

a one-sided affair—we never heard about it. With reference to Mr. and Mrs. Farley's shares, and Mr. Easton's statement that pencil memos. were inserted in the register to the effect that notices of calls to them were to be sent to me, I may say that those people have had my little girl for twelve or fourteen years. Mr. Farley went to Italy, and I undertook to look after his private business while away. That is the reason why the notices were sent to me—that is to say, so that his wife should not be bothered. Then, about the Auckland Beach Back Lead Company: Mr. Easton said that this claim was condemned by my employé, Chester. This "employé" business is rather absurd. Chester was reporting for me on the Coast, and the directors of the companies engaged him—not from me at all, but because he knew his business—and he condemned this claim. In that company Mrs. Cook held 500 shares and I held 500, but we never had a vendor's share allotted to us; I was to have had some, but they were not allotted. The company went into liquidation, and no one got them. To that company I paid £50 in calls, and Mrs. Cook paid £50. I think that there were not more than 500 shares sold outside of Hokitika—the Hokitika people and Mrs. Cook and myself bought the lot, excepting the 500. What I would like, gentlemen, is to have a copy of the petition and Mr. Easton's charges, and be able to look up each thing seriatim, looking into each matter fully before replying. I think it is due to me that I should have such an opportunity, for I cannot remember all these things that happened so long ago. I may tell you, gentlemen, that what Mr. Easton says about his coming out here to look into dredging is absolutely untrue. He came out here on family affairs. I may say that he is, unfortunately, a connection of mine by marriage. He came to me and thrust himself upon me, saying that he wanted to go into the dredging industry, and asking me to advise him. This I refused to do; but after some pressure he went to the Coast, saw the claims there, and wanted me to sell him an interest in the companies—the Tucker Flat Company, and others. I declined to do so, but told him that I knew a man who was carrying more shares than he wanted, and I would try to get some from him at par. This was just before the Grey River dredge commenced working. Mr. Easton said, "If I can get in, and the Grey River turns up trumps, the others will jump." The Grey River Claim did not turn up trumps as we anticipated, and Mr. Easton was left with his shares the same as other people. No money has been spent in building dredges for any of the companies, and if they are wound up we shall lose our 2s. a share, or something like that. Any misrepresentation on my part, or any malpractices in any respect whatever, I deny. There may have been mistakes made, the same as in everything else, but to all of these charges I am sure that I can give a good reply. As to my men having been employed—well, there is no harm in that; the office was there, and the directors employed the men in my office as secretaries to the companies. The auditors were never employed in my office. It was the directors' business to look after the secretary, and see that he did his duty. The man who acted as secretary to the companies is not in my employ now, but up till now he has done his duty. The companies whose legal office is at my office, which are working, are working satisfactorily; the shares are generally at premiums, and dividends are being paid. This is about all I can tell you at present; but if you will order the documentary evidence to be produced and call Messrs. Howes and Holsted, and also Mr. Holmes, I think you will find that we can alter the whole aspect of these very grave charges which have been made.

36. *Mr. Allen.*] I did not quite understand your reference to Mr. Howard Jackson's report: will you please explain it?—There were two miles of No Town Creek; the upper mile was the claim of the first company, called the No Town Company. On this claim Mr. Jackson reported, and for which report I paid him £50 odd. Mr. Don also reported on the claim, both being favourable reports. The other mile adjoining the No Town Claim belonged to the same people, and it was to be floated. That was the No Town No. 2—the one in question. The prospectus, which will be produced, states that "It is the adjoining claim to the No Town, and on the adjoining claim Mr. Jackson and Mr. Don report as follows," &c., the words "on the adjoining claim" being printed in large type. Then, there is the report from Mr. Cutten, the engineer, in which he states that "this claim adjoining is precisely similar ground to that reported on by Messrs. Jackson and Don." There is no misrepresentation whatever; the whole thing speaks for itself, as you gentlemen will see when the prospectus is produced.

37. With regard to what Mr. Easton has stated about people voting without having paid any application-money, can you give us any information in connection with that?—No one has voted without paying application-money. Mr. Easton said that it was possible only—no one has ever done such a thing. It may be possible; I do not know; that is a matter for lawyers to say. I have not attended any of these meetings, but I feel quite sure that no one has voted without having paid the application-money.

38. *Mr. Herries.*] Who managed your office while you were away?—Mr. Holsted, the secretary to these companies.

39. *Mr. Colvin.*] But you are responsible for what has been done by your office?—Quite so; but if a misrepresentation has been made by another man I object to having it put on to me, though I am responsible for any pecuniary loss.

40. How far is the No Town No. 2 Claim from the junction of the Grey?—It comes down just above the railway-bridge. The two miles stretch from the railway-bridge nearly to the township.

41. *Hon. Mr. Mills.*] Did you not get any weekly or monthly returns from your office while you were away?—I had letters, of course, and I would be very pleased to show you all the letters which passed between the office and myself. The fact is that we have struck a "slump," a lot of people are disappointed, and to get out of their liabilities they are making misstatements and distorting the facts. I wonder that these charges should have been brought here; if anything was wrong, why was not an explanation asked for? I never had anything of the kind asked of me, and, I think, never attended a meeting.

42. *Mr. Herries.*] You were never there?—No, I think not.