

43. *Mr. Colvin.*] How many companies did Cook and Gray float?—I think, about fifteen or sixteen.

44. How many dredges were built?—Dredges were built for the Nelson Creek Claim, the Charlton Creek, Long Valley, Lawrence, and the Three-mile Greenstone—they are all working; then four more are being built for the No Town, No Town No. 2, Rose Day Dawn, and Aylmer Lead Claims. The Dobson No. 2 was an unfortunate claim, the dredge being built with a short ladder. The various companies resolved that they would not build a dredge until they saw how the Grey River dredge worked, thus getting the benefit of their experience. The dredge did not start working till September or October, and then Mr. Easton started his agitation, and the whole thing has been hung up since. If the companies go into liquidation, or are not successful, I stand to-day to lose double as much as any other man in the place; and, as I say, I have not dealt with any of my shares, either contributing or vendors', in the companies complained of.

45. *Mr. J. Allen.*] Several rather serious charges have been made in connection with brokerage: can you give us a rough explanation as to it?—We got $2\frac{1}{2}$ per cent. brokerage on the contributing shares; that is what everybody got, with the exception of those who got an overriding commission of $1\frac{1}{4}$ per cent. and $2\frac{1}{4}$ per cent., which most of the brokers did in Dunedin.

46. But the charge was that brokerage was obtained on shares on which the application-money was not paid?—Then it would be the auditor's duty to see to that. If any brokerage was paid on shares that had not been paid for the auditor should have called attention to it. The only matter bearing on the point that I know of, speaking from memory, was in the case of the Ngahere Company. I got a letter from the liquidator, addressed to Cook and Gray, asking for a refund of £5, being the application-money on 100 shares not paid by a Mr. Sawell, who had nothing at all to do with Cook and Gray and Mr. Howes.

47. Brokerage was paid on those shares?—I presume it has been paid, from this letter asking for a refund.

48. *Mr. Herries.*] Is that the only one of the companies that have been liquidated?—No; three or four of them have been; but that is the only intimation I have had of that nature.

49. *Mr. W. Fraser.*] Is any brokerage allowed on vendors' shares?—No, only on contributing shares.

50. *Mr. Colvin.*] Is it usual for one person to take an option of a property, be the vendor, act as director and broker, and do everything connected with the company?—I think it has been done very often. You see, I was the vendor; I paid all the fees myself. If I employed a man to prospect I paid him. Cook and Gray floated these companies; it was part of their business to do so, and was perfectly legitimate. No charge has been made about the Charlton Creek Claim, or the Three-mile Greenstone; I took the same number of shares in them. The shareholders appointed the directors themselves, and made No. 17, High Street, Dunedin, the office of the company—that was the directors' doing. There is nothing said about the companies which have built their dredges and started working.

51. You took the option from the people on the West Coast for these claims?—Yes.

52. Then you sold to the companies?—Yes.

53. Then you acted as broker?—Yes.

54. And you acted as director for the companies: Is that so?—Yes.

55. *Mr. Herries.*] Can you tell us of any other firm that has acted in that way?—I think I could if I looked the matter up. I do not know that there is anything wrong in a firm floating a company and acting as I have. I am holding 500 contributing shares in every one of these companies that Cook and Gray floated, on which I have paid my calls, and am holding 500 through my wife. Why should I not be elected to be a director if the shareholders wished it? I did not nominate myself.

56. *Mr. Colvin.*] I look on a director as a trustee. You cannot look after your own interests and those of the company and a third party's at the same time. You are buying, selling, and acting for yourself?—The transaction is completed beforehand.

57. *Mr. Guinness.*] What have you to say in regard to the allegation that your employes hold shares in the companies that have been mentioned? Do those employes hold the shares on your behalf in order to influence votes in your favour, or do they hold them on their own account as a private speculation?—As a private speculation.

58. In all cases?—In all cases. With regard to the money that Mr. Mace owes on shares, I may say that I did not know that Mr. Mace had the shares until some time afterwards. I found on inquiry that Mace formed a syndicate here in Wellington; the members of the syndicate asked him to take the shares in his name, which he did; but when this agitation came on one or two of the men dropped out. That Mace will be able to pay his calls, however, I am quite sure; he will get assistance. The statement that any man ever held a share in trust for me is absolutely incorrect.

59. *Mr. Colvin.*] As you have been away, you do not know about the suing of the small shareholders?—No, I was not there; but, of course, the books will show that. As I have said, I have paid all my calls, unless in connection with the Tucker Flat Company and the No Town No. 2, and if my wife and myself have not paid that last call we will pay it. I did not know that it was unpaid.

60. *Hon. Mr. Mills.*] Were you the vendor to all the Cook and Gray companies?—I think, in every instance.

61. You sold the claims to the companies?—Yes.

62. Did I understand that when you said you stood to lose double as much as any one else on account of the shares you had in the companies, you took into consideration the moneys you received for the sale of claims to the companies?—I never got a shilling in that way—not at all. Where there has been cash paid it has been paid to the original owners. I never had a shilling