

48. If I engaged you to do certain work, and you drew the money and paid it to me, is not that the same as if I was getting it?—It would be the same as far as my own affairs were concerned, but Mr. Holsted, personally, was the secretary to the company. The change in the business has made no difference whatever to Mr. Holsted's appointment. He still acts as secretary.

49. But Cook and Gray do not receive the secretarial salary now?—No.

50. Is not that a difference?—Yes; to the extent of five guineas a month, or whatever it is.

51. Mr. Cook received the brokerage on the shares sold, though he was away from the office at the time?—Certainly.

52. He was the broker to the company?—Yes.

53. And he was to receive 750 paid-up shares in this company?—I do not know the number.

54. Surely, if you are a director you know who is to receive them, and what the agreement was?—I can tell you by referring to the register.

55. You have seen the agreement?—Just now; that is the only time I have seen it.

56. Do you consider that the way these companies have been floated is a healthy state of affairs?—Yes.

57. *Mr. Bennet.*] Who reported on this claim?—Mr. William Faithful, Cutten Brothers, engineers, Mr. William Palamountain, and Mr. Charles Chesterman; those are the names on the prospectus. Since the company was floated the directors have had the claim tested at a cost of over £114, and the report was a highly favourable one. Mr. Leijon, a practical man, a successful man in mining, has visited the claim, and speaks very highly indeed of it. The directors have no reason whatever for wishing to throw up the claim on account of it being a duffer.

58. *Mr. W. Fraser.*] When was this company formed—at about what date?—Some time in the early part of 1900.

59. Since then there has been over £100 spent in prospecting it?—£114 4s. 1d. for boring operations.

60. You said just now that you are in treaty with some other company to work it?—The directors have arranged for an interview with the directors of another company, who have a dredge, for the purpose of bringing about amalgamation, either by forfeiting the shares of those shareholders who will not pay up, or amalgamating. I do not know what course the negotiations will take, but we were to have met them the day I left Dunedin to come here.

61. As chairman of directors, doubtless you know the reason that influenced the solicitor to advise that the paid-up shares should not be given to the vendors: what is that reason?—The reason assigned was this: You will see in the plan there are two small sections of 1 acre each within the area owned by the company. They were left out in the prospectus, but the solicitor advised that it would be well, before the company took over the claim and allotted the vendors' shares, to get these 2 acres included. I am not speaking from my own personal knowledge, because I was not director at the time. I proposed that the vendors' shares should be allotted. I consider that an injustice is being done to Mr. Wild and other people on the Coast who are interested in the vendors' shares.

62. Is the property now vested in the company?—Yes; the company pays the rent. But titles may not all be completed.

63. It was known, when the purchase was made, that the 2 acres were not included?—Yes.

64. But surely the solicitor must have some other reason for advising that the vendors' shares be not allotted: that is not a reason?—He has another reason now. In consequence of this agitation, and the larger shareholders not paying up their calls, he considers that it would be better not to alter the position of the company until such time as matters are cleared up. That is the reason he gives now; he advises us, as directors, not to take any further action until the position is cleared up.

65. *Mr. Herries.*] You were chairman of the company when the transfer from Benjamin to Cook was passed?—Yes.

66. Why did you agree to that transfer?—There was no reason why we should not.

67. Had Benjamin paid up all his calls?—Cook paid them.

68. Had Benjamin paid up the calls before the transfer was passed?—Cook paid them before the transfer was put through.

69. Did he pay them in cash?—Yes; Mr. Easton's statement in that respect was entirely misleading. The date of the transfer is the 19th February, 1901; that is when the transfer was made between Cook and Benjamin. It came before the directors during the period Mr. Easton was on the directorate, and they declined to pass the transfer. Benjamin wrote to me again after the annual meeting, at which Easton and his lieutenant, Somerville, were put off the board, and asked if we could not put these transfers through. On 19th March, exactly a month after Cook and Benjamin did their deal, Cook paid £80 into the company, £25 of which should have been placed to the credit of Benjamin, but it has not been. The other £55 was meant to go in payment of his arrears on his other shares. When this transfer came in to us Cook had paid £80.

70. On Benjamin's shares?—He intended to pay £25 on Benjamin's shares and £55 on his own.

71. Then, Mr. Holsted is entirely wrong in saying that Mr. Cook still owes the £25? The Chairman asked Mr. Holsted, "Mr. Cook has not paid this £25 yet?" and Mr. Holsted answered, "No; that will make his liability £90—£65 and £25": is Mr. Holsted wrong in saying that?—Yes, I maintain that he is.

72. *The Chairman.*] Then, the share register is wrong?—The share register is correct. It shows that on 19th March of this year—between the date of the transfer and the time when it came before the board, of which I am a director—Cook paid in £80, and I know that Cook intended to pay Benjamin's calls.