

215. In the case of the Lees Ferry Company every single vendor would have to sign an agreement foregoing his legal rights, otherwise the subscribing shareholders would have to pay up in full before the company could liquidate?—I think that would be the position.

216. Has any objection been raised to the company liquidating?—No, not by the vendors.

217. By any one?—No.

218. *The Chairman.*] Did Howes object to the Lees Ferry Company going into liquidation?—No; he did not vote against it.

219. But did he originally?—He drew attention to the probability of the vendors making the subscribing shareholders pay up.

220. *Mr. J. Allen.*] How were the vendors' shares held in the Lees Ferry Company?—Joseph Taylor had 520, C. A. Broad 120, O'Key 120, W. R. Cook 240, John Gill 200, W. R. Cook 800.

221. Has any agreement been propagated for the vendors to sign—to give up their rights?—No; what has been done is this: Cook has been written to asking him to obtain the vendors' consent to give up their rights.

222. Why should he be written to?—Copies of the request have also been forwarded to him to send to each of the vendors; he knew them personally, and would be the best man to get their consent.

223. Mr. Cook holds all the vendors' shares in the other companies that are in liquidation?—Yes, as far as I know.

224. In the Tucker Flat Company?—He is the only recognised vendor. We have not allotted vendors' shares to any of his nominees.

225. What will happen in the case of the Tucker Flat Company?—I cannot say; but Mr. Cook has been written to, asking him to agree to forego his interest.

226. Has he answered?—Not yet; the last letter has not been replied to, but he has on a former occasion indicated that he is willing to forego his interest.

227. Verbally?—Yes, providing he can get the others to fall in with his action.

228. That means to say that Wild shall forego his purchase-money?—I suppose it would mean that; but, of course, he would get the claim back again.

229. Then, it means getting the consent of Mr. Cook to forego his interest in the cases other than the Lees Ferry Company?—Yes, excepting the Lees Ferry Company.

230. In the other cases where liquidation is going on Mr. Cook's consent is needed, otherwise the subscribing shareholders will have to pay up in full?—I take it that will be the case.

231. Has Mr. Cook been asked for his consent in the other cases?—I cannot speak for the Wicklow and Golden Gray Companies.

W. HOWES recalled, and further examined on former oath. (No. 7.)

232. *Mr. Cook.*] With reference to the No Town No. 2 Company, Mr. Howes, I think you had the whole of the matter of the flotation of this company in hand, and can probably give an explanation with regard to Mr. Jackson's report appearing on this prospectus?—Yes. A short time before the claim was put on the market for flotation you were in Dunedin, and instructed me that you would be sending documents over from the Coast for me to prepare the prospectus from, and that I could take "bespeaks" for the shares. I did so.

233. Did you have any applications for shares before you issued the prospectus?—Yes. I had on one list "bespeaks" for 8,500 shares before the prospectus was printed, and on a supplemental list about 3,500 more.

234. In reference to obtaining the report on the No Town Claim from Mr. Jackson, you arranged with him for the payment of his fees for that report?—I did.

235. What were they?—Before you left I had the whole flotation of the No Town Creek Company—I am speaking now, of course, of No Town Creek Company.

236. You had floated the No Town Creek Company?—Yes.

237. On that claim a report was obtained from Mr. Jackson; I arranged that he should report, and you settled with him as to payment?—You informed me before you left that you had arranged with Jackson for twenty-five guineas for his report on the No Town Creek Claim. I proceeded to take "bespeaks" before the prospectus of the No Town Creek Company was printed. Jackson came to me at Mr. Cook's office and said he heard that I was floating the No Town Creek Company, and I said that I was taking "bespeaks." He asked, "Will you not have my report?" I replied, "Yes; we will be glad to get it at the fee agreed upon." "Oh," he said, "what was that?" I answered him that it was twenty-five guineas according to Mr. Cook, and he replied, "No; I shall want more than that for it. I shall want fifty guineas." We talked the matter over, but Mr. Jackson would not give way, and I wired to Mr. Cook, at Auckland I think it was, and I have his reply here. As I say, I had a long conversation with Mr. Jackson on the matter of this fee, and at last he suggested that we should either give him fifty guineas, or twenty-five guineas and fifty fully paid shares. I expressed myself as being very disappointed that we could not get his report on the terms which I understood had been agreed upon, and I should like the report, though it would make no difference to the flotation. Mr. Jackson then said, "Well, whoever else gets contributing shares, I think I should have some." I replied, "Certainly; what is the least you could do with?" to which he answered he would like to have a hundred for himself, which he ultimately got, and has to this day. As I said before, I wired to Mr. Cook about the fee, and this is his reply: "Consider fee excessive, can float without; but, if you deem necessary, authorise procuring report, twenty-five guineas fifty shares." I paid Mr. Jackson the twenty-five guineas from my Invercargill bank account, and gave him a guarantee that Mr. Cook would give him the fifty shares, which was done.

238. That was in regard to the No Town Creek Company?—Yes.