

101. He and the others had to give their services to all business that came to the office, and received the fees for it?—Yes.

102. And paid them into Cook and Gray's account?—Yes.

103. The business of Cook and Gray was a commission and agency business?—It was.

104. Is it to your knowledge that Mr. Holsted had the sole charge of the bank account, and alone operated on it?—In conjunction with the accountant, yes.

105. Do you know whether I ever signed a cheque on behalf of Cook and Gray?—I have never seen a cheque signed by you on behalf of Cook and Gray, either in connection with the Dunedin or the Invercargill branch.

106. An auditor went round periodically?—That is so.

107. He audited the books of the firm, and I never had anything to do whatever with the firm's office-work?—Mr. Mace used to go round and audit periodically.

108. Can you tell us, from your knowledge whether I have ever influenced Holsted as secretary to the company in any way?—Certainly you have not.

109. He was in the employ of the directors of the company?—Yes.

110. And did his work for the company?—Yes.

111. And on receipt of his salary he paid it to the general account of Cook and Gray?—Yes.

112. Mr. Easton goes on to say that among the irregularities the following exists: "The formation of secret rings for speculative purposes only by promoters and directors at a time when the public were being asked to subscribe money to be used for mining purposes:" is that true in reference to this company?—It has no bearing whatever on this company.

113. Mr. Easton also says that "out of twelve companies with an aggregate capital of £100,000 floated by Messrs. Cook and Gray, eleven must, in my opinion, go into liquidation": in your opinion, should this company go into liquidation?—In my opinion, it should not; but it may have to, for the reason that the shareholders cannot or will not pay up their calls.

114. Who is responsible for that?—Mr. Easton.

115. This agitation has caused shareholders to be alarmed, and try to get out of paying their calls?—Yes; on any pretext.

116. And to your knowledge some of them have not been particular about the mode they have adopted in order to get out of their liability?—They have not.

117. Without mentioning names, do you know that they have told untruths in reference to this Tucker Flat Company in order to get out of paying their calls?—Yes; deliberate untruths.

118. Mr. Easton also says that "but for the action taken by the holders of vendors' shares many of these companies would have been wound up long ago": would the Tucker Flat Company have been wound up but for the action of holders of vendors' shares?—No vendors' shares have been allotted in this company.

119. With reference to the untruths I asked about, can you give an illustration?—Yes; Mr. Easton has stated here, and has stated in other places, that I proposed a resolution to increase the capital of the company. Now, that is untrue in intent, and his statement is made with a view to deceive. The minute-book shows that on the 27th March, at an extraordinary meeting, Mr. Somerville moved that the capital of the company be increased by £5,000; this was seconded by Mr. S. Brent.

120. *Mr. Carncross.*] Was Mr. Somerville a director?—Yes; then chairman.

121. *Mr. Herries.*] Did you not move the resolution at the meeting held to confirm those minutes?—That is a quibble of Mr. Easton's.

122. Mr. Easton may have referred to that?—I say that it is a quibble; the statement is made with the intention to deceive.

123. *Mr. Cook.*] The resolution at that meeting was moved by whom?—Mr. Somerville.

124. And seconded by Brent?—Yes. At the subsequent meeting held to confirm the resolution—I may say that both Somerville and Easton had been removed from the directorate in the meantime—the persons who introduced this resolution did not move it. There was a full meeting, and I waited ten minutes, and then said that, unless they moved a resolution, I would propose the resolution *pro forma*. I did so; but it was not seconded, and I declared it lost.

125. *The Chairman.*] Does it appear in the minutes that you moved the resolution *pro forma*?—It does not say *pro forma* in the minutes.

126. *Mr. Carncross.*] Was Mr. Somerville present at that meeting?—Yes.

127. But he did not move the resolution?—No, not to confirm.

128. *Mr. Cook.*] There had been a change of front in the meantime?—Yes.

129. *Mr. W. Fraser.*] You were not the originator of the intention to increase the capital?—No; I did not approve of it personally, because I considered we might get a dredge without increasing the capital.

130. *Mr. Cook.*] The statement made here by Mr. Easton, that "at an extraordinary general meeting, held shortly after the annual meeting, Mr. Howes moved that the capital be increased by £5,000, but could find no one to second the motion," you say, is untrue in intent?—Yes; the statement is put that way with the intention of deceiving.

131. The resolution was moved at the first meeting—that would be the extraordinary general meeting—and this was the confirming meeting; it was moved and seconded as you stated?—Yes.

132. Mr. Easton states that, with reference to his contributing shares, during the period before his transfer was in the office the directors had struck a call of 2s. a share; that may be right or wrong. He goes on to say, "Mr. Choyce had not paid this call, amounting to £25, and I was not made aware that it had been struck. On the 9th March last the auditor to the company signed the balance-sheet for the period ended 28th February, 1901, with this call outstanding, as being correct." Now, that implies to me, as an accountant, that the auditor signed a balance-sheet which was incorrect: is there anything in the balance-sheet that is incorrect?—Not that I am aware of.