

1901.
NEW ZEALAND.

GOLDFIELDS AND MINES COMMITTEE

(REPORTS OF).

(MR. JACKSON PALMER, CHAIRMAN.)

Presented to the House of Representatives, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

WEDNESDAY, THE 3RD DAY OF JULY, 1901.

Ordered, "That Standing Order No. 211 be suspended, and that a Goldfields and Mines Committee, consisting of seventeen members, be appointed, to whom shall be referred all matters relating to mining and all Bills relating to mines, with power to call for persons and papers; five to be a quorum: the Committee to consist of Mr. J. Allen, Mr. Bennet, Mr. Carnecross, Mr. Colvin, Mr. Duncan, Mr. W. Fraser, Mr. Gilfedder, Mr. Guinness, Mr. Herries, Mr. Lang, Mr. R. McKenzie, Mr. Millar, Mr. Mills, Mr. Palmer, Right Hon. R. J. Seddon, Mr. E. M. Smith, and the mover.—(Hon. J. McGOWAN).

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REPORTS.

No. 101.—Petition of SIMON FRASER, of Maungatapue, Whangarei.

PETITIONER prays that a reward may be granted for the discovery, which he alleges was made by him, of the East and West Taieri goldfields, and of goldfields on the west coast of the South Island.

The Goldfields and Mines Committee have the honour to report, upon the petition of Simon Fraser, that they have no recommendation to make.

1st August, 1901.

No. 197.—Petition of ALEXANDER MACKAY, of Paeroa, Auckland. (No. 1.)

PETITIONER seeks to obtain a reward for the discovery, which he alleges was made by him, at Ohinemuri, Karangahake, and other places, of payable goldfields.

The Goldfields and Mines Committee have the honour to report, on the petition of Alexander Mackay, that they have no recommendation to make.

1st August, 1901.

No. 174.—Petition of HENRY WALTON PHILLIPS, of Westport.

PETITIONER seeks to obtain a reward for that he, in conjunction with Benjamin Knights, now deceased, was the first to commence gold-mining with dredges, which he alleges he did at the Molyneux River, Otago, in 1864.

The Goldfields and Mines Committee have the honour to report, on the petition of Henry Walton Phillips, that they have no recommendation to make.

1st August, 1901.

No. 304.—Petition of JOHN FALCONER and Others, of Gore.

PETITIONERS complain that, under the provisions of "The Mining Act, 1898," they are liable, without any right of appeal, to be deprived of the use of water flowing through their freehold properties, the said water being necessary for their stock. They seek redress.

The Goldfields and Mines Committee, having duly considered the statements set forth in the petition of John Falconer and others, have the honour to report that they recommend that the said petition be referred to the Government, with an expression of opinion that, in view of the decision of His Honour Mr. Justice Williams that there is no appeal from the judgment of the Commissioner of Crown Lands with respect to mining privileges, the law should be altered to permit of such appeals being made.

1st August, 1901.

PRIVILEGE: PUBLICATION OF EVIDENCE.

THE Goldfields and Mines Committee have the honour to report that they have come to the following resolution:—

"Resolved, That the Chairman be directed to call the attention of the House to the publication, on Friday, the 23rd day of August, 1901, in the *Dunedin Star*, of evidence given before this Committee, this Committee not yet having reported on such evidence."

26th August, 1901.

No. 173.—Petition of WILLIAM DAVIDSON and Others.

PETITIONERS pray that the rents of small residence areas held on lease be reduced to 6d. per acre; that the compulsory residence clauses be struck out of the leases; that settlers be allowed to sublet their holdings, and that they may be permitted to borrow under the Advances to Settlers Act.

The Goldfields and Mines Committee, having duly considered the prayer of the petition of William Davidson and others, have the honour to report that they recommend that the said petition be referred to the Government.

— October, 1901.

No. 579.—Petition of JAMES BROWN, of Garibaldi, Maniototo County.

PETITIONER prays for the proclamation of a reserve for mining purposes along the banks of the Gimmerburn and Wedderburn Creeks to the junction of the Taieri River.

The Goldfields and Mines Committee have the honour to report, on the petition of James Brown, that they have no recommendation to make.

11th October, 1901.

No. 1173.—Petition of A. TAPPER and 2 Others, of Dunedin, on behalf of the Blackwater River Gold-dredging Company.

PETITIONERS pray that the Blackwater River may be declared a sludge-channel under the Mining Act.

The Goldfields and Mines Committee have the honour to report, on the petition of A. Tapper and others, that, in view of the fact that the Government have already taken action in the matter, they have no recommendation to make.

11th October, 1901.

No. 785.—Petition of GEORGE CLARKSON, of Ponsonby.

PETITIONER seeks to obtain a reward for the discovery of the Thames Goldfields, alleged to have been made by him.

The Goldfields and Mines Committee have the honour to report, on this petition, that they have no recommendation to make.

11th October, 1901.

COAL-MINES ACT AMENDMENT BILL.

THE Goldfields and Mines Committee, to whom was referred the above-mentioned Bill, have the honour to report that, having duly considered the same, they recommend that the Bill be allowed to proceed, subject to the amendments shown on a copy of the Bill hereto attached.

22nd October, 1901.

No. 862.—Petition of RICHARD LARKIN and 4 Others, of Nelson's Creek, Grey.

PETITIONERS complain that, in consequence of miners using water from the Nelson Creek Water-race, the property of the Government, their water-race—running from Fireman's Gully to Lower Try-again Terrace, in the County of Grey—has been, and is now being, continually filled up with sludge-tailings and *débris*. They estimate the damage their property has sustained at £500, and seek relief.

The Goldfields and Mines Committee have the honour to report, on the petition of Richard Larkin and others, that they recommend it be referred to the Government.
24th October, 1901.

PAPER 202 C.

THE Goldfields and Mines Committee, to whom was referred Paper 202 C, have the honour to report that the said paper contains the outlines of two schemes for developing the Thames Goldfield.

The first scheme considered by your Committee was that of Mr. C. A. Harris, who proposed that the Government should grant a subsidy of £75,000, and that £75,000 should be raised in London, making a total capital of £150,000, to develop the deep levels of the Thames. If the Government will not accept this, then he makes an alternative proposal of £50,000 subsidy, payable pound for pound on fresh expenditure, and fully set forth and detailed in the paper.

The Goldfields and Mines Committee have the honour to report that they recommend that this proposal be referred to the Government.

The second scheme embodied in the paper is that proposed by Mr. J. W. Walker, who asks for 640 acres situated eastward of the already occupied mines at the Thames. The deep levels of this 640 acres Mr. Walker proposes to reach by means of a tunnel, which he estimates will take two years to drive; and he expresses himself as prepared to undertake the work upon the following conditions, viz.: (1.) That the concession be for forty-two years, renewable. (2.) That the rental be merely nominal, but that Government receive $1\frac{1}{4}$ per cent. of all profits for all time, and that an equal amount be given towards local charities—say, the establishment and maintenance of hospitals in the Hauraki Mining District. (3.) That an annual expenditure of not less than £5,000 be made compulsory, subject to reasonable penalties for *laches*.

The Goldfields and Mines Committee have the honour to report that, having duly considered the proposal put forward by Mr. Walker, they have agreed to the following resolution: "That the 640 acres referred to as proposed to be mined be reserved from lease for three years, and that at the end of that period—or at an earlier date if the proposed tunnel shall have been completed—a lease be granted to Mr. Walker at a peppercorn rent for forty-two years upon the following conditions, namely: (1.) That within the three years he shall have completed the proposed tunnel to a boundary of the 640 acres. (2.) That when granted the lease shall convey the concessions asked with respect to labour conditions. (3.) That when granted the lease shall contain a condition that at least £5,000 a year shall be expended in wages during the currency thereof."

The Goldfields and Mines Committee submit this resolution to your honourable House, and recommend that it be referred to the Government.

24th October, 1901.

No. 231.—Petition of HERBERT E. EASTON.

I. In this case the petitioner asks that legislation be passed in order to prevent what the petitioner alleges are acts of commercial immorality in mining companies.

II. Your Committee have very carefully inquired into the complaints made by the petitioner. The inquiry was confined to seven of the companies floated by Messrs. Cook and Gray. There was some evidence adduced to the effect that the commercial immorality alleged to have taken place in these companies was typical of what had taken place in some other companies. Although a great deal of evidence was given in regard to private matters between petitioner and Mr. Cook, your Committee wish as much as possible to disregard everything except the public aspect of the case.

III. The following is a summary of the charges made by petitioner:—

(1.) One person or firm being (a) the promoter, (b) broker, (c) secretary, and (d) director, and (e) the registered offices of companies being in his or their office.

(2.) Transfers being accepted and passed with moneys owing from sellers.

(3.) Shares being "dummied," and commission received on them.

(4.) Signatories to articles of association not being shareholders.

(5.) The articles of association being so drawn as to override what may be classed as the safety clauses of the Act under which they are framed, thereby allowing a few holders of shares to obtain almost absolute control of the companies, and the articles of association being so worded as to allow unqualified shareholders to vote.

(6.) Lees Ferry Company's vendors' shares being used for voting to prevent liquidation, for benefit of promoters; and that out of twelve companies, with an aggregate capital of £100,000, floated by Messrs. Cook and Gray eleven must go into liquidation but for the action taken by the holders of vendors' shares.

(7.) Promoters receiving secret profits.

(8.) That minute-books show that directions were given to the secretary to invoke the law against *bonâ fide* shareholders when promoters and others were owing large sums.

(9.) One promoter being also a director and receiving director's fees, yet not attending meetings.

(10.) The Ngahere Company's brokers taking commission on shares on which no cash has been paid.

(11.) That the Ngahere Company's claim is not situated where stated in prospectus.

(12.) That, on the grounds of misrepresentation, Mr. Gray, one of the promoters of the Golden Grey Company, and others, repudiated payment of calls on shares upon which the firm of Cook and Gray had received brokerage.

(13.) 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.

(14.) Shareholders voting and directors acting when their allotment money and calls were unpaid.

(15.) Vendors making a profit on liquidation on shares which have cost them nothing.

(16.) Improper auditing.

REVIEW OF THE CHARGES.

IV. In all of these charges the onus of proof must be on the petitioner. Some have not been proved, and others are matters that should be dealt with by the law-courts, for where the law provides an ample remedy that remedy should be taken, as it is not for this Committee to take up the functions of the law-courts. Your Committee will therefore dispose of these latter charges first, namely:—

(1.) “Promoters receiving secret profits”: This charge must refer to (a) salary for office and secretary, and (b) directors’ fees. In regard to (a), Mr. Holsted was simply Cook and Gray’s servant, and managed the companies, and had nothing whatever to do with the flotations. Mr. Holsted managed fourteen companies for Cook and Gray, and received on an average £75 a year for each, or a total of £1,050 a year, and in the books of the companies he debited the companies with owing these amounts to Cook and Gray, and credited the companies with having paid the various payments thereon to Cook and Gray. Therefore any profits made out of this by Cook and Gray were not secret profits, but were known to the shareholders, all of whom could have known that Mr. Holsted was only the servant. Neither were the directors’ fees secret profits. Therefore this charge has not been proved at all, unless it refers to brokerage, which is dealt with hereafter.

(2.) “One promoter being also a director and receiving director’s fees, as per table attached, yet not attending meetings”: Mr. Cook drew director’s fees, and attended in some cases only one meeting, and in others no meetings; but if there is any wrong in this the remedy is with the shareholders, who may elect some one else. A director may do work for his company other than attending meetings, and the company should not be restricted in their choice of a director.

(3.) “That the Ngahere Company’s claim is not situated where stated in prospectus”: The evidence upon this charge is very much more in favour of Mr. Cook than petitioner; but even if the charge was proved, the law on the subject has been clearly laid down in the Promoters’ and Directors’ Liability Act, and therefore Parliament has provided an ample remedy, which should have been taken if any wrong had been committed.

(4.) “That, on the grounds of misrepresentation, Mr. Gray, one of the promoters of the Golden Grey Company, and others, repudiated payment of calls on shares upon which the firm of Cook and Gray had received brokerage”: In reference to this charge, we have the evidence of Mr. Gray, who swears that his partner, Mr. Cook, induced him to take up shares on the understanding that only the application-money would require to be paid. Mr. Gray and others were summoned by the company in the Magistrate’s Court at Dunedin, and defended the actions on the above grounds. Mr. Cook, in answer to this charge in his sworn evidence, question 35, page 8, says, “The Magistrate decided there was no misrepresentation without hearing my side at all.” Mr. Cook took this evidence away with him, and corrected it and returned it, yet this statement of his was not correct, for the Court held that no agreement entered into between Mr. Cook and the defendants could bind the company, and therefore the issue of this charge was not decided by the Court at all. Mr. Abbott also gave evidence on this charge, and admitted that certain of the companies were formed for speculative purposes; that Mr. Cook had induced him to take shares on the understanding that the application-money (1s. per share) only should be called up, and that he (Mr. Cook) would have the control of the companies, and they would not be gone on with unless the state of the share-market warranted it. The evidence of Mr. Gray and Mr. Abbott was denied by Mr. Cook, who, it appears, also by writing took over Mr. Abbott’s shares, but still retained them in Mr. Abbott’s name on the share register. There is also the evidence among the other documents of the company of letters written by other shareholders which corroborate the statements of Mr. Abbott and Mr. Gray, and the weight of evidence concerning this charge is against Mr. Cook; but whether or not these shareholders are to be relieved of their liability on these shares is purely a matter for the Courts to decide in proceedings between them and Mr. Cook. The part, however, of this charge which concerns your Committee is the formation of a company merely for speculative purposes on the share-market. This is against public policy, and is purely a species of gambling, and should be stopped by legislation. All parties knowingly entering into such a transaction are *participes criminis*.

(5.) “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”: The only evidence we have of this is what is mentioned in the previous paragraph. It has not been proved that what had been done was kept secret from the other shareholders. If, however, it was kept secret, then it would be unfair to the other shareholders, who would be induced to take up shares on the representation of the names of those subscribing. Legislation is necessary to prevent the occurrence of such a case as that alleged to have taken place in this matter.

(6.) “Vendors making a profit on liquidation on shares which have cost them nothing”: This has not been proved.

(7.) “Shares being ‘dummied,’ and commission received on them”: If this had been done, then a remedy is already provided by law, and therefore the Committee have no further remarks to make.

V. As to the other charges, we wish to say,—

(8.) “One person or firm being (a) the promoter, (b) broker, (c) secretary, and (d) director, and (e) the registered offices of companies being in his or their offices”: It has been proved that Mr. Cook—or, rather, the firm of Cook and Gray, of which he was the managing partner in Dunedin, and had the sole control there—was the vendor to the company, also the promoter, secretary, broker, and director, and the office of the company was Cook and Gray’s office. It will be necessary to briefly review these different positions held by Mr. Cook in order to ascertain if his duties in one position would conflict with those in another position. As “vendor” to the company Mr. Cook is the seller, and as “secretary” and “director” he is in a position of trust for the other shareholders to purchase from himself, so he becomes both a buyer and a seller. Again, being the “promoter” of the company, he stands in a fiduciary position to the company he promotes: he virtually creates a body to purchase from himself. The promotion gives him an unlimited

power to make the company subject to such regulations as he pleases; also for such purposes as he pleases, as well as to create it with a managing body whom he selects, and having such powers as he chooses to give them as managers. Morally, therefore, he who accepts such extensive powers should not be allowed to disregard the interests of the company. The Legislature has given these powers to a promoter, and it is necessary to pass further legislation to prevent these powers being abused. Petitioner alleges that these powers have been abused—*e.g.*, that as promoter Mr. Cook appointed himself broker, and as director and broker he would be both master and servant; that as director he allowed himself to charge exorbitant sums as broker; and that as secretary he, through his servant (Mr. Holsted), actually paid himself brokerage on shares on which no money was paid at all. There is no doubt that Mr. Cook's positions of director, broker, and secretary here came into conflict. It is clear that brokerage was very high, and the shareholders, when they agreed to take up shares, did not know that so much of the money they were subscribing was going to Mr. Cook himself, and not being devoted to mining. Mr. Cook admits that in the fourteen companies inquired into he received about £1,900 in brokerage, but he says he had to pay some of this to other brokers; but taking one only of the companies as an example, and comparing the brokerage with the amount of capital paid, the latter is quite disproportionate to the former—*e.g.*, in the Lees Ferry Company: capital paid, £537; brokerage paid, £150, of which £15 2s. 6d. was ordered by the auditor to be refunded by Mr. Cook, as no money had been paid at all for the shares on which this brokerage was charged. In most of the fourteen companies inquired into the brokerage has been as disproportionate as above set out, and in some even worse. Further conflict of these positions of promoter, broker, director, &c., is shown in reviewing charges (5), (7), and (10).

(9.) "Transfers being accepted and passed with moneys owing from sellers": This was done in some of the cases inquired into, but it is allowed by law, and is very often done by many companies; but the law should be altered, to the effect that where any money for application, allotment, or calls is due upon shares, then the same should be noted on the transfer before it is completed.

(10.) "Signatories to articles of association not being shareholders": By the Companies Act it requires seven shareholders to form and be a company, but in many of the cases inquired into seven persons signed the memorandum of association, but some never became shareholders in the company at all, and so for a period of time the company consisted of less than seven persons; yet these who were not shareholders attended meetings, moved and seconded resolutions, and appointed Mr. Cook, Mr. Leijon, and others directors, appointed the secretary, and did other business, but it is stated in evidence that they did so on the advice of the company's solicitor. This wilful disregard of the provisions of the Companies Act is very reprehensible, and may entail loss upon shareholders, who were innocent and ignorant of these breaches. The Committee recommend that in these cases proceedings should be instituted by the Crown to test their legality.

(11.) "The articles of association being so drawn as to override what may be classed as the safety clauses of the Act under which they are framed, thereby allowing a few holders of shares to obtain almost absolute control of the companies, and the articles of association being so worded as to allow unqualified shareholders to vote": The promoter has the creation of the company, as set out in the review of charge (1), and the interests of the shareholders should be safeguarded. In the cases inquired into many of the safety clauses for shareholders in Table A of the Act are negatived, such as their voting-power, &c. This may be quite right in regard to private companies, but in public companies, and especially in mining companies where the business on the share-market could not be carried on if every intending purchaser had first to search the articles of association before he purchased, the law should be amended so as not to allow these safety clauses to be negatived.

(12.) "Lees Ferry Company's vendors' shares being used for voting to prevent liquidation, for benefit of promoters; and that out of twelve companies, with an aggregate capital of £100,000, floated by Messrs. Cook and Gray eleven must go into liquidation but for the action taken by the holders of vendors' shares": The minute-book of the Lees Ferry Company shows that on the 26th March, 1901, the vendors' shares were used for voting to prevent liquidation. At this date this company should have gone into liquidation. The company was not, and had not been carrying on the business of mining, and it was not in a financial position to do so, and the only reason for keeping the company in existence would be either for share-market purposes or for the benefit of the salaried officers. In this case the Dunedin Stock Exchange struck the company off its quotation-list. The articles of association having negatived the safety clauses in Table A, the voting-power of the smaller shareholders was reduced, and the law requires amending as set out in the review of charge (1). There is no evidence to show that the vendors' shares were used to prevent other companies from going into liquidation.

(13.) "That minute-books show that directions were given to the secretary to invoke the law against *bona fide* shareholders when promoters and others were owing large sums": A large number of shareholders were sued in the Magistrate's Court at Dunedin on the 19th April last, while Mr. and Mrs. Cook, who then owed very large sums to the companies, were not sued at all. The shareholders who were most in arrears in the companies were Mr. and Mrs. Cook, who, Mr. Cook says, were never sued at all. The law should be more clearly defined, so as to insure that all shareholders shall be treated alike.

(14.) "The Ngahere Company's brokers taking commission on shares on which no cash has been paid": Cook and Gray were ordered to refund this money by the auditor. This is one of the cases referred to in the review of charge (1). Mr. Cook says he was absent, and he blamed his clerk (Mr. Holsted) for this and other irregularities. He further said it was the duty of the auditor to detect the matter and order a refund to the company. Other such payments in other companies were not detected, and have not been refunded. The principle of charging improper

items and the company paying them, and then these having to be refunded by order of the auditor, is not right, and when it happened once Mr. Cook and his servants should have seen that it did not happen again, otherwise it would subject them to grave suspicion. This happened more than once. Notwithstanding Mr. Cook blaming Mr. Holsted in the matter, the minute-books of the company show that he himself is to blame, as he as director at directors' meetings passed his brokerage account as correct and signed the same, and in some cases ordered payment; in others he had collected application-money on the shares sold, and he simply retained the brokerage, paying the balance over to the company. This trouble is to be attributed to Mr. Cook being promoter, broker, director, and secretary all in one.

(15.) "Shareholders voting and directors acting when their calls were unpaid": Mr. Cook elicited from Mr. Somerville that he (Mr. Somerville) had voted and also acted as director while his application-money was unpaid, and he had received director's fees, and the accounts of his firm had also been paid, while he still owed money for calls. What happened in Mr. Somerville's case happened in a much worse form in regard to Mr. Cook, as will be seen by looking at the comparative table of Mr. Cook's dealings with the seven companies whose books your Committee have, for in all of these companies he had not even paid his allotment-money till it was about nine months, on the average, overdue, and yet during this time he had acted as director, attended meetings and voted, and even passed some of his own brokerage accounts for payment, as well as his secretary's salary. He had actually passed large sums for payment to himself, and had received them while he himself was still owing to the company large sums of money. The law certainly requires amending in the direction of depriving a shareholder of the right to vote or act as director until he has paid his allotment-money.

(16.) "Improper auditing": The Committee desire to point out that in some cases brokerage was charged by Messrs. Cook and Gray on application-money when such application-money was never paid; the matter escaped the attention of the auditors.

GENERALLY.

VI. To each and all of the above charges Mr. Cook's chief answer was to point out to the Committee the very large number of contributing shares he had taken up in each of these companies for himself and Mrs. Cook. That he must have taken them up purely as a mining venture, and not for speculative purposes only, he said, was proved by the fact that he did not sell his shares, and that he stood to lose double the amount that the others did if the companies failed. This position was often during the inquiry impressed upon us by Mr. Cook, and it would have been a very strong argument indeed of Mr. Cook's *bona fides* if it was fully borne out, but it does not stand close criticism, for Mr. Cook has paid for his and Mrs. Cook's shares in the seven companies whose books were put in evidence the sum of £2,140, but Messrs. Cook and Gray received £1,841 13s. 9d. back from the companies, as shown by the following table:—

Comparative Table.

Company.	Paid by Mr. Cook to Companies.				Received by Cook and Gray from Companies.			
	—	Date.	Amount.	Total.	—	Date.	Amount.	Total.
1. Wicklow ..	Paid Application	9 May, 1890	£ 50 0 0	£ 115 0 0	By Brokerage ..	21 May, 1900	£ 139 0 0	£ 247 10 0
	Allotment ..	22 Feb., 1891	50 0 0		Secretary's salary	..	87 10 0	
	Subsequent shares	..	15 0 0		Director's fees	..	21 0 0	
2. Ngahere ..	Paid Application	23 April, 1900	50 0 0	100 0 0	By Brokerage ..	24 Sept., 1900	175 0 0	266 8 9
	Allotment ..	6 Mar., 1901	50 0 0		Secretary's salary	..	87 10 0	
	No calls made ..	..	..		Director's fees	..	3 18 9
3. Lees Ferry ..	Paid Application	15 June, 1900	50 0 0	100 0 0	By Brokerage ..	15 June, 1900	150 0 0	271 0 0
	Allotment ..	22 Feb., 1901	50 0 0		Secretary's salary	..	100 0 0	
	No calls made ..	..	..		Director's fees	..	21 0 0
4. Tucker Flat	Paid Application	19 May, 1900	65 0 0	195 0 0	By Brokerage ..	19 May, 1900	150 0 0	227 15 0
	Allotment ..	About 25 Jan., 1901	65 0 0		Secretary's salary	..	56 15 0	
	Subsequent calls paid	..	65 0 0		Director's fees	..	21 0 0	
5. No Town No. 2	Paid Application	8 May, 1900	50 0 0	600 0 0	By Brokerage ..	8 May, 1900	185 0 0	279 10 0
	Allotment ..	22 Feb., 1901	50 0 0		Secretary's salary	..	87 10 0	
	Calls subsequently	..	500 0 0		Director's fees	..	7 0 0	
6. Golden Grey	Paid Application	21 May, 1900	50 0 0	100 0 0	By Brokerage ..	25 May, 1900	139 0 0	247 10 0
	Allotment ..	25 Feb., 1901	50 0 0		Secretary's salary	..	87 10 0	
	No calls made ..	..	..		Director's fees	..	21 0 0
7. Ross Day Dawn	Paid Application	27 Mar., 1900	50 0 0	930 0 0	By Brokerage ..	27 Mar., 1900	175 0 0	302 0 0
	Allotment ..	27 Dec., 1900	50 0 0		Secretary's salary	..	106 0 0	
	Some calls paid with allotment	..	830 0 0		Director's fees	..	21 0 0	
			Total ..	£2,140 0 0			Total ..	£1,841 13 9

(17.) Excepting the Ross Day Dawn and No Town No. 2, the companies are practically in liquidation, and practically no calls will be required.

(18.) Besides this, Cook and Gray had the use of moneys obtained from charges to these companies, for Mr. Cook did not always pay his application-money when due, and he did not pay his allotment-money till about nine months after it was due, and in the meantime Cook and Gray drew large fees from the companies, as follows :—

Before paying allotment or calls,		£	£	s.	d.
Mr. Cook, Ross Day Dawn, paid in	70, and Cook and Gray drew out	247	10	0	
" Wicklow, "	" "	239	15	0	
" Lees Ferry, "	" "	239	15	0	
" Ngahere, "	" "	216	18	9	
" No Town No. 2, "	" "	232	0	0	
" Tucker Flat, "	" "	227	5	0	
" Golden Grey, "	" "	220	15	0	
Total		£385		£1,623	18 9

(19.) Messrs. Cook and Gray had to pay for the services of the secretary and certain sums for other brokers, which are not included in the above table.

(20.) Mr. Cook did not stand to lose much if these companies failed, but he had the chance of winning much if they were a success; and in the latter case he was by the flotations to receive fully paid-up shares worth £6,390, while he would be responsible for contributing shares worth £7,500.

(21.) The Committee recommend that the law be altered on the lines above indicated, and that the law be so amended that all mining companies should be registered under the Mining Companies Acts.

(22.) The question of titles having been extensively dealt with in the evidence, the Committee find that in the case of companies in which the vendors' shares have been allotted the titles are held by the company, but in the other companies the titles are held by the vendors, though the company's money has been spent on them.

[For evidence, &c., *vide* I.—4A.]

MINING ACT AMENDMENT BILL.

THE Goldfields and Mines Committee, to whom was referred the above-mentioned Bill, have the honour to report that, having duly considered the same, they recommend that the Bill be allowed to proceed subject to the amendments shown in a copy of the Bill attached hereto.

24th October, 1901.

Nos. 648 and 647. — Petitions of A. J. S. HEADLAND and Others, of Oamaru; and JOHN PATERSON and Others, of Dunedin.

PETITIONERS pray that the Mining Act may be amended, with a view to the prevention of gross abuses in the flotation and management of mining companies.

The Goldfields and Mines Committee have the honour to report, on these petitions, that, having gone exhaustively into the subject to which they refer in connection with the petition of Herbert E. Easton, they have no recommendation to make.

30th October, 1901.

No. 303.—Petition of JAMES BEATTIE, of Gore.

PETITIONER complains of having been inequitably deprived of the use of certain streams flowing through his land held under Crown grant, and of having thereby been subjected to a loss which he estimates at £305.

The Goldfields and Mines Committee have the honour to report that, in their judgment, it was unfortunate no provision was made in the law under which appeal could be made from the decision of the Commissioner of Crown Lands, and this year they have already reported to your honourable House to that effect. There can be no doubt that the petitioner has suffered hardship and loss, for which he should be compensated, and to that end the Committee recommend that his petition be referred to the Government.

4th November, 1901.

No. 1203.—Petition of ALEXANDER MACKAY, of Paeroa. (No. 2.)

PETITIONER seeks to obtain a reward for the discovery, which he alleges was made by him, of goldfields at Ohinemuri, Karangahake, and other places.

The Goldfields and Mines Committee have the honour to report, on the petition of Alexander Mackay, that they have no recommendation to make.

4th November, 1901.

No. 1241.—Petition of RICHARD HAMILTON and Others, of Woodstock and Rimu.

PETITIONERS pray that the Mining Act may be amended in regard to that provision which legalises the holding of 5 acres by one man, and the old law granting 1 acre be reverted to.

The Goldfields and Mines Committee have the honour to report, on the petition of Richard Hamilton and others, that they have no recommendation to make.

4th November, 1901.

No. 1208.—Petition of JAMES STEWART and 6 Others, of Coal Creek, Grey.

PETITIONERS pray that portion of the Grey River, between Dobson and the lower end of Coal Creek Flat, be proclaimed a sludge-channel under the Act.

The Goldfields and Mines Committee have the honour to report, on the petition of James Stewart and others, that they recommend the said petition be referred to the Government.
4th November, 1901.

PARLIAMENTARY PAPER 101.

THE Goldfields and Mines Committee, to whom was referred Parliamentary Paper 101, relative to the Wallsend Colliery, have the honour to report to your honourable House that, having duly considered the same, they have no recommendation to make.

4th November, 1901.

MINING REGULATIONS.

THE Goldfields and Mines Committee, to whom was referred the Mining Regulations, having duly considered the same, have now the honour to report to your honourable House that they have made therein a number of suggested amendments, as shown in a copy of the regulations attached hereto, and they recommend that the said suggested amendments be referred to the Government.

4th November, 1901.

No. 1274.—Petition of ELLEN LARKIN.

PETITIONER seeks to obtain compensation for injury to her property through the proclamation as a sludge-channel of the Inangahua River.

The Goldfields and Mines Committee have the honour to report, on this petition, that they have no recommendation to make.

7th November, 1901.

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