The Goldfields and Mines Committee have the honour to report, on the petition of Richard Larkin and others, that they recommend it be referred to the Government.

24th October, 1901.

PAPER 202 C.

THE Goldfields and Mines Committee, to whom was referred Paper 202 C, have the honour to report that the said paper contains the outlines of two schemes for developing the Thames Goldfield.

The first scheme considered by your Committee was that of Mr. C. A. Harris, who proposed that the Government should grant a subsidy of £75,000, and that £75,000 should be raised in London, making a total capital of £150,000, to develop the deep levels of the Thames. If the Government will not accept this, then he makes an alternative proposal of £50,000 subsidy, payable pound for pound on fresh expenditure, and fully set forth and detailed in the paper.

The Goldfields and Mines Committee have the honour to report that they recommend that this proposal be referred to the Government.

The second scheme embodied in the paper is that proposed by Mr. J. W. Walker, who asks for 640 acres situated eastward of the already occupied mines at the Thames. The deep levels of this 640 acres Mr. Walker proposes to reach by means of a tunnel, which he estimates will take two years to drive; and he expresses himself as prepared to undertake the work upon the following conditions, viz.: (1.) That the concession be for forty-two years, renewable. (2.) That the rental be merely nominal, but that Government receive 1¼ per cent. of all profits for all time, and that an equal amount be given towards local charities—say, the establishment and maintenance of hospitals in the Hauraki Mining District. (3.) That an annual expenditure of not less than £5,000 be made compulsory, subject to reasonable penalties for *laches*.

The Goldfields and Mines Committee have the honour to report that, having duly considered the proposal put forward by Mr. Walker, they have agreed to the following resolution: "That the 640 acres referred to as proposed to be mined be reserved from lease for three years, and that at the end of that period—or at an earlier date if the proposed tunnel shall have been completed—a lease be granted to Mr. Walker at a peppercorn rent for forty-two years upon the following conditions, namely: (1.) That within the three years he shall have completed the proposed tunnel to a boundary of the 640 acres. (2.) That when granted the lease shall convey the concessions asked with respect to labour conditions. (3.) That when granted the lease shall contain a condition that at least £5,000 a year shall be expended in wages during the currency thereof."

The Goldfields and Mines Committee submit this resolution to your honourable House, and recommend that it be referred to the Government.

24th October, 1901.

No. 231.—Petition of HERBERT E. EASTON.

I. IN this case the petitioner asks that legislation be passed in order to prevent what the petitioner alleges are acts of commercial immorality in mining companies.

II. Your Committee have very carefully inquired into the complaints made by the petitioner. The inquiry was confined to seven of the companies floated by Messrs. Cook and Gray. There was some evidence adduced to the effect that the commercial immorality alleged to have taken place in these companies was typical of what had taken place in some other companies. Although a great deal of evidence was given in regard to private matters between petitioner and Mr. Cook, your Committee wish as much as possible to disregard everything except the public aspect of the case.

III. The following is a summary of the charges made by petitioner:—

(1.) One person or firm being (*a*) the promoter, (*b*) broker, (*c*) secretary, and (*d*) director, and (*e*) the registered offices of companies being in his or their office.

(2.) Transfers being accepted and passed with moneys owing from sellers.

(3.) Shares being "dummied," and commission received on them.

(4.) Signatories to articles of association not being shareholders.

(5.) The articles of association being so drawn as to override what may be classed as the safety clauses of the Act under which they are framed, thereby allowing a few holders of shares to obtain almost absolute control of the companies, and the articles of association being so worded as to allow unqualified shareholders to vote.

(6.) Lees Ferry Company's vendors' shares being used for voting to prevent liquidation, for benefit of promoters; and that out of twelve companies, with an aggregate capital of £100,000, floated by Messrs. Cook and Gray eleven must go into liquidation but for the action taken by the holders of vendors' shares.

(7.) Promoters receiving secret profits.

(8.) That minute-books show that directions were given to the secretary to invoke the law against *bonâ fide* shareholders when promoters and others were owing large sums.

(9.) One promoter being also a director and receiving director's fees, yet not attending meetings.

(10.) The Ngahere Company's brokers taking commission on shares on which no cash has been paid.

(11.) That the Ngahere Company's claim is not situated where stated in prospectus.

(12.) That, on the grounds of misrepresentation, Mr. Gray, one of the promoters of the Golden Grey Company, and others, repudiated payment of calls on shares upon which the firm of Cook and Gray had received brokerage.

(13.) The formation of secret rings for speculative purposes only by promoters and directors at a time when the public were being asked to subscribe money to be used for mining purposes.

(14.) Shareholders voting and directors acting when their allotment money and calls were unpaid.

(15.) Vendors making a profit on liquidation on shares which have cost them nothing.

(16.) Improper auditing.