

12. Up to that time had you spent any money?—Yes; a good many thousands.

13. It seems to have taken about four years to start here. Will you tell the Committee what mines it is used in?—Waihi, Waitekauri, New Zealand Crown Mines, Talisman, Try Fluke, Kapai Vermont, Great Mercury, Te Aroha, and some others in the North Island.

14. What places in the South?—Premier Mine, at Macetown, and the Tipperary Mine, owned by the New Zealand and Westralia Explorers Company, and also companies using it behind our backs at other places—for instance, at the Big River tailings.

15. At any other places as well?—Yes.

16. Can you give me an estimate of the amount of gold saved?—Over three-quarters of a million.

17. Upon a steady increase since 1894?—Yes.

18. Can you give the figures since 1894?—For the year ending June, 1894, there was recovered by the cyanide process £61,537 worth; in the year ending June, 1895, £159,320; for the year ending June, 1896, £195,547; and for the year ending 30th June last, £257,320; and since that during a period of four months, up to the end of October, a little over a £100,000—that is for the four months.

19. That totals something over £300,000 a year?—Yes. A total of £773,721 has been recovered by the process since the end of 1893.

20. What royalty has the company been charging?—7½ per cent. on all the bullion recovered by the process.

21. These sums have not actually been obtained, but charged?—We have not been paid since litigation started.

22. Do you know whether the patent has been validated in the United States?—Yes; we had an action in connection with the Mercury Company there, and they were mulcted in damages to the extent of 20,000 dollars.

23. What about the Australian Colonies?—It was the same there.

24. Is the company carrying on its business in Canada?—Yes.

25. Obtaining royalties?—Yes.

26. In India?—Yes.

27. In Chili?—Yes.

28. In the Straits Settlements?—Yes.

29. Has the company lost its patent rights where any other law prevails?—No.

30. Was it not lost at the Rand, where the German law prevails?—Yes.

31. Any other place where English law rules?—No.

32. Have you an intimate knowledge of the goldfields of the North Island?—Yes.

33. Do you know if there would be a wider field open to the process if the royalties were reduced?—Yes.

34. Could you give some illustrations?—Of course there are a large number of reefs in every goldfield which are of a low grade, of about £2 a ton—about the same value as the Waihi-Silverton—and the cost of treatment to them is something like £1 15s. or £1 16s., so that only getting £1 19s. or £2 would leave them 2s. or 3s. per ton profit. A 7½ per cent. royalty in a case like that would not add to their profit.

35. If the royalty were reduced these lower-grade ores could be treated, and the tailings?—It would apply to the tailings as well.

36. How many localities in the North Island where these low-grade ores occur?—Nearly every goldfield in the North Island.

37. *Hon. A. J. Cadman.*] You charge 7½ per cent. on the total bullion that is recovered by the company?—Yes; by the company using the process.

38. Do you consider it fair to charge 7½ per cent. on the whole return from the mine when probably by the ordinary process the mine would produce £1 a ton, and by introducing Cassel's process it extracts £1 10s. a ton? Do you think it fair to charge the whole of the royalty?—The companies who are able to treat their ores thus economically treat them by amalgamation first, and only use cyanide for the tailings. They are then only charged the royalty on the amount recovered by the cyanide. They are not charged on the bullion recovered by the prior amalgamation.

39. I understand, then, you do not charge on the full returns from the mine?—Only when they use cyanide, and cyanide only. In many of the mines up North they crush dry, because, by amalgamation they not only can get next to nothing out of the ore but lose a lot in the run-away, and the tailings are not so easily handled; so they crush their ore dry, and then use the cyanide. The whole of the bullion is then recovered by the cyanide. Then it is a matter whether the cyanide should be used in that way or the other.

40. Say a mine with the ordinary stampers and berdans get a ton, out of which they get £20, and instead of using the stampers they use the cyanide and so get £30, they would then only pay royalty on the £10 additional they got from the cyanide?—The Try Fluke Company crush dry and then treat their tailings quite apart, as a separate thing, and then they only pay the royalty on the bullion recovered from the tailings.

41. Are they all in the same boat?—No. We will take the Crown, Waihi, and Waitekauri: they prefer to crush their ore dry, and to use the cyanide for the whole of it. They do not have any preliminary work. They take it practically from the battery, and so the whole of the bullion is recovered by the cyanide. They run the residue from the tailings over mercury plates, and then they recover a little of the very gross gold which the cyanide has not time to extract. With both extractions they remove all their bullion.

42. *Mr. Lang.*] You explain to the Committee as an argument for the colony taking up this patent that they could make a reduction in the rates of royalties. Would it not pay the company to reduce the rate of royalty?—It may, but it should surely be argued from the company point of view. We have to recover great expenses, first of all in exploiting the process, and secondly in the