

71. I want to come on to the question of proxies: what is the time in the Lees Ferry Company—how many hours before the meeting have the proxies to be in?—Twelve hours.

72. What does Table A of the Act say about that?—Seventy-two hours. Regulation 50, Table A: "Proxies to be lodged seventy-two hours previous to the meeting." As altered by Messrs. Cook and Gray, Regulation 50, the word "twelve" shall be substituted for the words "seventy-two."

73. That is to say, a person at twelve hours' notice can leave proxies?—Exactly.

74. Now, then, about notice of calls: what is the regulation in the company with regard to notices of calls—the Act requires notices, if served by post, to be served at a time when a letter would be delivered in the ordinary course?—Regulation 97 is struck out, and the effect in Messrs. Cook and Gray's companies' notices to shareholders is that they are deemed to be served as soon as posted.

75. What alteration has been made?—The regulation has been struck out altogether. The shareholders are deemed to be served with the notices as soon as they are put in the post-office, according to Messrs. Cook and Gray's articles. The effect of this alteration is that these poor shareholders are deemed to have the notices as soon as the letters are put in the letter-box; and in companies such as Messrs. Cook and Gray's the control is all under the promoters, only twelve hours enabling the secretary of Messrs. Cook and Gray to secure sufficient proxy votes to generally defeat the contributing shareholders. In nearly all Messrs. Cook and Gray's companies the secretary was their employé.

76. Referring back to the question of this deed: you made application at the office more than once to see it?—Yes; on several occasions.

77. And was Mr. Holsted the secretary?—Yes.

78. What did he say?—He said he had not got it.

79. And you searched hard for it?—To the extent of paying the solicitor to go and search for me.

80. Then you went to Mr. Holmes?—With my solicitor.

81. And he would not give you it unless that £80 was given to him?—No, not unless I paid him the £80—a private bill of costs.

82. And you had never seen this agreement or never heard anything at all about it until you saw it to-day?—I never saw it till yesterday afternoon. I have heard a good deal about it.

83. What is your view of the present position of the company?—That it is simply being kept alive for the benefit of the directors. No contract has ever been entered into; no plans have ever been prepared; and there has been nothing done.

84. And how many calls have been made upon it?—The application- and the allotment-money.

85. Do you know the present condition of the funds?—I should say there is very little left.

86. Do you know about their finance?—A resolution has been carried to liquidate the company, but Mr. Holsted sent out an informal notice, and we have to go through it again.

87. Are the expenses going on in the same way?—The secretary and the directors are legally entitled to their fees.

88. *Hon. Mr. Jennings.*] Is this merely a copy of the agreement from Mr. Taylor to Mr. Cook [agreement produced]?—I do not know.

89. Were the directors of this board that you were on elected by the shareholders?—I presume they would be elected as provisional directors. I was not in the colony at the time.

90. How many directors were there when you were on the board?—Three.

91. How long were you on the board of directors?—From the 11th to the 26th of March of this year.

92. What was the number of shares held by you?—250.

93. Do you know what the other directors held: I think you mentioned about 1,500?—Mr. Leijon held fifty, Mr. Somerville fifty, and Mr. Cook 500.

94. Were you present when the meeting was held to put the company into liquidation?—That has obtained since I have been up here.

95. How many shareholders were there in the company altogether?—Speaking from memory, about forty or fifty.

96. Are you speaking on behalf of the majority of these shareholders?—I may tell you that I am speaking for nearly the whole of them, because on their behalf I had a requisition legally prepared, which was sent to the shareholders in various parts of the colony and returned to me in the company's office, on the 15th July of this year.

97. When you were on the board of directors did you make any inquiries in regard to this agreement?—I did; I made strenuous inquiries.

98. What reason do you assign for the company going into liquidation?—Well, it has been condemned as absolutely valueless for dredging purposes. But suppose it was a veritable Bonanza, what would you think when one of the persons who floated the concern will not pay his calls on the 500 shares he took up?

99. The shareholders, on further consideration, found that it was a "duffer," and that it was not worth while going on with it. Are there any others that you know of in the mining dredging ventures down South?—Oh, yes; there have been others in other localities.

100. Is it an unusual thing for men who put money into a claim sometimes to find out that it is not worth while pursuing it—they waste more money in doing so: is that unusual?—I have not been out here in the colony long enough to say.

101. *Hon. Mr. Twomey.*] You have been asked why you went in there with a determination to liquidate: I do not quite understand your reasons?—My reasons for liquidating were, directly I found that the claim was condemned as absolutely valueless by the employé in the very firm who floated it, I thought, myself, what is the use of this property?