

132. And for the last two years they have accumulated?—Yes. They have accumulated from the infringers. The Crown, Waihi, and Waitekauri paid a lump sum and finished with it. There is nothing due from them.

133. Outside of these people are there any people honestly paying a royalty?—Yes. Two in the South Island.

134. *Mr. Mills.*] Do I understand, Mr. Greenway, that the company reserves all their rights against those who have not made arrangements with them?—In the agreement, yes. Up to a certain date which was mentioned, these royalties are of course ours. Defalcations have taken place before that date.

135. You can allow no right to the £5,000?—No. The company reserve their rights to receive the £5,000.

136. *Mr. McGowan.*] Mr. Greenway: how many other companies out of the number you have named using the cyanide in the North Island are in the same position as the Vermont, saving a portion of their gold in the ordinary way, and then paying their percentage on the gold saved by the cyanide process?—The Try Fluke, the Great Mercury—that is all in the north.

137. And yet you have been drawing a royalty from the total product of gold from other companies?—Yes; except during the last two years or so.

138. These are the only two mines in this position?—Yes.

139. Are there not a great number of other mines who might be in the same position if they were in a position to come to terms with your company now?—Yes. I believe there are a number of mines who could treat their tailings. Some of the Thames, but they are of a very low grade. The amalgamation process takes such a large percentage out of the ore. I had some samples sent to me, and found them to contain about 2 dwts. or $2\frac{1}{2}$ dwts. None of the Thames mines use cyanide.

140. In the agreement made with these four companies, is there anything in the agreement that binds other companies in the same district to treat with them for the use of the process?—No.

141. Is the agreement simply and absolutely with the company?—Yes.

142. You are free of that old agreement with the Crown?—Yes; that is right. It is simply with the four companies.

143. *Mr. Herries.*] You said, Mr. Greenway, that about three-quarters of a million of bullion is regained by the process?—Yes.

143A. What proportion would come from the Waihi Mine?—I could not answer. On an average they get about eleven or twelve thousand a month, perhaps one hundred and fifty or one hundred and sixty thousand.

Professor Black: I do not know whether the Siemen-Halske process is a cheaper process. Both sides claim to have the better process. The common part is the solvent, cyanide of potassium. The potassium has nothing to do with it; it is the cyanide of potassium. The cyanide of sodium would do just as well. There must be a combination of the cyanogen. It must be a cyanide of some metal, not cyanogen itself.

144. *Mr. Herries.*] I understand, Mr. Greenway, that the average of £10,000 per month is the total of four mines. That royalty would amount to £9,000 a year?—Yes.

145. *Mr. J. Allen.*] Do you expect an increase?—Yes. Several plants are going up now. One at Whangamata, Komata Reefs, New Zealand Jubilee, Royal Standard, and Waitekauri.

146. Is the £9,000 a year you have now likely to increase?—Yes.

147. If that is so, and you are expecting this large royalty from your patent, and having told the Committee that your patent is perfect, why do you now want to sell your rights to the Government for £15,000?—That is a thing decided by the directors of the company. To take it Home to the House of Lords would mean a big sum.

148. Is it the fear of litigation?—It is not the fear of the ultimate result of litigation. We are in this position: we have to find an enormous amount of money to carry on the litigation with, and this appears to us to be a compromise, which we will accept. It is a question of finance, pure and simple.

Dr. Findlay: It will take over two years to get Home, and we have spent many thousands of pounds in litigation. Our revenue is stopped pending the litigation.

149. *Mr. J. Allen.*] Did you state before that all your rights are reserved, and that as soon as your patent is fully established you can recover these arrears of royalty?

Hon. A. J. Cadman: The rights are preserved if they establish their patent.

Dr. Findlay: That is in this colony, but it is proposed to take it to appeal.

150. *The Chairman.*] What is the amount of royalties you receive from the four companies named in the Bill?—We do not receive any royalties: they pay a lump sum. I have no objection, but I do not know whether I am right in divulging the business of these companies. There were some shares and some cash, and the value I received at the time was about £20,000 for three. For the Crown Mines we received shares, but no cash.

151. That sum would be besides the £15,000 if the Bill became law?—Yes.

152. *Dr. Fitchett.*] Is there any connection between the sale to the Government and the agreement with these four companies? Are they related in any way? Was the arrangement with the companies made in contemplation of the sale to the Government?

Dr. Findlay: No; it was made two years and a half ago. It has no connection with the Bill at all.

153. *Dr. Fitchett.*] Is it the fact that the cyanide company really lost the case in the English Court of Appeal?—If you read the judgment it is not so.

Dr. Fitchett: What was the precise result of the appeal?

154. *Dr. Findlay.*] The action came before Justice Romer on the ground that there was no novelty, no merit, in the invention. That was taken to appeal, and it was granted that there