

Courts. We have been badgered in one country and another. Then, when you first try to introduce the process it is very difficult to get anybody to take it up. You have to start on the mines that are in a better position than others to use it. We have had to gradually work it up. If we had started with a low royalty when we only had the few companies we at first had, we would have had no revenue. The life of the patent is very short, and we have to make hay while the sun shines.

43. *Dr. Findlay*: The life of the patent is four and a half years, with a right of applying to the Governor for an extension, and it is in his discretion to give a further extension of the time or not. The Governor may refer it to the Court, but he need not do so—will inquire whether the patentees have had a fair harvest from their patent, or whether their right is to extend. It is optional with the Governor, but we can only rely on four and a half years.

*Mr. Carnecross*: On the discretion of the Court?

44. *Dr. Findlay*: Yes, on the discretion of the Court; but the Governor refers it to the Court in his discretion. If the Governor refuses we have no remedy. I cannot find a case in English practice where the Governor has refused. It is a constitutional rule that it should be referred.

Dr. BLACK examined.

45. *Dr. Findlay*.] Do you know anything about the nature of this process, Dr. Black?—Yes.

46. Was it a real discovery?—Yes; it was a real discovery. A discovery in this sense: It was known fifty years ago that cyanide would dissolve gold. After a labour of years two Glasgow men discovered it. I agree with Mr. Park that the discovery of the fact that a dilute solution of potassium will dissolve gold must rank amongst the most remarkable discoveries of this century, a widespread application of this fact marking an epoch in the history of gold-extraction. It is certainly most important for this colony.

47. Do you know any application of it prior to the patent?—No.

48. You were consulted by the directors?—The man who brought it to the colony consulted me. He explained to me his process, and wanted me to experiment for him, and I was then convinced that it would come to no good. I would not spend the money. I believed it would not succeed, because I knew that those who had dissolved gold long ago had great difficulty with it.

49. Do you know that a chemist was sent to New Zealand in 1890 named McConnell, and that he endeavoured to promote the use of the process throughout the colony?—Yes.

50. Do you know from your own knowledge that what Mr. Greenway has said is a fact: that until 1893 it was not used here?—I believe that is a fact.

51. Do you know if the process was used on the Waihi tailings?—Yes.

52. Do you know what the facts were?—There were some 27,000 tons of tailings there which were not capable of being treated successfully by any process. McConnell, or the representative of the cyanide people, got these tailings and applied the cyanide process to them, and I am told that they recovered something like thirty thousand pounds' worth of gold—a little over £1 a ton.

53. That was in the end of 1893?—Yes. That was the first I heard of the success of the process. That marks the beginning of its success in the colony.

54. You have heard the names of the mines Mr. Greenway has said it was used in?—Yes.

55. Do you know the names of the mines in the South Island, and their output?—Yes.

56. Do you know what the total output of the colony is per annum?—About a million pounds sterling in value.

57. We have been told previously that £320,000 is about a third of the total output?—Yes.

*Dr. Findlay*: The figures are from an official report.

*Mr. Greenway*: That would be the average. £80,000 in the last three months.

59. *Dr. Findlay*.] You have an intimate knowledge of the goldfields of the colony?—Yes.

60. Can you see any further fields for the employment of cyanide?—Yes. The whole of the ores on the eastern coast, starting at Ohui, for a length of seventy or eighty miles down that coast, and for a breadth of fifteen miles, no other process will treat the gold there except cyanide.

61. Supposing the process were free, can you say that its use would be extended?—Sure to be.

62. Upon a rough average, what is the value of these tailings and ores?—You cannot state it roughly. They vary from 5s. up to pounds. You cannot form an average.

63. Would 2½ dwt. or 3 dwt. in tailings pay if the process were free?—Yes, they might.

64. At 10s. or 12s. a ton?—Yes, for tailings already crushed.

65. There are, then, very wide fields up the North Island if it were free or cheaper?—Yes, certainly.

66. Do you know if the present royalty is a bar?—Naturally it is. It is a bar to a certain extent. Take the case of a man obtaining two pounds' worth of gold a ton. On the assumption that it takes £1 17s. to mine the ore, and to extract the gold by the cyanide process, there is only 3s. margin left. The royalty on this amount is over 3s., and there is, therefore, nothing left. Had there been no royalty there would have been that margin, which in a large mine would be thousands a year profit. It would be a profitable concern then.

67. Do you know any tailings in the North Island which, if the process were free, could be treated?—I do not know any in the North Island. There may be at the Thames—I do not know. There are mines, however, in the Ohui district not now working, but which would be working if the process were cheapened. All the mines down at Karangahake, and probably some about Waiorongomai—no doubt there are mines there ready to begin if there was no royalty. Also in the Whangamata district. Two mines in the Whangamata district are erecting cyanide plants, and will work by the process on a large scale.

68. Is there any field for it in the South Island?—There are lots of tailings there, at which very likely it would be profitable.

69. Do you know any at the Big River?—Yes.

70. Globe?—Yes.