evidence I can.

221. In your words state what you wish to say.—I know the Committee have obtained a great deal of evidence from individuals as to the influence this measure would have on the flow of capital from London. I can only speak on that subject from conversations I have had with gentlemen in Auckland who represent English capital, and their unanimous opinion is that it would be fatal to mining being aided by outside capital. If I might make a suggestion, the Government might satisfy themselves on that point by communicating with the late Agent-General and the present Agent-General, which would be better evidence than could be given by any one in the colony. That the measure would be injurious is the general opinion of all the persons in Auckland whom I know, and who are direct agents of English capital. They are strongly against this Bill. In the first place, there is the bare statement that it is confiscation of freehold land. That would, I think, be a very serious message to send Home; and then it would be also a blow at the security of all mining tenures, because people in London would reason that if the Government can confiscate freehold land, land on which mining operations have been begun, where ample preparations had been made for working and prospecting, they would not regard any title whatever. I am also of opinion that it would be a serious matter in connection with the Native interests. The Natives would say that if this land were resumed the Crown could resume Native lands also. The Natives hold still a large extent of land which they have not ceded for mining purposes, and they would say at once that under this Bill these lands could be taken possession of without any compensation, or practically none—only surface-value. The whole of the mining on the Hauraki Peninsula, from Coromandel onwards, proceeds by virtue of agreements made with the Natives, in which the Crown has fully recognised their title to sell practically the mining rights. The first arrangement was made in 1852 by Governor Wynyard, and that arrangement proceeded on the understanding that the Natives could give these rights or refuse them. There were agreements in 1864, 1867, 1868, and all proceeded on the assumption that the Natives could give or refuse. On the Thames Goldfields, in the early days, there was a small area in the Waiotahi which the native owner refused to give up, and resisted the giving up of that portion, which was known to be auriferous. I understand that the regulations of the Kauri Freehold Estates Company have been objected to by several gentlemen connected with the goldfields. I saw the regulations when they were in draft in the early stage, but I do not know them exactly as they stand now. They proposed that before any claim could be floated, it must have a reef. They did not allow continuous pegging. There is a good deal to be said for this in a goldfields point of view. At the present time we have a large number of claims floated in Auckland on which no reef has been found. They have been floated because they are peg and peg with some claim where it is known gold has been discovered. These are the principal points, but I would be glad to give fresh information on anything I know of. I have no official connection with the company. I am here at the present time principally in connection with the general business of the paper.

222. *The Chairman.*] Were you invited to come here and give evidence?—I was summoned to come here.

223. Yes; but previous to that summons?—No.

224. You say that the passing of this Act would affect the security of mining tenure. Is there not at the present time a great deal of mining carried on where security is not in any way affected?—I think the people at Home, if they saw this proposal, would say, "Here is a piece of land respecting which arrangements have been made for working; men are out prospecting, claims are being pegged out—and the Government take up the position——"

225. That is not altogether my question. If the Government, under the mining laws, grant a title, do you consider there is any danger, or that mining speculators or investors would have any cause to think that title would be incomplete?—I think investors in London would think they had cause to question the honesty and good faith of the Government.

226. From what reason?—From the Government stepping in and taking land that was being mined, and in respect of which capital was subscribed for the purpose of mining.

227. *Mr. Fraser.*] Did I understand you to mean that a Bill such as is proposed would strike at the very root of the security of all kinds of tenure?—I think it would have a tendency to do that.

228. An impression?—I know, for instance, and everybody in Auckland interested in mining knows, they are obtaining capital for mining, just as if they were dipping out of the same well; and, although there are a good many who might take up claims, they would soon find that the Bill was mischievous, because the well would suddenly run dry.

229. *Mr. O'Regan.*] I think you said just now that most men were against the Bill, as it would prevent the inflow of English capital?—Yes.

230. Do you think it is possible that people with grievances against the Bill would naturally come to you?—I have seen some people who have grievances against the Bill, and some who have questioned some of the regulations proposed by the Kauri Freehold Estates Company. I would be likely to hear anything of the kind. I was living on the Thames Goldfields for many years, and I have been in touch with the goldfields ever since I went to Auckland. I saw some of the agreements with the Natives drawn up and agreed to, and know the understanding of both parties when they were negotiated.

231. You said the impression had got abroad in the Old Country that the Bill proposes confiscation of freehold properties?—Yes.

232. You are aware that most of the mining operations in the colony are carried on without freehold?—Yes; and probably that is advantageous where the land is Crown land.

233. And mining investors in London would think these contrary to their interests?—Yes.

234. You lay special emphasis on the word "think." You will agree, I think, that if misrepresentations are made in the public Press, and are sent Home by persons affected, an erroneous impression may mislead the people in London?—Yes; but the Bill itself has reached London now, and it would be easy to ascertain precisely what the mining people there thought of it from the Agent-General. They have the Bill by post; it has been circulated about six weeks, and I know it is Home.

235. Do you meet many persons in Auckland in favour of the Bill—that is to say, of the labour or mining community—apart from the speculative interest?—Perhaps I am not in such a good position to see them as if I were at the Thames. I know, myself, that a good many persons whom I have heard object to the company working the ground they own are speculators pure and simple. At the present time the method is somewhat like this: a man goes to the Thames, puts in four pegs, comes to Auckland, deposits the money for survey, and then a syndicate is formed to send the ground to London for sale. He has six months to play upon the survey, and during that time he floats a syndicate, and that syndicate sends the mine to London. It is amongst this class I find the strongest opinion in favour of the Bill.

236. *Mr. Fraser.*] Those most in favour of the Bill are speculators?—Yes.

237. Wild-cat speculators?—Yes.

Mr. R. McKenzie: That does not apply to the Anglo-Continental.

238. *Mr. O'Regan.*] Can you give us, approximately, an idea of how much land is being worked under the freehold tenure?—No. There is on the West Coast of the South Island, Taitapu, a large block, and there is what is known at Coromandel as William Aitken's block. There is, I may remark, a difference in the position of various blocks on the Thames Peninsula. In some cases the right to mine was ceded to the Government before the freeholds were obtained. The freeholds that were obtained on blocks over which the right to mine had been ceded are in a different position to those on the eastern side of the water-shed, which have never been ceded to the Crown.

239. Then I take it that the largest objection to this Bill is from the Kauri Timber Company?—They are chiefly interested, but, of course, others are largely interested.

240. *Mr. R. McKenzie.*] Assuming that the Government resumed these lands, do you think investors would speculate in them as ordinary Crown lands?—I believe if the Bill were passed it would be contested in every possible form. What those would be I do not know.

241. Do you think investors would speculate?—I think investors would be so staggered by the act of resumption that they would be inclined to be shy.

242. Can you give us any reason why the Government should not resume land for mining?—The distinction is this: They give full value for land taken for settlement. For this land, as mining land, I suppose you would get for it in London from £20 to £30 per acre; but if it is cleared and denuded of kauri the surface-value is not worth thirty pence.

243. *Hon. Mr. Cadman.*] You said the land would not be worth thirty pence denuded of timber?—I said it might be saleable for £30 an acre if it were known to contain a reef; but for surface-value I do not think it would be worth more than as many pence.

244. If I held a lease of land on the Peninsula for the purpose of removing the timber, when the timber is gone what would you estimate the value of my lease to run on the Thames Goldfield—surface-value?—That would be somewhat complicated. For instance, at the present time it would be worth very little; but there is this to be considered: Suppose that land was mining land, and I held a lease for fifty years; a township might be wanted on that land, and I consider if the Government are going to take it away that that should be an element in the compensation.

245. That is, after your timber is removed?—Yes; it is still your property till the expiry of the lease.

246. Although your lease only gives you the right to remove your timber?—But I was speaking of an ordinary lease. A timber lease is a different case.

247. I am referring to what is known as timber leases, and what I want to ask you is this: After the timber is removed, at what would you value my interest?—I understand that I have a lease for fifty years; I remove the timber in ten years. I do not think it would be right to take the land, and so take away my rights, if a township were likely to be wanted. I would have no right to mine; but I would still have the right to prevent any building on the land. But that is a fair subject for discussion. Of course, leases stand in a different category to freehold lands.

248. If you held a lease for fifty years, and you denuded the land of timber in ten years, would you think it would be worth while to pay rates and taxes for forty years?—I would consider that question, and if I saw the chance of a mining township being required I would stick to the land, but if I saw no chance I would say to the Government that I was willing to hand it over.

249. Then your estimate of the value for the forty years would be based on the off-chance of a township?—Yes.

250. You mentioned that William Aitken had been mining on freehold land at Coromandel. From your own knowledge, can you say what he has done in the last twenty years?—I understand he has not done much, but he told me a few days ago that arrangements had been made to work it thoroughly.

251. Are you aware that the right to mine on that land has been questioned by the Government?—Yes. Mr. Aitken contends that he is not within the schedule of the Act, for he got his title in 1865, and the Validation Act was not passed till 1869, and he claims also that the agreement made with the Natives does not affect his land.

252. From your knowledge of the goldfields at the Thames, has there not been anxiety evinced for many years to mine on the lands held in one form or another by timber companies, which are now held by the Kauri Timber Company?—There has always been a desire that the whole peninsula should be at command.

253. Do you think it is wrong to resume freehold land for mining purposes?—Yes, I think it is wrong and impolitic to resume freehold land for mining purposes.

254. *The Chairman.*] You, as one of the early residents on the Thames Goldfields, have a good deal of general knowledge of mines in that district?—Yes.

255. Do you think that every buyer or seller of this land took into account the mineral interests on the eastern watershed?—The lands on the western watershed were within the areas ceded to the Crown for mining. In the early days, Mr. Robert Graham bought the freehold of Grahamstown.

256. I mean the lands we are now discussing. When sold by the Maori owners, were the mineral interests taken into account in this sale, or was it not simply timber interests?—I think the first thing the purchasers went for was timber. The prospects of gold on the eastern side of the range were not thought much of. That was in the very early days, and some of those titles go back to those early days. But having bought them the purchasers are entitled to all consideration.

257. *Mr. R. McKenzie.*] You do not agree with resuming land for mining purposes? Are you aware that in Victoria and New South Wales they have Acts permitting mining on private lands?—Yes, I have seen those Acts. It was imperative on those colonies to pass such Acts because they had parted with very large areas in the early days. The Mining on Private Lands Acts passed by these colonies say nothing about resuming the lands. These Acts provide that if a man is mining the land they shall not operate at all. Under the Mining on Private Properties Act of New South Wales this Company's (Kauri Freehold Company) land would be quite safe.

Mr. R. R. Hunt in attendance, and sworn.

258. *The Chairman.*] What is your name?—Richard Robert Hunt.

259. And your profession?—I am general manager of the New Zealand Exploitation Company (Limited).

The Chairman: The Committee will hear your evidence with reference to this Bill, and will ask you to be as brief as possible, so as to save repetition of evidence already given.

Mr. Hunt: I may say that, although anxious to get away by steamer, I do not mind remaining till Tuesday if the Committee think it desirable. [The Chairman replied it was not considered necessary to detain him.] One word of statement with reference to the Bill. The objection that I have to the Bill is simply this: that, with regard to freeholds, if you are to resume lands which hitherto people have considered to be held by an indefeasible title it will certainly upset the relations between capitalists and the colony. In London they are very sensitive about titles, and the least thing causes a "slump." You all know, gentlemen, that the tide is flowing this way. New Zealand is the fashion just now, and certainly the fashion should be taken advantage of. Those who have been as long in the colony as Mr. Cadman has must know how the Thames has languished for years and years, and yet just as the chance comes to get in capital you disturb its titles. Capital will withdraw to a certainty. With regard to titles, my company is interested in titles acquired by option from the Kauri Timber Company, and is also interested in the Kauri Freehold Gold Estates Company. Personally, I have also a little bit of freehold land, and I should be sorry to see that land resumed—either the company's or my own. My company feel it is better to get this question settled in some way by compromise rather than have any ripping-up of the question year after year. That compromise, I believe, should be in the direction of a royalty, recognising that the Crown has some right to the minerals—charging us a percentage of 1 or 2 per cent., and then giving us a title there is no getting behind. Concerning certain leases at the Thames, my company have also an option over these leaseholds, such as it is, and we are prepared to spend very large sums of money on them. We have men out now on the freeholds prospecting, giving them money enough for food—giving them £250 if they make a find, and paid-up shares besides that. We hold freeholds from the Kauri Timber Company under option, and also an option over leaseholds. I need only say, with regard to both freeholds and leaseholds, if some kind of compromise can be made in the direction of a royalty, and allowing some portion of the block to go to the company, the balance to be thrown open on leasehold, my company have instructed me to compromise the matter in every way, so as to get to work while the sun shines. We can get money easily now in London, and six months hence you may not get a farthing. I was five years in London when you had only to mention New Zealand and you were shown out, and told "We want security first."

THURSDAY, 27TH AUGUST, 1896.

Mr. J. H. POTTS, Miner, sworn and examined.

1. *The Chairman.*] You are a miner?—Yes; and president of the Thames Miners' Union.

2. Will you now shortly, in your own way, state the evidence you wish to bring before this Committee; afterwards, if the Committee should ask you any questions, you will be good enough to answer them?—I have been sent here by the Thames Miners' Union to give evidence on their behalf with reference to the proposed Bill now before Parliament. For a considerable time the greatest dissatisfaction has existed among the mining community on the Peninsula with reference to the manner in which lands have been locked up, preventing the miners from taking up areas of ground to which they can get a title. I refer to the lands known as Tairua particularly, also to Whangapoua Block. There have been representations made from all parts of the Peninsula by the Miners' Union and others drawing attention to this state of affairs, and, at a meeting held for that purpose, it was decided that I should come down and give evidence before this Committee with reference to these blocks so far as I know them. With reference to Tairua, I am aware that several findings of some importance have been made on leasehold properties on the Kauri Timber Company's ground. These finds have been made by prospectors. In some cases the money has been lodged in Court for the licenses, but not being Crown lands, or, as far as I know, no Proclamation having been made over the ground, they can receive no title.

With reference to Whangapoua, it is in the same position; ground has been pegged off awaiting legislation for the land to be resumed for mining purposes. In this block I know of my own knowledge that, some twenty-seven years ago, I went to a rush that had taken place there when gold was discovered; the ground was worked, and no opposition was made, so far as I know, to any person working the ground. Gold was found on these blocks, and some hundreds of ounces on this one; I know this, for I was there myself prospecting for some time. I discovered several reefs on the ground. At that time this portion of this block was a dense kauri forest. At the present time—I was over it some short time ago—there is not a stick of kauri standing. The miners of the Peninsula wish to have these lands resumed for mining purposes, feeling assured that if the ground is opened for occupation, so far as the "unemployed" difficulty is concerned, it will wipe it out, as it is almost impossible to get sufficient men to man the ground that would be taken up. I might say that this block for a number of years has been the subject of some heartburning with the miners, and they would like to get it opened if possible. My instructions from the Union, as their president, were to try, if possible, to get all these lands resumed for gold-mining purposes. I do not know that there is anything else that I can say; but that is the position, so far as I know, of these two blocks of land.

3. *Mr. Carncross.*] You say the opening of this land at Tairua would wipe out the "unemployed" question?—To a great extent.

4. You mean so far as the district is concerned?—So far as the colony is concerned, for at present we are trying to get men and cannot get them.

5. These are quartz-reefing grounds, and would require extensive capital to work them?—In some cases it would; but there are some in Whangapoua and some at Tairua which it would not require a great deal of capital to work. No sinking fund would be required for years; the country is mountainous, and continuous levels could be driven in for a good many years without any other machinery except what the ordinary workman employs.

6. In establishing batteries capital would be required?—That would have to come in any case, no matter what the land.

7. The unemployed could not establish such works?—The people who would take up this land would have to comply with the mining conditions, and the unemployed would get work as miners.

8. If this land were thrown open, are there people in New Zealand who would establish the necessary works and give employment?—I have no doubt of it.

9. It does not depend on syndicates?—No, not to any great extent. In some cases it might be advisable for three or four to join in sinking, and get some English or foreign capital; but it is country easily worked—perhaps the easiest for capital to work that could be found in the colony.

10. Do you think there is the capital in the colony to work it?—I have no doubt of it, if people would bring it out.

11. Bring it out from where?—From people in the colony who have it. If you look at the class of people who take up shares in Dunedin, Napier, and Christchurch, you will see that we have had more capital from these districts than we have had of foreign money.

12. Is it not purely a matter of floating the company at Home?—Not in all cases.

13. In the vast majority of cases?—I think we have had more colonial companies than English or foreign companies in New Zealand. I do not think there are more than, but rather under, twenty foreign companies in New Zealand. There are only three at the Thames proper—two in Karangahake and one in Tairua. Twenty or twenty-two would cover the whole of the English companies floated—that is, in our part of the colony.

14. Do you know on what terms the Kauri Timber Company allow this ground to be prospected?—They are such terms as to make it unlikely that any one would go there to prospect; no one would prospect or would put in four pegs under their arrangement.

15. Do you think the conditions prohibitive?—Most decidedly I do. In the first place, they claim a certain amount of ground (30 chains) around you if you get anything, then, if you find anything, you must give them a certain number of shares paid-up. So that, what with royalties and the limited time you have to go to work, it is scarcely possible you could do any good.

15A. What is your objection to the 30 chains clause?—I object to them having the right to take up 30 chains all around. Suppose I found gold there to-morrow, they would come and take up the ground all around; and if I found any gold I should have to notify that to the company.

16. Do you think that this taking up 30 chains all round, and the limit of time to commence work, would have the effect of preventing men from coming forward to prospect or work the ground?—I think that men would like to have the ground for themselves; no doubt that was the reason the clause was put in.

17. *Hon. Mr. Larnach.*] You said that most of the capital in use in England is found in the colony?—No; but that a greater proportion of the mines are floated in the colony.

18. Are you aware that the increment of capital to the colony which you are using amounts to a million and a half?—I cannot say.

18A. How much has been received in the colony?—I could not say. I do not know what mines have been floated; I could not answer the question.

19. Do you not think it is a somewhat wild statement to make—that all the capital required could be found in the colony?—I do not know the number of mines that could be floated in the colony; but I say there have been more in the colony than have been floated in London five times over.

20. That is your opinion?—I am certain of it.

21. The capital paid up?—There have been more than a dozen mines floated in the district with from £1,000 to £1,500 of capital.

22. Are not mines worked with this small capital much more expensive to work?—In some cases they have been amalgamated in order to get more capital; but, still, they have the capital, and they have good prospects. Why should I go out of the colony to get a larger capital if I can get all I want in it, if it is available?

23. But in the colony you cannot get capital to any amount?—In all the cases I know of, if they want for money they can have it locally.

24. Where?—We have it from all parts.

25. But why should a million and a half of money be brought from outside the colony if you have as much as you require?—The answer to that would be that in some cases we have heavy mining machinery to put on the ground; this would require more money, perhaps, than you could get in the colony.

26. Do you think that, if this legislation passes, it will prevent that capital coming to the colony?—No; I do not see why it should.

27. Would security of title have any effect in the same direction?—I do not take it so in regard to this Act. It is not stricter than the law in Victoria; it is no worse than it is there.

28. *Mr. R. McKenzie.*] How many men are there in your union?—One thousand seven hundred, and there will be three thousand before three months.

29. Was it at a public meeting that that resolution was passed; were they unanimous?—Yes; it was carried unanimously. We talked over it for a considerable time.

30. *Mr. Allen.*] You say that Tairua is not Crown land?—So far as I know, it is Kauri Timber Company's leasehold. It will revert to the Natives or the Crown when the lease expires.

31. Is it not freehold?—It is leasehold ground.

32. I do not see that?—I do not know of any freeholds till you go over to the boat-harbour. They have freeholds over there, but this land will revert to the Crown, or to the Natives, or to the Crown when the lease expires.

33. It might be Crown land or Native land?—It is under lease to the Timber Company.

34. I am not talking about a lease, I am talking about the freehold?—It is leased.

35. You say that twenty-seven years ago—in 1869—you discovered gold at Whangapoua. Who held the freehold in 1869?—I do not know. There were timber rights there, but no objection was made to mining on the block. I do not know anything about a leasehold then; I think it was held by one Harris or Craig.

36. You say there is not a stick of kauri on Whangapoua now?—Not on the part that I refer to.

37. I understood you to say there was not any on the block?—On one portion, going towards Opitunui, there is kauri, but this portion is completely cut out, and has been for years.

38. You said the "unemployed" difficulty would be wiped out if this legislation passed. Is there any "unemployed" difficulty in Auckland now?—No; not in my part.

39. It is difficult to get miners?—No, we can get them.

40. Are all those claims manned up to labour conditions?—So far as I can see, they are bound up in accordance with the orders of the Warden's Court.

41. Do you mean that he has relaxed the labour conditions?—No; he has given protection to a number of mines.

42. But if that protection has gone by, are there enough men to man the claims?—There is not; no doubt about that.

43. You have said that there are more mines floated in the colony than in England?—Yes.

44. How many mines floated in Auckland are likely to succeed?—I have not been through the ground to see.

45. Are there many companies not likely to be a success?—That is what no born man can answer. They say that no miner can see a foot beyond the point of his pick; he might work for long and get nothing, whereas if he went a foot further he might have been a rich man.

46. Do you think that in the case of most of the companies there now their prospecting claims are likely to turn out successfully?—I believe that a great number will be successful.

47. Are there no "wild cats" among them?—Not a shadow of a doubt about it; but that you will always have.

48. There are a number of claims you say with from £1,000 to £1,500 of capital; do you consider that sufficient?—It is sufficient to open them up and develop them to a certain extent.

49. After they are opened up and developed will they need more capital?—Yes.

50. You think that capital will be found in New Zealand?—The shareholders will find it; they will have to pay the calls. If they are treated properly there will be no difficulty in paying the calls; there would be no trouble about that.

51. You think there would be no difficulty in paying calls?—I know of companies doing a great deal of work, and the shareholders have no anxiety about calls.

52. You say that no prospector would work under the Timber Company's conditions?—Distinctly.

53. Have you seen any one that is working under the company's conditions?—Not that I am aware of.

53A. Do you know the ground?—Yes; both the blocks referred to.

54. There have been miners there?—Yes; I know some that have been prospecting there.

55. On this same ground?—Yes; on that same ground.

56. Did they come there under the company's conditions?—No; certainly not.

57. We have it in evidence that several have gone there under the company's conditions?—So far as I know, in connection with that, the Timber Company have done no prospecting. Nobody has been out taking areas under their rules. Somebody may have been there under those conditions, but I am not aware of it. I know, however, that men have been there prospecting, and have discovered payable lodes. I cannot say if the company knows where this prospect is.

58. Are you aware that the company have set aside £60,000 for prospecting on their freehold estates?—I cannot tell what they have done.

59. If the passing of this legislation would, in the opinion of English capitalists, make their title insecure and drive out English capital, would you think it advisable to pass such legislation as

this?—I do not think this legislation will affect the companies already floated; if this Bill passes I do not think they could have a better title.

60. Do you think that a leasehold is a better title than freehold?—I do not say that it is a better; but I do not see that would interfere with any mining company that has been floated in England.

61. Will it interfere with any succeeding claims?—No, I should not think so; for if the Crown resumes the right they will have their title direct from the Crown.

62. You are well up in the method in which these claims are taken up: would you give us some idea how they are pegged off?—I do not quite understand what you mean.

63. I should like to know something about the Warden's Court—how these claims are taken up; is it all legitimate, or is there any amount of speculation in it?—I cannot answer the question. I am not supposed to know when a man goes out and discovers gold. If he thinks it is payable ground he goes to the Warden's Court and pegs it off. I presume that he will not take up a piece of ground unless he sees something in it to pay him for his trouble. A man will not go into the bush in such weather as we have had—he will not discover a reef, and then go and pay £40 into the Warden's Court for a license if he does not expect to get something out of it. I know I would not do so.

64. Suppose a man discovers a reef, and he knows that others are pegging off around him without any prospecting?—It is quite possible it may be so.

65. Is it legitimate?—So long as he pegs off the ground and pays the license and puts the men into work it is. Broken Hill did not take long to discover; it is now worth £10,000; it is a splendid property,

66. You say this has been locked up for some time; is it locked up now?—It is now some twenty years that it has been open for working on the same terms as ordinary ground, or as other blocks, with the exception of the time it has been held by the Timber Company, and no one can go there now unless he accepts what the Timber Company may offer.

67. You say you have the printed conditions upon which this ground can be opened up?—Yes; I have them in my pocket.

68. If you peg off a piece of ground anybody can take up ground round you; under these conditions does it follow that, because the company claim the surrounding ground, it is a loss to you?—Distinctly. It is locked up; their claims are private; no man would go and take up such ground.

69. Tell us the prohibitive part?—It is this: If a man discovers gold in it he has to notify it to the company; then they have the right to lay off 30 chains all round him; then he has to give the company so many paid-up shares; he has to do several other things; if he does not do them the ground reverts back to the Kauri Syndicate.

70. You consider that prohibitive?—I do.

71. That opinion does not appear to be held by all miners, for I understand there are some going on the ground now?—I am not aware of any man who has gone there and taken a lease under the conditions mentioned; I do not know of one. So far as I know of mining companies, I do not think that any man would be mad enough to go and take up ground and prospect it upon those conditions.

72. Is it not rather early for leases?—Not that I am aware of.

73. Is that one of the prohibitive conditions—that 30 chains you speak of?—That is one, certainly; but I object to them as a whole. That is one, because it might enable them to take away the gold altogether.

74. That is your chief objection?—That and the forms which a person must observe who discovers gold.

75. You object to the 30 chains?—I object to the whole, because——

76. Which of them do you object to principally?—I object to the whole of them from beginning to end.

77. Do you object to the 10s. for rent?—Well, I would not object to the rent exactly.

78. Then, you do not object to them all?—Taking them altogether, I object to them.

79. There is one thing you have admitted—that the claim for rent you do not object to; if so, you cannot object to the recovery of arrears?—The Warden's Court does not go so far as that.

80. But you object to the terms for floating a company?—Yes, I should think so; so I think would anybody else. I do not think anybody would take up ground on those conditions.

81. *Mr. Fraser.*] You mentioned that certain prospectors had gone on to this land, discovered reefs upon it, lodged their money in the Warden's Court. Do you refer to leasehold land or freehold?—Leasehold; on the Kauri Timber Company's ground.

82. Did they know when they lodged their money that there was no law by which they acquired the right to mine there?—I could not say what they knew. I know this: that the money up to the present time has been lying in the Warden's office.

83. If they knew that they could not acquire any title to it, would you say there was any grievance, even if the money is lying there still?—I could not say It is difficult to know where this leasehold is; it is a dense bush and unfenced.

83A. Would it not be a waste of time for a man to go prospecting on land when he knew that if he discovered anything he could not have it as the result of his labour?—Certainly, if he knew it.

84. Was it not known in the district?—It is impossible to tell where this lease-land is.

85. Would men go prospecting on these lands even on the chance of discovering gold, which they would have no right to extract?—They must have gone there, for these blocks have been prospected for years.

85A. Have you had reason to complain?—If it were my case I would certainly withdraw my money and go somewhere else.

86. You were talking about companies that were floated in the colony?—Yes.

87. You said a certain number had been floated in the colony?—Yes.

88. As to the flotation of these companies, is it not a process preliminary to taking them to London to get capital to work them?—I do not think so; not in all cases. It may be so in some cases.

89. In what proportion of cases?—I really could not say. It all depends on what the mine is worth when it is developed; they might think it better to hold it themselves.

90. Are the whole of the claims in Auckland held for the purpose of being floated in companies?—I could not say.

91. Are the companies registered companies?—Yes, they are registered companies.

92. Is the flotation simply a process preliminary to getting them sold to a syndicate?—I do not think so; on the Thames, and in Coromandel and the Upper Thames, they are all registered and all working.

93. All working and fully manned?—Yes.

94. Did I understand you to say that it is not necessary for working those mines in the north to encourage capital?—I did not say so; but you can get as much as you require to develop the mine. What I wished to point out was this: that those mines which are working and registered have a certain working-capital at call; the shareholders do not feel any anxiety about calls when the mine is working; the calls are paid freely, and none so freely paid as the local calls.

95. Prospective calls?—Yes, for ground legitimately working. I was all over the Coromandel Peninsula some seven weeks ago. The mines there are legitimately worked, and opened in a great many places with local capital. It is true, however, that Coromandel has had the greater share of the English capital that came to the district.

96. I want to know whether you think it an advantage to bring English capital there?—There is no shadow of doubt about that.

97. You have said that this Bill will not affect companies already floated in England?—Companies registered.

98. If these companies hold by virtue of a freehold title alone, are you of opinion that their right to mine would not be affected by this legislation?—I do not think so. I do not think this Bill will interfere with any rights they have at all.

99. What would you say if the Bill had this effect: that, in the case of a person holding mining property under freehold title only, he would be interfered with in his right to the full use of his property?—No; I would not consider that a just thing to do. I do not think that any Government would do it.

100. But if it would do so, would not that have the effect of discouraging the introduction of capital?—I cannot see how it would do so.

101. My question is this: If this Bill should have the effect of destroying the rights of companies formed for mining, and holding under a freehold title, would not that have the effect of discouraging the introduction of capital?—I do not think so.

101A. What are your grounds for that opinion?—I do not think that any Government would interfere with capital already invested.

102. You do not think that would be the right thing to do?—No, I do not say that; but I do not think any Government would interfere with titles already obtained.

103. Have you read this Bill?—Yes.

104. Do you consider the Bill will in any way affect the introduction of capital—of foreign capital—into the colony?—I do not think so.

105. Do you consider, if this Bill passes, companies already formed and registered in London, whose only title to mine is a freehold one, will not be jeopardized?—I do not think so.

106. Do you think it would be right or just if the Bill had that effect?—I do not think it will have that effect.

107. Do you think it would be just if it had that effect?—I cannot give you any other answer. I do not think it will jeopardize the position of the Home people.

108. But if it would jeopardize their title, would it be just?—I maintain it would not jeopardize their title.

109. Would it be unjust?—Yes; but I say it would not jeopardize them.

110. Have you formed an opinion on that subject?—Yes.

111. But suppose it does jeopardize them?—There is no suppose in the case.

112. How long is it since you saw the Bill?—About six weeks ago; I cannot say exactly how long it is since it was circulated.

113. You have held the opinion since then that it would not jeopardize foreign capital?—It might or it might not. I may have held that or any other opinion; but any opinion I have held I may alter if I see reason for doing so. I can alter my opinion if it is wrong.

114. Then, I would ask you whether you have changed your opinion?—I have changed my opinion.

115. Since when?—Some little time ago; since this matter has been talked of and discussed—perhaps a month ago.

116. You have never expressed an opinion that this Bill, if it passed, would be detrimental to capital?—Yes, that was my opinion at one time.

117. To whom did you express that opinion?—I expressed it to several people.

118. Had you seen the Bill at that time?—I think I had seen the Bill at the time.

119. You have changed your opinion?—Yes; I had to change this opinion on account of the people I represent. I changed my opinion because the people I represent were all of a different opinion to what I was. One of the principal objectious made to the Bill was with reference to mine-managers' certificates.

120. I am speaking of the Bill in regard to the resumption clause. Did you ever write to Mr. McGowan on the subject?—Yes.

121. Saying that it would injure capital?—I do not think it was to that effect. Mr. McGowan has the letter, and he can say what is expressed in it.

122. Did you ever write to Mr. Seymour George?—Yes.

123. What did you tell him?—I could not tell you what I did say to him. I told him in a letter that I did not agree with the Bill, so far as I had seen or read it. The principal objection I had to the Bill was in reference to the mine-manager's certificate.

123a. Did you not express the opinion that it would injure capital?—Not that I am aware of.

Mr. Fraser: I will refresh your memory. I have a copy of the letter; I will read an extract from it:—

"Thames, 28th July, 1896.

"I had a conversation with Mr. Eddowes to-day. He told me he had been speaking to you about the amendment to the Mining Act. I have also been spoken to by Mr. George Clarke, of the Moanataiari Company. I have the honour to inform you that I have already communicated with our member, Mr. James McGowan, *re* this amendment, which I do not believe in, as it is going to kill capital.

"Yours &c.,

"William H. Potts.

"S. T. George, Esq."

Witness: What is the date of that?

Mr. Fraser: 28th July. About a month ago.

124. *Mr. O'Regan.*] Do the Thames miners, as a body, agree with the resumption clauses contained in this Bill?—Yes, these are my instructions.

125. Now, with regard to the objections?—My instructions were to support the Bill in its entirety, with the exception of one clause.

126. You are aware that adverse comments on the Bill have already appeared in the Auckland Press?—Yes.

127. What is the opinion of the miners as to these comments?—They do not think they are fair; they do not believe in them.

128. With regard to the effect of this Bill on the introduction of capital, do the miners think it will have the effect of checking the inflow of capital to Auckland District?—Certainly not.

129. What would the miners think if it had the effect of preventing the inflow of capital?—They would consider that a disadvantage.

130. Then, the opinion of the body you represent amounts to this: that the investment of foreign capital may be good or bad, according to the manner of investment. If it is used for developing the resources of the district it is good; but if used for the purposes of a monopoly it is not desirable?—That is so.

131. With regard to Press opinions about this Bill, do the miners think that the fear alleged to be entertained at Home is due to the provisions of the Bill, or to misrepresentations of its provisions?—To misrepresentations respecting the Bill in the Press of the colony, and the antagonism shown to it.

132. You are aware that mining operations are proceeding on Crown lands elsewhere in the colony?—Yes, in some cases.

133. Can you give us any reason why there should be a preference for the freehold as against the Crown title?—I cannot say.

134. Is it because under freehold tenure there are less stringent labour conditions?—On Crown lands the conditions are less stringent. I suppose on freehold they have less to comply with.

135. *Hon. Mr. Cadman.*] You say you represent the Miners' Union of the Thames?—Yes.

136. How many branches of the union are there on the Peninsula?—There are six—Waihi, Waitekauri, Karangahake, Thames, Coromandel, Kuaotunu.

137. They are spread fairly well through the Peninsula?—Yes.

138. Do you think the community outside the Miners' Union—the people living on goldfields—are of the same opinion as the miners?—Yes; we have correspondence from them. When I was there the matter was talked over, and there was but one opinion.

139. Then, taking the whole of the country—Ohinemuri, Coromandel, and the Thames—the people are fairly in favour of this Bill?—Undoubtedly so.

140. Do you think the statement made to the Committee that they were opposed to the Bill is incorrect?—I should think so.

141. Some members of the Committee asked you about prospectors knowing where there was gold, and wasting their time because they could not get a title. Will you tell the Committee whether this is open land or is it dense bush?—It is dense bush.

142. Are you aware that blocks have been surveyed so that people could tell where they were?—I do not know that there are any blocks surveyed to tell people where to go.

143. Do you think it is possible to tell in what blocks they are?—I am sure I could not know.

144. You object to the regulations of the Kauri Gold-mining Company in respect of their being able to peg off 30 chains all round you?—I object not to that only, I object to the whole of them.

145. What is the area prospectors can take up?—100, 50, or 30 acres.

146. I presume, wherever his find was, he would put down his peg in the centre?—Not less than 80 chains from any old find. There is another condition—that the marking-off should be recently proclaimed. It should be 30 chains in greatest length by two-thirds of the length. That is all he could take up, unless he was 80 chains away from the old find.

147. *Mr. O'Regan.*] In reference to the rent charged by the company, do you object to that?—I would not object to that so much as to the terms and conditions.

148. The conditions on Crown land are not so stringent?—No.

149. And in the one case the money goes to the public revenue, while in the other it goes to a private company?—Yes.

150. *Mr. Duncan.*] From the knowledge you have of floating companies, do you think there

would be any difficulty in getting capital to be expended on Crown lands?—Home capital will go on to Crown lands as quickly as on to any other.

151. How about the title?—I consider the title on Crown lands given by the Crown is as good as any title in the colony.

152. *The Chairman.*] You have seen the clause relating to the mine-manager's certificate?—Yes.

153. Will you say what is the feeling of miners generally in your part of the colony with reference to the compulsory clause in the Act which compels a mine-manager to hold a certificate?—You have had a resolution wired through as passed by a meeting held to consider that. We are unanimous in thinking that that clause ought to be wiped out. That simply prevents me or any man having charge of a mine unless we hold a first-class certificate. That is a hardship. This is the only colony where a compulsory certificate is required. In former times, when miners were free to work without any certificate, the work was as well done as it is now; we had no certificate at all then. When these certificates come a good many people are debarred from getting their living as managers. In some cases, no doubt, that may happen from neglect; but I think I am correct in stating that the feeling now is that it will be for the benefit of the employer as well as for the men if this clause is struck out, for I know, myself, that it will cause hardship. I am positive in making this statement. I was offered a billet myself, but I had to take a back seat. There are others in the same position. With all respect to the School of Mines—and I hope the Government will continue to encourage the schools—there are men at the present time who are perfectly capable of taking charge of any mine who have no certificate. By all means let the Schools of Mines be encouraged. By-and-by better men with greater knowledge than we have will grow up. But there are men who have had charge of some of the principal mines in the colonies—thoroughly practical and capable men: these men will be debarred from getting their living unless they have this paper. My instructions from those whom I represent are to induce you, if possible, to take a favourable view of this matter, and allow those who have been proved to be capable men in the past, and who are capable still of taking charge of a mine without this paper, to get their living. Let us employ capable men whether they have this paper or not.

154. *Mr. R. McKenzie.*] Suppose candidates were examined, so many on the practical part of the business and so many on the theoretical knowledge required?—That would be all right if you took the men underground to see whether they really knew their work. In former days we left nothing to chance, but it is possible to find any number of men who will go down into a mine and have to depend on the man working for him. It is necessary for the learner to go underground. I say, all honour to the School of Mines, because of the knowledge they give to those who are under them. But the older men who are perfectly capable yet of taking charge of a mine are valuable to show what goes on underground. I tried hard to get through the School of Mines, but I found it too big a contract for me. I think you should abolish this clause, but keep the School of Mines going all the same. You cannot teach in three years in the school what is necessary. I have been forty years at it, and I do not know it yet.

155. Can you suggest any means of examining men who have been in charge of a mine without a certificate; how will you know they are capable other than by certificate?

The Chairman: That has been suggested by the Inspector.

156. *Mr. Fraser.*] Could he not examine a man so as to test his efficiency?—It could be done if this penal clause were abolished.

157. If you abolished the penal clause men would be in charge of mines who ought not to be in that position. There ought to be some test. Could it not be ascertained by the Inspector in his annual round?—We have sent a petition to the House asking for this clause to be struck out. The directors of companies are not going to employ any other than capable men, whether they have paper or not. There are lots of good men who have no paper.

158. *Mr. R. McKenzie.*] What part of the examination do you object to?—It would not be necessary for a mine-manager to be an assayer; a surveyor he must be to some extent, but I do not think that, where a man is in charge of a mine, surveying is required. We have surveyors all over the colony engaged almost wholly on other work. I do not think surveying necessary in a mine-manager, although it is a very useful thing to be able to do it.

HERBERT GORDON sworn and examined.

159. *The Chairman.*] What is your position?—I am a miner.

160. You come before the Committee to give evidence with reference to the proposed Mining Act?—Yes.

161. Will you state to the Committee in your own words, as briefly as possible, what you wish to put before the Committee?—I have had considerable difficulty for many years with the Kauri Timber Company trying to get a title. I spent two years in prospecting, but I could not get a title. The Government could not acquire a title. I wish the Committee to try and do something towards opening this land. Many other prospectors are in the same fix.

162. *Mr. Carncross.*] Have you read this Bill?—No, I have not.

163. *Mr. W. Kelly.*] You come from Tairua?—Yes.

164. The land you want to open is the Kauri Timber Company's land?—Yes.

165. Is that bush-land?—It is fern-land; there has been bush cut off it.

166. What extent of bush has been cut off?—700 or 800 acres.

167. Do you know what quantity of land there is in Tairua?—I have not the slightest idea. Pretty well all the bush has been cut off.

168. *Mr. R. McKenzie.*] Have you seen the conditions which the Kauri Company require to be observed for prospecting on their land?—I have not seen them, but I have heard what they are.

169. Have you not read them?—No; I have not read them.

170. *Mr. Allen.*] Are there no men mining on the Tairua lease-land?—There are none now; there might have been some four years ago. I did some mining there four years ago. I was led to believe it did not belong to them. I found a lode there; I spent a lot of money on it.
171. *Hon. Mr. Cadman.*] Are you desirous of taking up a claim on Tairua?—Yes.
172. Have you applied to the Warden?—Yes.
173. What does he say?—He is waiting for the Government to fix it up. At the time when we took it up he thought it was Government land. The case was adjourned for a month.
174. Suppose you got your claim granted, do you think you could work it without interfering with the Kauri Timber Company's rights?—Yes.
175. Do you know the Coromandel Peninsula?—I do not know that so well.
176. Do you think it possible that, if mining rights were granted, the miners who would take them up could work their claims without interfering with the Kauri Company's rights?—I am quite sure they could without interfering with them in any way.

ROBERT FARRELL sworn and examined.

177. *The Chairman.*] You are a miner?—Yes.
178. Do you wish to give evidence on the proposed Mining Act?—Yes.
179. That is the Act before the Committee at present?—I have very little to say; Mr. Gordon, I suppose, has told you all.
180. You are a mate of Gordon's, but you have nothing to say?—It would be a great advantage to the district if these lands were thrown open for mining purposes.
181. *Mr. Carncross.*] Have you read the Bill?—No, I have not.
182. But you say it would be a great advantage to throw open this land?—Yes
183. Have you considered whether it would interfere with the Kauri Company's rights if that were done?
184. Do you know the Kauri Company's freehold estate connected with this?—I have not considered that.
185. Were you invited to come here and give evidence?—I came here of my own will.
186. You have no evidence to give on the Bill itself?—No.
187. *Hon. Mr. Cadman.*] Do you think, from what you know of Tairua and Coromandel mining communities, and the people residing in those districts, that they are favourably inclined to the passing of this Bill, or otherwise?—They are in favour of the passing of this Bill.
188. You think so?—Yes.
189. Has any one in the district objected to it?—I have never heard of any one objecting to it.
190. *Mr. W. Kelly.*] Are you a member of the Tairua Miners' Union?—No.
191. Or any other Miner's Union?—No; I am a prospector.

APPENDIX.

CONDITIONS FOR MINING ON THE LAND HELD BY THE KAURI TIMBER COMPANY.

[Handed in by Mr. CHARLES RHODES.]

KAURI FREEHOLD GOLD ESTATES REGULATIONS.

Interpretation Clauses.

(*a.*) The word "company" in these regulations shall mean the Kauri Freehold Gold Estates (Limited).

(*b.*) The words "new company" shall mean any company, syndicate, or corporation, that may take up or lease any block or blocks of land on the Kauri Freehold Gold Estates (Limited) freehold.

(*c.*) The word "lessee," and also the word "prospector," shall be taken to read either as singular or plural.

Prospecting Licenses.

1. Any person wishing to prospect on such of the company's estates as are set apart for prospecting shall first apply to the company for a license for such purpose.

2. The company will then, on the payment of the sum of 5s., issue to the said applicant a license authorising him to enter upon the said lands for the purpose of prospecting and searching for gold and silver. The said license to be in force for a period not exceeding six months from the date of issue of same, and shall embody the following conditions:—
   (*a.*) The licensee only to have the right to enter upon and use the said land for the purpose for which the license has been granted, and for no other purpose.
   (*b.*) The licensee shall vigorously and continuously prospect the said land, and shall promptly report to the company's manager at Auckland the discovery of any metal, or mineral, or precious stones.
   (*c.*) The licensee shall not remove, or permit to be removed, any kauri-gum from any of the Kauri Freehold Gold Estates freehold land, whether leased to any person or otherwise, without the consent of the said company.
   (*d.*) It is imperative that in carrying on mining operations, whether in prospecting or otherwise, the strictest precaution shall be taken by prospectors and miners to prevent damage by fire to any bush growing on the company's lands.

Leases.

3. Any licensed prospector shall be entitled to take up as a mining claim a block of ground not exceeding 60 acres, and shall forthwith mark out the same by causing to be driven into the ground four posts or pegs, one at each corner of the land proposed to be applied for, such posts or pegs to be not less than 3in. in diameter and to be sunk at least 2ft. in the ground, and to show not less than 3ft. above the surface of the ground and also cut trenches or lockspits on the lines at the corners to show the angles, and shall thereupon make application to the manager of the company for a lease of such claim as hereinafter provided.

4. Every mining claim thus marked off shall be in the form of either a square or a rectangular parallelogram, and shall not exceed 30 chains in its greatest length, nor shall the breadth be less than two-thirds of the length. No claim shall be marked off within 30 chains of any other claim already applied for or granted by the company, and the lands within the said distance may be taken up by syndicates on terms to be arranged with the company: Provided, however, that the discoverer of any *bonâ fide* new find not less than 80 chains from any other known find or claim on the company's estates shall be entitled to take up 100 acres in a block the greatest length of which shall not exceed 40 chains.

5. Every application shall be made in writing to the manager of the company and shall be accompanied by a money deposit to cover the necessary fees and expenses for the survey of the claim, such fees and expenses to be in accordance with the scale set forth in the regulations made under "The Mining Act, 1891," or such modifications thereof as may from time to time be made, and on receipt of such deposit the manager of the company shall cause a survey to be made of the claim applied for.

6. In the event of there being more than one applicant for the same piece of ground, or any part thereof, or of any dispute as to the order of priority, the decision of the manager shall be final and absolute.

7. Upon such survey being completed, the company will grant to the licensee a lease of the land, surveyed and pegged out for the purpose of mining for gold and silver, such lease to be for a term of twenty-five years, renewable for a further term of twenty-five years, subject to the following conditions:—

(*a*.) Rent per acre per annum, 10s., payable half-yearly in advance.
(*b*.) A right of distress if rent be in arrear for thirty days, and a right of re-entry if rent be in arrear for sixty days, or in case of any breach of the lease by the lessee.
(*c*.) A right of entry and inspection by the company, its agents, or servants of the lands and all workings.
(*d*.) For insuring that the ground is worked in a proper and efficient manner, and that the regulations made under the Mining Acts for the time being are complied with so far as applicable thereto.
(*e*.) For making void the lease on breach of any of the stipulations on the part of the lessee therein contained.
(*f*.) Defining water, timber, and other rights, and reserving to the company (with the right to grant same to others) rights-of-way and passage, water, timber, machine-sites. residence-sites, tailing-sites, mullock-tips, races, and other rights and privileges acquired for mining purposes.
(*g*.) For providing that, in the discretion of the manager, one man at least be employed for every 3 acres comprised in the lease.
(*h*.) Such other conditions as the company may reasonably deem necessary to protect the company or the rights or interests of third parties.

8. The lessee shall be entitled to water for domestic use and for battery or washing purposes, but not for providing power or for any other purpose except by consent of the company. The lessee shall not divert water so as to affect any other workings without the consent of the company.

9. No kauri-gum shall be removed from any of the Kauri Estates Company's freehold land, whether leased to any person or otherwise, without the consent of the company.

10. In carrying on mining operations, whether in prospecting or otherwise, every precaution shall be taken by the prospectors and miners to prevent damage by fire to any bush growing on the company's lands.

11. Every lessee or prospector shall have a right to use, free of charge, but for mining or domestic purposes only, timber growing on the land; but for every tree exceeding 6ft. in girth which the prospector or lessee shall cut or use he shall pay to the company at the rate of 9d. per 100ft. superficial.

12. The lessee shall have full right at all times, and for all persons authorised by him, with or without horses or other animals and vehicles, to pass and repass to and from the block or blocks pegged off or selected under these presents over any lands of the company. The company shall have similar rights for itself and any person or company claiming under it over any block or blocks pegged off and selected by the lessee under these presents. And whereas the Kauri Timber Company has certain rights as to cutting and clearing the trees reserved for them, the lessee hereby agrees to observe and be bound by the said rights, and to use all reasonable means to protect the trees of the said Kauri Timber Company on the lessee's block or blocks from wanton injury.

13. If the licensee shall not complete his lease as provided in clause 7 hereof within twenty-eight days after being notified by the company by ordinary course of post to do so, his protection shall cease, and his license become void.

14. Such lease and the counterpart thereof shall be prepared by the company at the expense of the licensee, who shall execute the same when called upon at the office of the company, or such other place as the company may appoint, and shall at the same time pay the cost thereof.

Terms of Flotation of Companies.

15. Any prospector having complied with the foregoing clauses of these regulations shall be entitled to act as follows:—

(a.) To form a new company on the terms hereinafter set forth, and for this purpose such prospector shall be entitled to three months' absolute protection of the leased ground.

(b.) Should the prospector be desirous of the Kauri Freehold Gold Estates floating any lease he may have obtained under these regulations, and the Kauri Freehold Gold Estates (Limited) be satisfied and willing to undertake such flotation, they will, on the flotation of the said lease into a new company, and the registration of such new company, hand over to the prospector for all his right, title, or interest in the said lease one-fifth of the capital in the new company to be formed in fully paid-up shares, and the Kauri Freehold Gold Estates (Limited) shall endeavour to float the said new company at the earliest possible date, but shall not be liable to any action for damages should they fail to do so.

(c.) Should the prospector be unable to find the necessary funds for taking up a lease under these regulations, then upon his application to the company, and notifying them that he has a discovery of some value, the company may employ the said prospector for the purpose of opening up and proving his reported find. On the company being satisfied that the said discovery is of value, and should they then proceed to form a company to work the said discovery, then, upon the formation of such new company, the prospector shall be entitled to 5 per cent. of the capital of the new company in fully paid-up shares, or to such cash payment as may be mutually agreed upon in full payment for such discovery. But the Kauri Freehold Gold Estates (Limited) shall not be absolutely bound to form any such company.

(d.) By mutual consent between the company and the prospector any of the foregoing conditions *re* formation of a new company may be varied.

16. If any block pegged out and taken up as aforesaid shall prove to contain payable gold or silver, the lessee shall, within twelve calendar months from the date of issue of the license to him, form such a new company as is hereinafter mentioned. If within the said period of twelve calendar months the lessee shall not have formed and registered a new company in manner hereinafter mentioned, then all the rights of the lessee over such block shall immeditely thereupon absolutely cease and determine, unless the company shall agree to extend the time for flotation of such new company.

17. New companies to be formed as aforesaid may take over a number of blocks or a single block. A sum equal to one-fifth at least of the nominal capital of such new company shall be provided for working-capital, but in no case shall the working-capital be less than £25,000 in respect of each block to be taken over by the company, unless the parties hereto otherwise agree in writing.

18. The Kauri Freehold Gold Estates (Limited) shall be entitled to an amount equal to one-fourth of the nominal capital of each intended new company, and the same shall be paid and satisfied at the time of completion in fully paid-up shares of such intended new company to which no liability is attached, or the same may be satisfied either in cash or in cash and fully-paid shares of such intended new company as the parties hereto may mutually agree. The completion of the purchase by the intended new company shall be fixed for a date not exceeding three months from the date of incorporation of such new company.

19. It shall be provided that any new company intended to be formed shall not have power to issue preference shares or debentures, or to mortgage or charge its property, without the previous consent in writing of the Kauri Freehold Gold Estates (Limited).

20. The company shall be entitled to a sum equal to one-fourth of the net profits, after paying actual working-expenses, arising from the working of any block pegged out or taken up by the lessee from the date on which the same was pegged out or taken up as aforesaid until a new company is formed in manner aforesaid, and has taken over such block. Such profits shall be accounted for and paid to the company every six months from the pegging-out of the said block.

21. Until the lessee shall form a new company or companies as aforesaid the lessee shall keep proper books, containing accurate and full details of the expenses and profits of working each block pegged out or taken up. A certified copy of the accounts shall be submitted to the company in New Zealand or London, as the company may direct, once in every six calendar months, reckoned from the date of pegging out, and the company shall have the power to appoint auditors or agents to examine and check such accounts as and when it thinks proper, and for this purpose the lessee shall allow the company or its auditors or agents to inspect the said books and accounts, and make extracts therefrom or copies thereof.

22. The lessee, in working any of the said blocks under the provisions of this agreement, shall observe and perform all the laws, rules, and regulations of the Government of New Zealand, and especially shall not permit any fire to spread or cause injury to the timber within the block so leased, or outside the boundaries of same, if the said lessee can prevent it; and in the event of any breach of this regulation the said lessee shall be liable for any damage done by such fire.

23. The lessee shall pay all Government royalties (if any) and other duties and outgoings which are now or may hereafter become payable in respect of any blocks pegged out or selected as aforesaid, and shall indemnify the company therefrom.

24. The lessee shall not assign or part with his lease until the assignee has entered into a direct covenant with the company to observe and perform the obligations and provisions hereof on the part of the lessee to be observed and performed. Such covenant shall be prepared by

the solicitors to the company, and the costs of the company of or in connection therewith shall be paid by the lessee.

25. Nothing in this agreement shall constitute or be deemed to constitute a partnership between the said parties.

26. The lessee shall cause all necessary agreements to be filed before the allotment and issue of any shares which are issued as fully paid to the Kauri Freehold Gold Estates (Limited).

27. If any matter arise not provided for by these regulations, such matter shall be dealt with by the Auckland manager of the Kauri Freehold Gold Estates as nearly as possible in accordance with the mining regulations for the time being in force under the Mining Acts of New Zealand, and the decision of such manager shall be final and absolute.

28. Provided that these regulations are framed on the express condition that no grant of privilege herein contained shall be construed to confer or guarantee any right or privilege other than the said company may itself lawfully give or grant.

29. The term "company's estates" herein used shall mean the whole of the Kauri Freehold Gold Estates (Limited) freehold land, comprising about 36,000 acres, subject to such reservations as are stated in the schedule hereto, and to such further reservations as the company may from time to time decide upon and notify to inquirers at the company's office in Auckland.

30. The blocks of land to which these regulations apply and refer are the following—known as "Te Ranga," "Hikatawatawa," "Horongoherehere," "Kaeaea," and "Waitekauri."

SCHEDULE.

THE said right to prospect or lease shall not extend to or over—

(*a*.) Properties, blocks, or areas which have been selected and which have been or are from time to time being pegged out by the company, or any person or company claiming under it, or which the company may have agreed to sell or have sold at or before the time when the lessee exercises the right to select and *peg* out a block or blocks in accordance with these regulations.

(*b*.) Town sites or properties suitable for the erection of shops, houses, or similar buildings now or hereafter to be selected by the company.

(*c*.) Land reserved to the company in accordance with clause 4 hereof.

(*e*.) The company reserves the surface rights to such area of land on the sea-coast as may be comprised within a distance of 1,000 yards inland from high-water mark.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1896.