1898
Second Session.
98/661
Legislative Assembly.
New South Wales.

Very urgent.
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Report from the Select Committee

on the

Illawarra Harbour and Land Corporation

Act Further Amendment Bill.

GOVERNMENT PRINTING OFFICE
14 DEC 1898
SUPERINTENDENT

240

together with the

Proceedings of the Committee

and

Minutes of Evidence

1898.
(Second Session)

Extracts from the Votes and Proceedings of the Legislative Assembly.

Votes No 45.
Thursday 1 December. 1898.

23. Illawarra Harbour and Land Corporation Act Further Amendment Bill:—The Order of Day having been read,—Mr. Neild moved, That this Bill "be" now read a second time.
Debate ensued.
Mr. Ferguson moved, That the Question be amended by leaving out all the words after the word "be" and inserting the words "referred to a Select Committee for consideration and report.
"(2.) That such Committee consist of Mr. Neild, Mr. Sleath, Mr. Carroll, Mr. Lyne, Mr. Wise, "Mr. Haynes, Mr. Nicholson, Mr. Archibald Campbell, and the Mover.
"(3.) That such Committee have leave to sit during any adjournment of this House,"—instead thereof.
Question proposed,—That the words proposed to be left out stand part of the Question.
Debate continued.
Question,—That the words proposed to be left out stand part of the Question,—put and negatived.
Question—That the words proposed to be inserted in place of the words left out be so inserted,—put and passed.
Question then,—That this Bill be referred to a Select Committee for consideration and report.
(2.) That such Committee consist of Mr. Neild, Mr. Sleath, Mr. Carroll, Mr. Lyne, Mr. Wise, Mr. Haynes, Mr. Nicholson, Mr. Archibald Campbell, and the Mover.
(3.) That such Committee have leave to sit during any adjournment of this House,—put and passed.

Votes No 46. Tuesday 6 December. 1898:-

6. Illawarra Harbour and Land Corporation Act Further Amendment Bill:—Mr. Donaldson presented a Petition from A. Armstrong, Managing Director of the Illawarra Harbour and Land Corporation (Limited), stating that on the 20th December, 1890, the said Corporation was empowered by Act of Parliament to form and maintain an entrance and passage between the South Pacific Ocean and the waters of Lake Illawarra, and to construct, maintain, and in certain respects control a harbour within the waters of the said lake, to make, establish, and control wharfage and shipping accommodation therewith, and to construct and work a line of railway to connect with the said harbour, and to reclaim, purchase, take, and occupy, and otherwise acquire land on certain terms, provided that the said harbour and channel should be commenced within two years, and be made and completed for the admission of certain vessels within the term of seven years from the passing of the Act referred to; that, by the Illawarra Harbour and Land Corporation Act Amendment Act of 1895, the time mentioned in the Principal Act for the completion of the harbour and entrance was extended for a further period of one year from the 20th December, 1897; that the Corporation has already expended £44,312 16s. 9d., under the provisions of the Statute, upon surveys, plans, and works in connection with the construction of the said harbour, and in a line of railway connecting the said lake with the Ocean Colliery; that the said Corporation has introduced a Bill before your Honorable House to further extend the time for the completion of the works, which Bill has been before a Select Committee of the Legislative Council, which has taken evidence and carefully deliberated thereon; that such Bill has been referred to a Select Committee of the Legislative Assembly; and praying that leave may be granted to the Corporation aforesaid to be represented by its legal advisers at and during the sittings of such Committee, and also that the said Corporation may be represented before the Bar of this Honorable Assembly during further discussion upon the Bill.
Petition received.

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Votes No 46. Tuesday 6 December 1898.

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11. Illawarra Harbour and Land Corporation Act Further Amendment Bill:—
(1.) Mr. Ferguson (*by consent*) moved, without Notice, That the Select Committee on this Bill have leave to bring up a Special Report.
Question put and passed.

(2.) Whereupon Mr. Ferguson, as Chairman, brought up a Special Report from the Committee, which was read by the Clerk, by direction of Mr. Deputy-Speaker, as follows:—

The Select Committee of the Legislative Assembly, for whose consideration and report was referred, on 2nd December, 1898, a.m., the "Illawarra Harbour and Land Corporation Act Further "Amendment Bill," and to whom was granted on the same date "leave to sit during any adjourn- "ment of this House," have the honor to report the following resolution:—
"That the Chairman report the question to the House as to whether Mr. Neild is eligible to sit on "the Committee in accordance with Standing Order 348."

No. 1 *Committee Room, Legislative Assembly,*
5th December, 1898.

WM. J. FERGUSON,
Chairman.

(3.) Mr. Neild, as a matter of *Privilege*, moved, That Mr. Neild, the Honorable Member for Paddington, be discharged from further attendance upon the Select Committee sitting upon the Illawarra Harbour and Land Corporation (Limited) Bill.
Debate ensued.
Question put and passed.

(4.) Mr. Ferguson (*by consent*) moved, without Notice, That Mr. Wise and Mr. Lyne be discharged from attendance upon the said Committee.
Question put and passed.

(5.) Mr. Ferguson (*by consent*) moved, without Notice, That Mr. Cohen, Mr. Cann, Mr. Ashton, and Mr. Waddell be added to the said Committee.
Question put and passed.

Votes No 47. Wednesday 7 December 1898

6. Illawarra Harbour and Land Corporation Act Further Amendment Bill (*Formal Motion*):—
Mr. Donaldson moved, pursuant to Notice, That the prayer of the Petition of the Managing Director of the Illawarra Harbour and Land Corporation (Limited), presented to this House on the 6th December, 1898, for leave to be represented before the Select Committee and at the Bar of the House during the proceedings on the Illawarra Harbour and Land Corporation Act Further Amendment Bill, be granted.
Question put, and voices given,—Mr. Deputy-Speaker stated his opinion that the *Ayes* had it.
Whereupon Division called for, and Mr. Deputy-Speaker having, in accordance with Standing Order No. 213, directed the Members to take their seats to the right and left of the Chair respectively, declared the determination of the House to be in the *affirmative*, as there were only four Members in the minority who had challenged his decision.
The following are the names of the Members in the minority, viz.:—Mr. Pyers, Mr. Macdonald, Mr. Edden, and Mr. Thomas Brown.

(Issues last Entry)

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33704

1898

(Second Session.)

Illawarra Harbour and Land Corporation Act Further Amendment Bill:-

Report.

The Select Committee of the Legislative Assembly, to whom was referred on 1st December, 1898, for consideration and report, the "Illawarra Harbour and Land Corporation Act Further Amendment Bill"; and to whom was granted, on the same date "leave to sit during any "adjournment of this House", and on 6th December 1898. "leave to bring up a special Report" and to whom was referred on 7th December. 1898 a Petition from Andrew Armstrong, Managing Director of the Illawarra Harbour and Land Corporation (Limited) praying for leave to be represented by its legal advisers at, and during the sittings of the Committee, beg to report to your Honorable House:-

That they have examined the witnesses named in the list * (whose evidence will be found appended hereto) and considered the Bill referred, in which it was not deemed necessary to make any amendment.

See List of Witnesses

Your Committee now beg to lay before Your Honorable House, the Bill, without amendment.

Wm. J. Ferguson
Chairman

No. 1. Committee Room
Legislative Assembly
3rd December 1898

Extract from Votes & Proceedings of the Committee and Papers laid before it during any adjournment of the House

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Proceedings of the Committee

Monday 5 December, 1898.

Members Present:-

Mr Archibald Campbell,- Mr Carroll,
" Ferguson, " Haynes,
" Lyne, " Reid
" Sleath, " Wise.

Mr Sleath moved: "That Mr Ferguson be Chairman of this Committee"

Mr Reid moved:- "That Mr Wise be Chairman of this Committee"

Question proposed by Mr Sleath:- "That Mr Ferguson be Chairman of this Committee"

Committee divided

Ayes	No.
Mr Sleath,	Mr Reid.
" Archibald Campbell,	
" Carroll,	
" Haynes,	

Ayes so it was resolved in the affirmative

(Messrs Wise and Ferguson not voting)

Mr Reid moved, That the Press be admitted to the sittings of the Committee"

The Chairman ruled the motion out of order

Mr Reid having moved:- "That under Standing Order No. 348. strangers be admitted to the sittings of the Committee,-

Mr Sleath referred to Standing Order No 348. and called attention to Mr Reids presence on the Committee, and contended that he was personally interested in the inquiry.

Mr Reid contended, that the House having appointed him with a knowledge of

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Chairman's Report

of the facts, as to his personal interest it was not competent for this Committee to order his withdrawal, and therefore he intended to remain.

Mr Sleath moved "That this Committee "adjourn till Wednesday morning at 11 a.m. and "that the Chairman report the question to the "House as to whether Mr Reid is Eligible "to sit on the Committee in accordance "with standing Order 348.

Mr Reid intimated that with a view to facilitate the inquiry, he would take no part in the proceedings pending the settlement of the questions raised.

Mr Sleath pressing his motion.—

Question put,

Committee divided

Ayes.	Noes.
Mr Archibald Campbell.	Mr Carroll
" Haynes.	" Rose
" Sleath	

And so it was resolved in the affirmative

Committee adjourned accordingly until Wednesday next at 11 o'clock

Wednesday 7 December, 1898:-

Members Present:-

Mr Ferguson in the Chair.

Mr Cann. - Mr Carroll,

" Cohen - " Archd Campbell,

Mr Nicholson.

Entries from Notes and Proceedings in reference to

3370 Reading Hamilton

to the discharge of Messrs Neild, Lyne & Rose from attendance upon, and the appointment of Messrs Cohen, Cann, Ashton & Waddell to the Committee, - read by the Clerk.

Adjourned till Tomorrow at 11 o'clock.

Thursday 8 December, 1898:-

Members Present:-

Mr Ferguson in the Chair.

Mr Ashton - Mr Archd Campbell

" Cann, " Carroll,

" Cohen, " Nicholson,

" Sleath. " Waddell.

Entry from Votes and Proceedings referring the Petition of Sir George Armstrong, the Managing Director of the Illawarra Harbour & Land Corporation (Limited) to the Committee, read by the Clerk.

Messrs E. F. Simpson & W. H. Moseley (Solicitors) appd on behalf of the Illawarra Harbour and Land Corporation (Limited)

Robert Nathaniel Rayton (Civil Engineer) called in sworn & examined.

Witness produced Conveyance W. R. Dykes and others, and R. Norton Vaughan to D. A. de Wolf.

Witness withdrew.

D. A. de Wolf (A Director of the Illawarra Harbour & Land Corporation Limited) called in sworn & examined.

Witness withdrew.

Adjourned till Tomorrow at 11 o'clock.

Friday

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Friday 9 December, 1898

Members Present:-

Mr Ferguson in the Chair

Mr Ashton - Mr Archd Campbell

" Cann, " Carroll,

" Nicholson, " Shutt

Mr Waddell.

Present: Messrs E.P. Simpson & W.H. Moseley (Solicitors) appeared on behalf of the Illawarra Harbour & Land Corporation (Limited)

Ernest Ludwig Adolph Weinberg (General Manager of the Smelting Company of Australia) called in Sworn & Examined.

Witness withdrew.

Adjourned till Monday next at 11 o'clock

Monday 12 November 1898.

Members Present:-

Mr Ferguson in the Chair

Mr Ashton - Mr Archd Campbell

" Cann, - " Cohen

" Carroll " Shutt

Mr Waddell.

Present:- Messrs E.P. Simpson & W.H. Moseley (Solicitors) appeared on behalf of the Illawarra Harbour & Land Corporation (Limited)

Thomas Andrew de Wolf, recalled and further Examined

Witness withdrew

Walter Andrew Harper (Civil Engineer) called in Sworn & Examined.

Witness withdrew

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Returned

Made

Andrew Armstrong (Managing Director the Illawarra Harbour & Land Corporation Limited) called in sworn & examined

Witness withdrew.

John Rendal Carey, called in & sworn & examined

Witness withdrew.

Adjourned till Tomorrow at 11 o'clock.

Tuesday 13 November, 1898.

Members Present:-

Mr Ferguson in the Chair.

Mr Ashton - Mr Archd Campbell,

" Lamm, - " Carroll,

" Hayes - " Veitch.

Present:- Messrs C.P. Simpson & W.H. Moseley (Solicitor) appeared on behalf of the Illawarra Harbour & Land Corporation (Limited)

Alfred Hugh Boresford Conroy, called in & sworn and examined

Witness withdrew.

Thomas Andrew de Wolf recalled and further examined.

Witness withdrew

Bill considered

Clauses 1 to 5 read & agreed to

Preamble read & agreed to

Title read & agreed to

Chairman to report the Bill without amendment to the House.

9

List of Witnesses

Armstrong	A.
Carey	J.R.
Conroy	A.H.B.
de Wolf	J.A.
Harper	H.A.
Styles	W.R.
Vaughn	R.M.
Weinberg	E.K.A.

GOVERNMENT PRINTING OFFICE
10 DEC 1898
SUPERINTENDENT.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE

ON THE

ILLAWARRA HARBOUR AND LAND CORPORATION BILL.

Thursday, December 8, 1898.

P r e s e n t:---

Mr Ashton,
Mr Archibald Campbell,
Mr Carroll,
Mr Cohen,
Mr Sleath,
Mr Waddell,

W.J. Ferguson Esq, in the Chair.

Mr E.P. Simpson (of Messrs Johnston, Minter, Simpson & Co) appeared on behalf of the Illawarra Harbour and Land Corporation.

Robert Matteson Vaughn, sworn and examined.

Mr Simpson: What is your occupation? Civil engineer.

I believe tt with Mr St yles, you were the owner of some land wh formed the subject o a sale to the Illawarra Harbour & Land Corporation? Yes.

What interest had Mr Styles in tt land and how were you associated with him in the matter ? In the first place Mr Styles informed me casually that he owned some land at Lake Illawarra, or in the mountains at the back of Lake Illawarra. I thought something could be done

with it. I took up two blocks at the back of that coal land with the view, at the time, of forming a company. I endeavoured to get the government to make a harbour at Lake Illawarra, or at Kembla -- I did not care which, but I was not successful. They declined to spend any money whatever there. Then I heard afterwards that a syndicate owned this land at Lake Illawarra, & I put myself into communication with them, & it resulted in my selling this land to the syndicate.

4 At what price ? £8000.

5 Was there not some other land, & was not the total price £25,000? £25,000 for the whole.

6 I asked you to refer to the whole of the land? I made a mistake -- it was £25,000 .

7 Is this document produced a conveyance from yourself and Mr Styles ? It was from myself. Mr Styles was not in it. I made the sale to Mr De Wolf myself.

8 Is not the purchase money in this deed mentioned as £25,000? Yes. I put in the conveyance.

9 You mention the price as £25,000, but in addition, were not shares in the company allotted to yourself and Mr Styles ? There were four syndicate shares of £4000 each allotted to us.

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10 What did the land actually cost you ? About £8500.

11 So that the difference between £8500 and £25,000 represented profit ? Yes, it was supposed to.

12 Did Mr Styles participate in that profit ? He did.

13 To what extent ? Equally with myself.

14 So that Mr Styles in reality made a handsome profit by the transaction? He did.

15 Did Mr Styles himself put anything into the purchase ? Not a shilling.

16 Can you tell me whether or not he was in a position to have done so at that time? I am sure he was not from this fact that I lent him £50 before there was anything said about selling the land, orjoining the syndicate . I lent it to him on his promissory note, & I have it now. I subsequently lent him other sums.

17 Having nothing, he risked nothing, and made a handsome profit out of the transaction? Yes, that is the fact.

18 Chairman: I believe you are a partner of Mr Styles? In some things I was. - in some coal lands at Illawarra. We took some of the coal lands up together, that is at the back of the range.

19 I mean the property which was sold to Mr De Wolf - were

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you partners in that property ? No, we were not. I bought that myself, and I am the only one responsible for dealing with it. I sold it personally to De Wolf, & for bringing the property under my notice, I gave Styles two syndicate shares the same as myself.

Q. You say that both of you were partners in this land -- that you took it up together. ? Yes, there was freehold & some leasehold land. Two blocks were taken in his name and one in my own. I purchased personally the 500 odd 400 odd acres of freehold land and transferred it to the company .

1 Was not Mr Styles interested in that as well as yourself? Yes.

2 Did you not sell it afterwards to De Wolf with Styles's consent ? I did not.

3 This document shows a sale from you to De Wolf. Must not Styles have been a part owner, or he would not have given you power of attorney ? No, Styles was a partner among the original holders, some 6 or 7 of them from whom I purchased it and Styles was not in it at all. But afterwards I transferred two syndicate shares to him. That was the whole transaction from the beginning to the end. He received his sares in the company when it was formed,

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3 2707 Ward Fuller

and I suppose he has them yet, if he has not disposed of them . He had the same number of shares as I had.

Did not Styles sell to De Wolf the two coal properties? No, I sold them.

Is that what they call the Ocean Colliery? Yes, I sold them. Styles would have to transfer his 640 acres of course himself, it being in his name, but all the balance was in my name. It was my own transaction with De Wolf. I was legally responsible for anything that occurred, and Styles was not.

Was Styles aware of this sale between you & De Wolf? Yes.

Did you do it with his consent? Yes, he did not make any objection.

Did he know about it? Certainly, he knew every step of it.

Mr [redacted] Simpson: Did you distribute a share of the profit on the transaction with Styles? Yes.

Part of it was in cash, and the other part was in shares? Yes.

Chairman: The balance of the purchase money was by

mortgage? Yes.

Has that ever been paid? Yes.

Did Styles receive it? Styles was not the mortgagee; he had nothing to do with it. He received his share of it.

Did he receive his share of the mortgage? He received as much as I did..

Were not these shares of Styles afterwards forfeited ? I do not know, I believe a call was made of £10 a share, but what was done with regard to Styles's shares I do not know. I was a director for some time, but at this time when the call was made I had left the company, I was not a director any more, so I could not tell. I do not know what transactions took place between Styles& the company after I was director.

You say the balance of the purchase money has been paid? Yes.

To you ? And to Styles too - he received it. I do not understand what allegations Styles has made.

I am not talking about any allegations he has made, I am only asking you the question, he has not been here ?

Styles has been fully paid his share of the transaction.

By you? Yes.

And the full amount, the balance of the purchase money, has been all paid? Yes.

Mr Cohen: Is this a conveyance purporting to be made by Styles and others on the ~~of the~~ one part and you on the other part & Mr De Wolf as purchaser? You had agreed to purchase thisproperty from Styles & other people for £8,160 ? Yes.

You had not ~~come~~ completed that agreement . De W Wolf after he purchased, paid Styles and the other people £8,160 ? That was to save expense - that is correct.

That £8,160 was paid to Styles , Hughes, Cope, Gallagher and Hitchcock ? Yes, they were the original holders.

When was the £16,840 paid ? At various dates.

It was paid subsequently? Yes.

That was paid to you? Yes.

Who participated in that £16840 besides yourself? ~~Stud~~ Styles received his share.

Did Styles receive half of this ? Yes, it only amounted

to £12,000.

There was £25,000 in all; what became of the balance ? I was not expecting to be called here to give evidence when I left home, & I have not brought accounts with me, I am only speaking fm memory. There were four syndicate shares of £4000, and that would make £16,000.

Then you got no cash ? No cash, but these shares.

You got £12,480 and 4 shares ? Yes. Styles had two of those shares and £6000.

Chairman:
Styles owned some land there before you took up the two blocks? Yes.

You took up two blocks, and the whole lot - Styles and your own - were sold to the company? Yes.

What was the land you bought fm these people ? Some farming land on the face of the cliff where the coal crops out.

That includes the original property Styles had down there? Yes, that is the property; it was a dairy farm originally.

Then Styles got £8000, and you only got £6000 ? About that. I cannot state the exact amount without referring to my books.

The shares were £4000 each paid up to £1000? Yes.

Mr Campbell: How much cash passed between you and Styles? I could not explain that without my books.:

Mr Simpson: Was it all cash excepting these shares? Yes.

You spoke of the company; did you mean Mr De Wolf ? The Illawarra Harbour and Land Corporation.

And when you speak of Mr De Wolf do you mean that company? Yes.

According to your showing Mr Styles made a profit ? Yes, a big profit too.

The syndicate shares were £1000 each ? £4000 each, but paid up to £1000.

Chairman: Are you on the board of directors of this company now? No.

Have you any connection with it ? Only as a shareholder.

Do you know anything about this Lake Illawarra scheme, bar being a shareholder ? I know a great deal about it for the last 35 years. I know the district well.

Do you know the whole of the transactions of this company from the start? Yes.

In whose name is the first deed ? What deed do you refer to.

The first transactions with this as a company at all? Transactions with me.

Not necessarily. You said you sold to De Wolf? I sold through Mr Armstrong, who was a land agent at that time.

There was an agreement with Thompson, Armstrong, Newton and others ? They were all connected with it in some way - I cannot explain it.

You do not know all the transfers ? No, if I knew them I would be glad to state them, but I do not.

Mr Cohen: Are you interested in the smelting works? No, I am interested indirectly.

Chairman: Do you think it necessary for the smelting company to have this harbour in order to carry on their operations successfully? I think so.

Have they not carried them on so far without it ? It would make a great difference to the cost of treating ores if they had the harbour with a railway running

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up to the smelting works.

76 Do you think the harbour company would make any profit out of this harbour, if they had it ? I can scarcely say. I do not think it would be a very large profit, I do not know much about maritime matters.

7 You do not know whether it would be of any use to them, if it were constructed ? It would be to the smelting company.

6 But that is not the company asking for it: it is the harbour company which is asking for it ? I think a trade would be made there.

9 In what way ? In the way of bringing in ores or merchandise and sending away coal.

80 Do you not think the Port Kembla scheme would be just as good as this one , as far as sending away coal is concerned ? I do not know that my opinion would be worth much in comparing the two.

Do you think that if they had the Port Kembla scheme, looking at it from the smelting company's point of view there would be any necessity for having the other scheme? I think there would be a necessity for opening the lake.

2 What for ? For traffic.

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83 I mean if the Port Kembla scheme were carried out, would not the smelting company have their outlet there ? They have an outlet now by Wollongong or Sydney, but you must remember the cost.

4 But the Kembla scheme is different . If it were constructed, would it not be as useful to the company as the other scheme? I think not.

5 Why ? Because in the Illawarra scheme they propose to make a railway so that the ores could be unloaded from the trucks and carried right up into the works for treatment. That is only a short distance, but the other would be a long round-about way from Port Kembla, and would of necessity be more expensive.

6 When this company was originally formed, did they anticipate that they were going to make a profit out of the Illawarra harbour works? Undoubtedly.

7 From the harbour itself I mean? Yes.

8 That was to be a source of profit? Yes.

9 But Mr De Wolf says no ? I always understood it was so. To my mind it was.

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Q 5 Mr Carroll: Do you still hold two shares in the original company ? Yes.

Do you hold any other interest in the Lake Illawarra company ? No.

2 Have any calls been made upon them ? There was a call of £10 made, but I do not know much about it.

3 Did you pay the calls ? No.

4 Are your shares still good in the company? Yes.

5 Did not the original company go into liquidation or go broke ? No.

6 The original company is still good? Yes, it is the only company, I think, that has held its own, and paid everybody 20s in the £ since the financial crisis.

7 Chairman: You say you still hold shares on which a call has been made and which you have not yet paid, & that the shares still hold good? Yes.

8 And that other shares upon which a call was made were forfeited for nonpayment ? I do not know of any.

13

99 Were you a director when that call was made ? Yes, but I left just immediately afterwards.

100 You were a director when the call was made? Yes.

1 And the call was made on shares which you held & which you did not pay, but they still hold good ? Yes. I may mention that Mr Styles held his shares as well.

2 Mr Cohen: How many original shares were in it? 60.

3 Chairman: But were not Mr Styles shares forfeited ? Not that I am aware of.

4 But you were a director ? But I have explained that I left the company immediately after the call was made. I do not know what was done afterwards.

5 Who were the directors at the time the call was made ? Armstrong, De Wolf, myself. There were so many changes made that I cannot tell exactly who the others were.

6 You do not know whether Styles's shares were forfeited or not ? Not to my knowledge.

7 Do you know whether Carey's shares were forfeited for calls, do you ? I do not know.

You do not know anything about any of them? No, not since I left the directorate.

Mr Campbell: Was there a call made all round on the shareholders? Yes, the call wasmade on all the shares.

Do you know the locality well ? Yes.

Do you know the position of the smelting works ? Yes.

Do you know the way by tramway that you get from the smelting works to the lake ? yes.

What is the distance from the smelting works by that tramway to the edge of the lake ? I should think about 2 miles.

What is the distance across the lake and out into deep water of the ocean? About 5 miles.

That would be 7 miles altogether? Yes.

So that in reality at present the smelting works are situated two miles from the lake ? yes, but I presume the rway would be made across to connect the two lines, and so shorten the distance to about 1½ miles to the lake.

Still the smelting works is that distance from the

lake even if it were made a harbour ? They would be that distance from the water.

118

So that in any case , even assuming the harbour were made, the ore would have to be conveyed two miles or 1½ miles ? 1½ miles.

9

What is the distance across the lake to meet the channel and into deep water in the ocean ? 7 miles altogether.

What is the distance by a railway between the smelting works and Port Kembla, that is by a direct line of railway that could be made ? I cannot answer that questn because I never looked at it. I do not think that it would be much shorter if any than the present line. I think it is about 13 miles from Port Kembla.

No, I was assuming that the channel is made through the lake and out into the ocean for vessels, it would be between 6 and 7 miles between the smelting works and the deep water in the ocean ? yes.

From your knowledge of the locality, do you not think it is just about the same distance by railway or tramway that could be made along the edge of the lake between the

smelting works and Port Kembla ? I cannot tell the distance.. No doubt a line could be made ——— there, but I do not know the distance.

123 Mr Carroll: Were your shares such that calls could be made on them, or were they fully paid up ? No; calls could be made on the shares.

(Mr Ramsay Collins)

Select Committee

Illawarra Land & Harbour Co.

Follows Mr Downing.

Letter from Mr Thomson.

Mr Downing.

Ramsay 1.

GOVERNMENT PRINTING OFFICE
10 DEC 1898
SUPERINTENDENT

Thomas Andrew de woll sworn & examnd

Mr Simpson I propose to ask you to give a short history of this Illawarra harbor & Land Corporatn right from t formatn of t Syndicate . This Ctteee will then hv before them a full knowledge of all t circes relatg to t echeeme & all t events wh hv happnd subsequently? I sh be very pleased to give any informatn . I told t Sel Cttee of t Up Hse tt anything they wantd to know I wd tell them but there were certain things wh I considrd nt judicious to publish I did do nt want to hv them publishd in t Parlty papers. This business ws startd by me in tyr 1888. Lakeland T ~~Lake Lnds~~ property ws brought under my notice w t idea of purchase for subdicvisn into farms.

You mean t freehold estate of Mr P H Osborne? Yes, of 29,020 acres. I then formed t idea of makg a harbor down on t south coast in connectn w t coal trade. I decidd to buy tt property, & at t same time a property ws submittd to me known as t Ocean Coal property consistg of 265 acres of freehold; & I thinkt there were two permits attached to it belongg to Mr Vaughan. I decidd to buy this & I pd a deposit. It is a long time ago, but I think it ws a ~~thousand pounds~~ £1000 I pd on t one & £50 on t the other. However I am nt quite certain. I then went down to Melbourned & I met Mr Fink of t Mercantiale Finance Co. who ws operatg very largely on landd properties at t time, & I put t scheme befofe him. I hd made some prvious inquiries as to the feasibility of a harbor beg made there . I hd sent Engineers down at my own ecpense & ws satisfied tt we cd make a harbor there. I put t business before Mr Fink & told him what I ws dog. He agreed to join me in t purchase of t properties, wh he did. Mr Armstrong ws also connectd iwith us in t purchae of t properties. We three then became responsible for t purchase money of these properties, tt ws £90 000.

The Chairman:- What yr ws tt in? In ~~88~~ 1888, about June

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Mr Simpson: Will you explain hw tt Purchase money ws paid? I thi nk it wd be best to let me sy how t thing occurred. When I ws down in Melbourne at tt time I met Mr J Newtown. He ws one of t owners of t Lake Lands Estate & I told him ~~what I intendd to do~~ tt I intendd to form this Syndicate & tt by makg a harbor t property would become more valuable. I told him I hd agreed to purchase t property & hd paid my deposit. He then sd he wd take up a share in t Sy ndicate. Tt ws a Syndicate of £240,000 of 60 shares of £4000 each, of wh £3000 ws paid up & t other £1000 ws to remain uncal led for a time. Mr Newton took his share. On my return to Sydney I found tt Mr Armstrong hd sold a portion of his share to Mr Friend a perso nal friend of his. I think t price pd for it ws £1000 on t same basis . Tt ws all t money tt ws paid into this thing originally for t purchase of these properties, outside of Fink, Armstrong and De Wolf.

8 ~~Simpson~~ - I think you hv nt explained tt at tt time Osborne hd so ld t property to a Syndicate ?? Yes.

9 And you were really negotiatg w t Syndicate who hd purchsed t property from Osborne? If I mentiond Osborne's name it ws a mistake. It ws a Syndicate w wh I hd no connectn wh hd purchased t property some yrs perviously from Osborne.

30 And who owed Osborne a certain amnt on t purchase? As far as we were concernd we took it o ver w a mortgage of £30,000 to Mr P H Osborne. Then t mems of t Syndicate decidd -- of course they cd nt carry on their business as a Syndicate -- tt they wd register themselves in to a Co., & at tt time people's ideas of t values of properties & lands were very large. Mr Fink of Melbourne ws t principal shareholder in this Syndicate, & he fixed t figures at t price at wh we formed t Co. We agreed of course to this. It ws perhaps a mistake to make t capital so large, but in tnose times we hd a great idea of t value of t property, and properties were risg in value. But nobody came into this Co., nor ever put s ahillg into it. We simply formed ourselves into a Co.; we took payment of t shares, £500 000 pd up in shares w a liability of £500,000

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Mr Cohen:- What ws t capital of t Co then? The nomianal capital ws £1,600,000; £1,000,000 of shares were issued to t mems of t Sy dicate pd up to £50 a share the idea then beg tt we shd take upon ourselves a further liability of £500 000. Whoever wd hold those wd hv to take tt liabili ty as a security to t debenture h-lders, tt is to sy, whatever money we put into t proper ties wd be security w our personal securities.

Mr Simpson Do I understnd tt t Co took over t liabilities of t Syndicate as well? They took them o ver as well . T Co ws liable to t Syndicate for £100 000 wh representd t value of t properties paid and t expenses, t amnt due for t proprty & t expenses, wh I will show you presently.

So t Co really owed t Syndicate £ 100 000? Yes for which they were to hv possessn of all t land & all t work done up to tt time

T Chairman:- T Syndicate at.tt time were yourself & Fink? And Armstrong, Friend & Newto n, & afterwards Vaughan & Stiles.

T brings us up t t registratn of t Co., & may mention now tt for all t expenditure tt hs bn made in connectn w this Co nobod connectd w t Co tt I know of hs ever received one shi lling from t sale of a share, or in any way whatever, except tt Mr Stiles borrowed money on his share. But no other person connectd w t Co hs done anything but pay out t whole time. There hv bn no re- ceipts of money in any way, tt is for 10 yrs . T Co owed t Syndicate £100 000. They were nt in a positn to pay tt money alto t Co practically consistd of t Syndicate & their f riends, & t thing was allowed to run along. No calls were made on t Co for some yrs.

T whole of t expenses of t Co were found either by Mr Fink, Armstrong or myself from time to time. Interest on mortgages, t expenses of t office, surveys & other very heavy expenses hd to be incurrd. In regard to t transfer of t property, I saying up to tt time t contract for t prurchase of t property ws between t original vendors any myself, I buying in t first instance & takg t risk of purchase. T Co not havg bn in a positn to pay me off t prope rty still remaind in my name. It ws necesary then at tt time to find

some more money for t Co. And Mr Fink, or t Mercantile Finance Co., who ws then financg t Co. & findg found a good deal of money for them requestd tt t property shd be put in Finks name instead of my name, as I held it as Trustee for t Co. I agreed, & t property ws transferrd to Fink as Trustee for t Co for t sum of 10/, a nom inal consideratn.

135 But before you got to tt, before t transfer from you to Fink there ws another transfer ws there nt? No ?

? 6 Ws there nt one to Champion, Armstrong & Newton? No, they were the Trustees for the Sndicate. We hd Trustees for t Syndicae & Trustees for t Co.

7 There were 2 or 3 Agreemts one after t other, there ws another one in 1890? They were only Agrtts. Well, durg all tt time we were findg tt our expenses were very heavy. We hd spent a great deal of money, & this money at last ws beg found by the Merchatile Finance Co. & they insisted tt we shd make a start w t Harbor QWrks, wh we did. We let a contract to brand and dryborough but we hd t power to determine tt contract. T Mercantioe Co at tt time were very strong, & statd tt they were prepared to carry out t whole of t works. We hd offers at tt time to t effe ct tt if we wd give up to them a portion of our interest in t Co they wd find t whole of t money . It ws some time early in 1894 tt t Mer Finance Co suspendd paymt & they left t Co then w a cn considerable amnt of indebterdness & w this contract to brand & dryborough on hand; & they were unable to pay anything. Every body knows I thnk t awful smash up tt occurred at tt time & t Co., tt ws supposed to be worth millions, ws abbsolutely unable to pay an thing at all. We were therefore left in t positn of havg to carry on t thing ourselves.

8 You got to t point of t transfer from yourself to Fink, do you know anythg of a transfer from Fink to Wallach Bros? It ws a little previous tott

9 You got to 1894, but this ws before 1894? Fink arrangd w Wallach Bros., who were really Fink himself, to advance ce rtain

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moneys for expenses & so on. He gave them a lien on t property

Tt ws done t same dy as t transfer to Fink ? About tt time

Then there ws a conveyance in 1894 to t A J S Bank? It ws throjg h t J Stock Bank tt Fink obtained this money from Wallach Bros.

Mr Simpson You might explain how t estate got back to the Co. ? I decidd then to go to Engld as I found t ~~Mrer~~ Co hd gone smash, & to raise money in Engld to put t Co in a ~~safe~~ positn & bring in fresh blood. & I arrangd w Mr Osborne who ws anxious to get t land put under Torren's title tt he shd give me I think 6 mnths to pay off t mortgages & t property wd be returned to t Co. It never hd bn in t Co's name up to tt time. Mr Osborne who is a personal friend of mine sd he wd give me I think it ws 6 mnths. I went to Engld & I remitted promptly portion of t mortgage money & finally remittd him t balance & t property ws clear of all encumbrances.

T conveyance wsmade from t Bank to Osborne? Yes .

For £300? Well tt ws only t Equity.

When you went to Engld tt ws t posith? There ws a heavy mort gage on t property & for a nominal sum t A J S Bank trasnferrd t security wh Fink hd given to Wallach Bros.

~~Mr Simpson:~~ And then t mortgage of discharge came back in t Co's name? In t Co's name. In fact tt ws t first time it hd ever got into t Co's name

You hv nt mentiond t actual prurchase money wh passd between t purchases, tt is to sy t Syndicate , & t Synd who bought from Mr Osborne; what ws t total amnt of t purchase money? I purchasd t Lake Lnds property for £65,000. Tt money hs all bn paid. In additn to tt there hs bn a very large amnt of money pd in bank charges, interest, legal charges & other expenses. T whole of tt £65 000 hs bn paid in cash, and t deeds are here to show tt tt hs bn pd, & pd in cash. As to t other property t Ocean Coal propet t deeds show tt we pd £25 000, but out of tt Vaughan & Stiles receivd £12,000 in Synd shares t same as we received. So tt made £13 000 in cash wh I pd to Vaughan & £ 65 000 wh I pd for t Lake

Lnd's Estate. Tt is £78 000 I hv pd off in hard cash besides ~~expen~~ ~~pesnes~~ expenses.

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Mr Chairman

At this stage I propse to put in an abstract of t deeds wh relate to these transactns & wh shows t considerations. T deeds themselves are here but as they are original documents I hope t Cttee will be content w t abstract.

Abstract of deeds to be put in as follows :

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ABSTRACT OF THE TITLE

OF

THE ILLAWARRA HARBOR & LAND CORPORATION LIMITED TO

Land at Dapto known as the Lakelands Estate.

1888 Sep 11th

By Indenture of Conveyance date made between Edward Percy Simpson & James Thomas Atchison of the 1st part The Illawarra Lake Land Co Ltd of t 2nd part & Thos Andrew de Wolf of t third part. Reciting Mortgage to P H Osborne dated 12th May 1888 Registerd No 707 Book 341 in t sum o £3,5000: And recitg paymt o t sum o £5,000 o t principal o t sd mortgage on t 1st May 1887. And recitg tt E P Simpson & A J Atchison were trustees for t t Illawarra Lake Land Co.: & recitg agreemt for sale for t sumo of £3,5000 subjt to t sd mortgage of P H Osborne.

IT WAS WITNES SED tt in consn o t sum o £3,5000 pd &c t receipt &c. They t sd E P Simpson & J T Atchison did grant bargain sell release & convey unto t sd T A de Wolf & his heirs.

All t lnd describd in t Schedule thereto Together w all hses 'c And all t estate.

TO HAVE & TO HOLD t same w t appurts unto & to t use of the sd T A de Wolf his heirs & assigns for ever subject to t sd Indenture of mortgage.

Usual Covenants from Vendors.

Schedule

All t Lakelands estate as therein describd containg 2920 acres or thereabouts ; Duly executed & attestd; Receipt for co son moneys signd & witnessd; Registrd No. 725 Book 3999

By Indenture of Mortgage of this date mde between t sd T A de Wolf of t oje prt & t Illawarra Lke Ld Co Ltd of t other prt .

Recitg t paymt of £1000

It ws witnessd tt in consn of t suj of £25000 pd &c t recet receipt &d; He t sd T A de Wolf did grant bargain sell alien releas

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3707

& convey unto t sd Mortgagee & its assigns.

All t land described in t lastly abstracte. Indenture;

Together w all hses &c And all t estate

TO HAVE & TO HOLD t same w t appurts unto & to t use of t sd Mortgagee subjt to redemptn as therein mentd

Proviso for redemptn; Usual Mortgage covenants

Duly executd & attestd; Receipt for conson money sign d & witnessd; Registerd No 725 Book 399.

1888 Aug. 27

By Indenture of Reconveyance o this date endorsd on t hereinbefore abstracted Indenture of Mortgage All the lnds mentioned therein were reconveyed unto & to t use of t sd T A de Wolf his heirs & assigns for ever.

Duly execured & attestd; Receipt for conson money signd & witnessd Registerd.

1892 July 29

By Indentre of Conveynce o this date made between t sd T A de Wolf o t one prt & Benjamin Jos,man Fink of t other part.

Recitg sundry dealgs between t sd T A de Wolf & A Armstrong & t Mortgages.

IT WAS WITNESSED tt in conson of 10/ b by t sd B J Fink pd &c t receipt &c He t sd T A d Wolf did grant bargain sell alien release & convey unto t sd B J Fink & his heirs.

All t lnds describd in t hereinbefore abstractd Indentre;

Togethr w all hses &c. And all t estate &c.

1892 JJuly 29

By Indentre og Mortgage of this date made betwean t sd B J Fink of t t one part & Wallach Bros? therein calld Mortgagees of t other prt;

Reciting tt a certain Promisry Note hd bn made by Messrs T A de Wolf & A Armstrong datd on t 9th April 1890 in t sum of £8920 due 4 mnths after date in favor of t sd B J Fink & by him sndorsd to Wallacj Bros. & by them discountd at t A J S Bank at t request of t sd B J Fink & on hi undertakg to give a mortgage over t Lakelands property to secure t paymt of t same. And recitg tt t sd P N hd nt bn pd & w discounts

now amntd to £12663,10,11

IT WAS WITNESSED tt in conson of t sd sum of £12663.10_ 11 & of £5160 pd &c t receipt &c He the sd B J Fink did grant bargain sell alien release & convey unto t sd Wallach Bros & " their assigns

All the lnd describd in t hereinbefore abstractd Indentres

Togeth er w all hses &c. And all t estate &c.

TO HAVE & TO HOIE t same w t appurts unto & to the use o t sd Wallach Bros & their assigns subject to the proviso fore re demp demptn therein containe d.

Usual mortg covnts Powers of sale in case of default &c.

Duly execut d & attestd; Receipt for conson money signd & witnessd; Registerd 5th Aug. 1892 No. 777 Book 495.

1892 July 29.

By Indentre of mortgage of this date mde between t sd Wallach Bros. Ltd of t one part & t A J S Bqnk of t other part.

Recitg tt t sd Bank hd commen cd proceedgs against t sd T A de Wold and A Ar strong in respect of t sd P N but hd agred to stay t same at t request of t sd Wallach Bros? & also to ad vance a sum of 5160 to be pd to P H Osborne in reductn of t pr principal & interest due under t herinbefore recitd mortgage of of t 12 May 1886.

It WAS WITNESSD tt t sd Wallach Bros Lts did in conson of t premise assign unto t sd A J S Bank all tt t principal sum of £17823 10 6 & all interest &c AND IT WS FURTHER WITNESSE tt in conson &c. t sd Wallach Bros. Ltd did grant bargain seell alien release & confirm t sd A J S Bank & its assigns.

All t lnd des ribd in t hereinbefore abstractd Indentres.

Together w allhses &c. And all t estate &c .

TO HAVE & TO HOLD t same w t appurts unto & to t use of t sd Bank & its assigns subj to t proviso for redemptn therein containd.

Usual mortg convents w full powers of sale in case of deflt. &c.

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m Duly executd & attestd. Receipt for conson money signd & witnessd; Registerd August 5th 1892 No 778 Book 495.

1894 Ap. 4

By Indentre of Conveynce of this date made between t sd A J S Bank of t ist part Francis Adams of t 2nd part t Australian J Stock Bank Ltd of t third part & Henry Osborne of t 4th part.

Recitg Conveyance of t 1st May 1886 from P H Osborne of t 1st part Jas Thos Atchison of t 2nd part Ed. Percy Simpson of t 3rd part J T Atchison of t 4th part and Sydney A Want (therein calld Trustee) of t 4th part.

And recitg mortg datd t 12th May 1886 t sd E P Simpson & J T At hison of t one prt & the P H Osbo ne of tother prt & recitg coneyance dated 11th Sept. 1888 between t sd E P Simpson & J T Atchison of t 1st prt t Illawarra Lake Lnd Co Ltd of t 2nd part & t sd T A de Wolf of t 3rd prt And recitg mortg dated 11th Sept 1888 t sd T A de Wolf of t 1st prt & t Illawarra Lake Lnd Co. Ltd of of t other prt And recitg Discharge of t sd mortg datd 27th Aug 1889 And recitg Conveyance hereinbefore avstractd datd 29th July 1892 And recitg Mortg hereinbefore abstractd dated July 1892 And recity mortg hereinbefore abstactd datd July 29 1892 (Wallach Bros. Ltd. to t A J S Bank)

And recitg Order of t S Crt in Equity datd t 15th June 1893 for windg up t sd A J S Bank & t appointmt of t sd F Adams to be t Official Liquidator ~~xxxxxx~~ thereof. And recitg an Agreemt mded between t sd F Ada s as Official Liquidator of t sd A J S Bank of t 1st part t sd A J S Bank of t 2nd part & t A J S Bank Ltd. of t 3rd part tt all t assets of t A J S Bank shd become in Equity vestd in t A J S Bank Ltd.

And recitg demand hd bn made upon B J Fink personally on t 29 Aug 1893 And recitg tt a demand hd bn made upon Wallach Bros Ltd. n on t 21st Aug. 1893 And recitg tt t principal sum & interest ws now dore & owing And recitg agreemt between t sd A J S Bank Ltd & H Osborne for t sale to him o t equity od redemptn for £300 subj to t mortg of May 12 1886

It ws witnessed tt in pursuance &c & in conson of t sum £300 pd 'c t receipt &c The A J S Bank by d directn of F Adams as official Liquidator & at t rquest of t A J S Bank Ltd. did grant bargain sell a

alien release & convey & t sd A J S Bk Ltd. did grant & confirm unto t sd H Osborne & his heirs.

All t lnd & scribd in t hereinbefore abst ractd Indentre Toge her w all hses &c And all t estate &c.

TO HAV & TOHOLD t same w t appurts unto & to t use of t sd H Osborne his heirs & assigns for ever subjt to t thereinbefore recitd Indre of mortg of May 12 1886

Covenants by t A J S Bank Ltd. & F Adams.

Tt they hd nt encumberd

Duly executd & attestd; Receipt for conson money signd & witnessd; Registerd 18th April 1894 No 73 Book 535

1894 Arpil 9

T property ws brought under t rporvisions of a R P Act & certificatd title issued to ZH Osborne No 1159 fol 101. The fo llowg indorsemnts appear on this cert of title: 14th July 1894 Mortg H Osborne to P H Osborne: 3rd July 1895 Trasnfer H Osborne to t Camden Synd of 500 acres: 3rd July 1895 transfer H Osborne to t Illawarra Harbor & Lnd Corporatn 2410 acres: 3rd July 1895 Transfer H Osborne to P H Osboene of 10 acres primised to t Dapto Agric Society

1895 July 3rd Cert of Title to t Illwarra Harbor & Land Corporatn Ltd of 2410 acfres as transferees from H Osborne vol 117 0 flo 87. Endorsemnts thereon: 2 July 1895 Mortgage t Illawarra H & L Co to P H Osborne: 28th March 1896 Discharge of above mortgage: 27th Dec. 1895 Mortgage to R A Moss: 28th March 1896 discharge of above Mortg

1896 June 4 Cert of aTitle to t IIllawarra to t H & L Corporatn Ltd. 2399 acres 1 rd 39 perches. Endorsemnts thereon: 18th Dec. 1896 caveat: 27th May 1897 withdrawal of caveat: 2nd July 1895 mortgage to P H Osborne: 23rd De c. 1896 discharge of above mortgage: 27 th Dec. 1895 mortgage to R Amos: 23rd Dec 1896 Discharge of above mortgage: 23rd Dec 1896 Mortg to R Amos: 18th Octo 1896 Transfer of above mortg Amos to Union Bank Ltd: 8th June 1898 Mortg to t Smeltg Co of Aust alia Ltd & to t Camden Exploratn Ltd.

Note tt t P N referrd to in t hereinbefore abstracted indentres of July 29 o892 ws duly taken up and pd by Mes srs De Wolf & Armstrg on April 18 1896.

The Charmn. Well, you went to Engl? Yes

For t Co? For t Co I hd remittd them sufficnt money to relieve t Co from all responsibilities at tt time. They owned t properties wout any encumbrance whatever. After tt we de - cidd to construct a ralwy.

Mr Simpson: Before you go to tt, ws t contract wh ws originally let on t strngth of t Mer Finance Co findg t money cancelld?

Yes, we cancelld tt & pd t Directors. While I ws in Eng we arrangd w Robert Amos to constuct this rlwy in anticipatn of our floatg debentures. I refer now to our audited balance sheet of t Co. a copy of wh I cn put in if necessary. I wd like to emphasise this tt we hv expendd on harbor constructn £3503 15/. I my sy tt these accnts hv from time to time been audited, I think it is by Christie & Murray the Co's auditors here. They hv hd vouchers durg these yrs for all t different forms of expenditure .

~~Mr Simpson~~ Is tt Mr Christie t Municipal Auditor? I think so I think he hs always been t auditor of t Co. We expendd on t rlwy £41,008 5 1d & we hv pd £10 000 to t govt.

Tt is as a deposit? As a deposit in connectn w this Harbor scheme. We hv pd out in legal expenses £4279 18 10d Tt wd cover stamp duties & other expenss of tt kind. We hv pd on debentures & London charges £3101 6 9, sundry surveys £516; general expenss, engineerg, salaraies etc for t 10 yrs £13485. These amnts includg t actual cash wh we hv pd for our land amnt to £154350. Inadditn to tt our interest & Bank charges hv amnte to £49229. £78 000 in actual cash I put for t lnd, w no share busine ss about ~~it altho we hv partc w shares.~~ T totll of those 2 sums amnts to £203579. Tt is t positn of t Co .. ~~Th~~

T Chrmn Those are t expenss of t Co.? Tt is t cash expendi ture in connectn w t Synd & t Co.

From t purchase of t land right down to now? Yes.

Mr Campbell:- Does tt include t branch line to t smeltg Works? No.

Mr Simpson: Now t Cttee wd like to know t circs relatg to t formatn of t Co in London? When I arrivd in London & met ~~fin~~ financial people there they absolute y refused to lend any money whatever to a Co solely managed in Sydney, & on t advice of my friends

in London I registrd this Co in London w a London Directory.

You cannt get a quotatn for shares in t m rket unless it is so? They want to hv some control over t debenture money. They are tired of ledg xm debenture money to Cos out here. They hv their Trustees appointd i n London who hv t money absolutely under their control.

Mr Sleath:- Ws it an entirely new Co tt you floatd in London or were you simpy establishg t Head Office in London ? Well you know t Sydney Co of course is the head Co, because it holds t concessn & it holds t land. No cash passed between them & no sales of shares were made whatever until afterwards when I got some of my friends to take up preference shares in t Co . but t Co ws registerd in London to enable us to issue debentures to fianance t Sydney Co, & to do tt t Sydney shareholders receivd shares in t London Co. No money passd in any way. T only money passd ws £1000 wh it cost me to register the Co.

The Chrmn:- Practidally t London Co. ws made up of friends of yrs you hd given shares to? They were men who pd their cash.

Mr Simpson To what extent did t shareholders oin t London Co pay actual cash for their shares? They pd £20,000. I will be glad to give you if you like t names of some of t men who are preference shareholders there because it hs bn stated tt we hv no men of standg. It cannt be denied tt we startd this Co . w great hopes & expectatns & trusted a great deal to Melbourne at t time we formd t Co, but we were left on our own resources when t Mer Fins Finance Co & all the Melbourne people faild & we hv hd to carry t burden on ournown shoulders but we hv done so & we are in a perfectly sound positn. T whole ofour indebtedness is representd by a portioj of t cost of t rlwy. We owe nothing on our lnds, we hv them all free, we hv our colliery free & our rlwys are bringg us in now, altho we are only using a portion of t line, a nice revenue wh is growg every yr. These are t names of some of t shareholders who hv found t £20,000 of preference shares: Mr Keswick of Jardine

Matthieson & Co; Mr Arthur Wilson of James W lson & Co of Hull; Mr Walter Saville of Shaw, Saville & Co . Mr John Flemming of Robertson Flemming & Co. The Smelting Co of Australia; the Camden Exploratn Co.; the _____ Synd; Mr George Inglis Mr J H Haynes & Mr George Bush. These are all men of very high standg in London.

T Chairmn:- Did these men buy their shares? Tney bought them

The whole of them? The whole of them, Yes. I ade an issue of £20,000 preference shares to be taken up at par

Mr Simpson:- & t cash so contributd for these shares ws remittd to this Co. & applied by this Co in liquidatg its debts? Yes.

Mr Sleath:- I hv nt quite got t hang of this London Co yet. Were these 20 000 shares issued in London, did they constitute t whole of t London Co? Oh no; the London Co took over 9970 shares paid up to £60 each.

The Co sold 9970 shares & they received in return for tt t same number of shares in t London Co.? Yes.

Wha were they pd up to & what ws t actual cash pd? £10 shares pd up to £10.

Mr Simpson They became fully pd up when t cash ws pd? Yes_ .

T Chrmn:- & there are 9970 shares issued there? No t shares issued are £600 000. There are 598 270 £ shares issued in Lnondon pd up to tt. They took over £598 200 shares in the Sydney Co, an equivalent amnt, except £70 wh were taken by t seven subscribes of £10 each who hd to take shares.

How many shares are ther altogether now in t London Co? 59827 & 2000 prference shares.

& t Sydney Co.?? It is a different nominal amnt pd to £60, the others are £10 shares but t sterling amnt is t same w t exceptn of t preference shares wh hv bn found.

There are 10 000 shares in t Sydney Co. ? Ther were 10 000

D 15

shares. 30 shares are kept here because accordg to t law you must hv about 30 shares to keep your Co alive.

173 So practically you only transferred these sharesto London? To t London register, tt is all.

4 It is only like formg a London Office for yur Co.? Tt is all.

5 It is nt practically another Co. ? It is t same

6 It ws a Co of 10 000 shares & you transferrd 9970 to London? Yes.

7 Just with a difference in t amnt of face value ? Yes . At t ~~sme time~~ this Co has £75 000 of rpreference shares to isue, of wh they hv issued £20 000. So they hv still £55 000 of preference shares to issue in case we want any mo ney.

8 Mr Sleath & tt is what I hv never bn able to understnd . As a matter of fact t London Co ws simply formed for t upurpose of tkg over a portion of t shares of t Sydney Co, just to enable you to reguster i London? And to obtain our debenture money .

9 Mr Ashton:- Due to t fact tt t Act precludd t alienatn of your rights? We cd nt transfer t right to an Eng Co.

80 All you cd do ws to transfer shares? Yes.

1 Mr Cohen You hd to form another Co practically? To get on t London register. We hd no idea of dog this until we met w t refusla of people to lend debenture money.

2 Mr Sleath:- To all intents & purposes they are one & t same Co

Q. Yes Each holdg shares only tt 30 shares of t Sydney Co. hv bn kept here to practically keep t Co alive; hd it nt bn necessary to do tt no doubt you wd hv transferrd t lot.? We wd hv transferrd t lot.

3 And made a new issue? Yes and t old Co wd hv bn wiped out . T business of t Co here now is nt as a matter of fact controlled by any directors in Sydney. It is co ntrolled by t London Board.

4 T Directors here are merely nominal directors? Tt is all

95 The Chrmn/- And who are t representvs in Sydney? There are Mr Armstrong, Mr Neild and Mr Chippendall.

86 Mr Sleath:- Who represents t London Co here, those gentlemen too? Yes for t present. We hv practically done nothing. We hv

pd off our debts & hv got ourselves into a positn to offer security for t issue of debentres. When tt is done t London Co take charge of t expendtre of t money & of course t money is placed in t hnds of Trustees in London who see to t proper adminstratn of it.

Mr Campbell T difference between t £60 shares in this country & t £10 shares in Eng is tt £50 is considered pd up in this Colony wout any cash at all & £10 makei it £60? I don't quite understand t questn.

I understood you to explain it this way: In this country you reckon tt £50 is pd up & £10 in cash. Tt made £60. Well there hs bn no cash pd up for t £50, it is only considered padd. It is t £10 added to £50 tt makes t £60 tt makes t correspondg £10 in Eng? T Sydney Co hv a ~~longer~~ nominal amnt of £598 000 pd up.

But I am spkg about t amnt of t shares -- t £60 and t £10 shares. You sy t Eng shares are £10 each. £10 added to t £50 make its £60. So it is practixally tt £10 wout t £50 in Eng? Oh no.

Mr Sleath:- T shares were increasd in numbr when t London Co ~~took~~ was formed? Yes.

Instead of havg 10 000 shares you really hv 100,000 & t differa rence is tt each share held inSydney represe nts 1 0 of t shares held in London.? As a matter of fa ct t positn shortly is this. If the works ~~hd bn~~ is gone on with t Co here must let its works & be responsi ble for them. Now under this arrnagemt they hv power to call un t London Co to find £400 000.

Mr Simpson It is practically cllg on t same shareholders?

Yes, This Co here if it incurs debts hs t power to call on t Lon dn Co up to £400 000 on its uncalld share capital. This hs bn well thought out as security for t debentre holders.

Some doubt hs arisen as to whether the deposit in this matter hs bn pd in cash to t Crown? All I know is tt we sent it out in cash.

Are you Director of t Smeltg Co? Yes.

When t site tfor t Smeltg Co ws selectd ws it selectd havg regard to t fact tt this Harbor wd probably be constreuctd? Certainy

Thhey hd all t pans placed before them & theyhd copies of our Bill.

The[h] can I take it tt t Smeltg Co wd never hv bn located in t present positn if they thought t Harbor Scheme wd nt be carried through? It certainly wd nt. I ws instrumental in formg t Smeltg Co & I cn certainly sy tt we wd never hv dreamd of puttg up t works if it hd nt bn so.

The Charimn T Smeltg Co ws an offshoot from this Synd? No it was always perfectly independent.

But after t Sybd purchased this land you sold portion of it to t Smelt Co? Yes

What price did they give for it, if it is a fair questn? £20 000-But I cn hardly sy tt because it ws nt sold direct to t Smeltg Co. Ther were a great many other things tt went in it, a lot of other things tt I put in. We put down t land nominally at £20 000

Were you a director of t Smeltg Co at t time of t sale? No. We did nt sell to t Smetg Co, we sold to t Camden Exploratn Co.

Were you a Director of tt Co? Well it ws part of t formatn of t Co.

What is t Camden Exploratn Co. How does this come into it? Was it a separate Co.? A separate Co. I formd this Co. when I went to London. It ws formd for many purposes. We bought mines in this Colony and workd them

They are on t London Directory? Yes they are shareholders. They are a Finance Co. w a capital of £200 000.

Did nt this Camden Synd buy some land from you people? They bught 6500 acres.

This is t land tt you disposed of to Fink & tt he disposed of to Osborne? It is t same land wh alwayys belonged to t Co but wh hd to be put into different hdns for financg.

The Camden Co ws before t Smeltg Co? Yes.

How much did they pay for it? We put down £20 000 but there were other things tt were connctd w it.

Mr Simpson Were there nt a number of patent rights? Yes.

The Chrmn T 650 acres ws part of this original land? Yes

Well tt really belonged to t Illawarra scheme did it nt? Yes.

And you were a Director of t Illawarra Scheme? Yes .

And you sold it to t Camden Synd ? Yes, t IllawarrHarbor Co of course receivg t purchase money

And you as Director of t Illawarra Co allowd tt Co to py £2000 for land wh they hd already pd you for? I don 't quite understand.

This Co hd paid you for t land hadn&t they, you were one of t original vendors to t Illawarra Harbor Co .?? Yes

Then you sold it to t Camden Synd? Sold 500 acres of it, Yes, on account of t Illawarra Harbor Co ., nt on my own accnt .

Mr Cohen:- But you did nt receive any of tt yourself? No

Mr Sleath Then t Smeltg Co bought from t Camden Exploratn Co? They bought 300 acres of land

Do you know what they gave for tt ? There ws no particular price for tt. There were a nuber of things sold to them. A number of other thins were includd in t one purchase.

Mr Carroll:- What were t other things? They were patent rights, but I really do 't think I shd be askd to tell. Anything about my own busine ss I dn&t mind tellg, but I don 't think I shd be ask ed to tell other busine ss.

Mr Sleath:- 500 acres were sold to t Camden Co for which they nominally pd £20 000; did they py tt £20 000 in cash? They did

There were ~~300~~ 300 acres sold by t Camden Co to t Smeltg Co? Yes

Now if there were a million & one things includd in a sale of tt sort t three hundred acres of land wd certainly be put down as representg a certain portion of t money to bd paid for t whole. I don't want anythg outside t land, only t land? Well I really cannt tell you. I wd tell you but I really cannt call to mind whether tt ws includd in a certain series. I fact I am pretty sure it ws. Thame ws a sale to t Smeltg Co of a series of things includg agreemts & other things for a lump sum. As faras I can remember it ws one lump sum for the lot.

Mr Simpson The Colliery ws includd? The lease of t Ocean

Colliery, Agreements for purchase of coal, the Lewis Ponds Mines &several mther mines, & some rights to one of t islands in the Mediterranean.

Mr Sleath Did they py for those 300 acres in cash or in shares? They pd for them in shares As faras t Illawarra Cp is concernd I made an out-and-out sale of certain things. I shd hv receivd t cah myself but I sd "I want money for t Illawarra Harbor so put down t land at £20 000." I gave t Illawarra Harbor Co t benefit of t deal. All t money I got they got. I took shares for t other things I sold. We know tt £20 000 for this land is a very big price. T Illawarra Co did nt actually receive tt amnt but because I hv bn large interested in this Com I sd ~~tt~~ I ~~wd~~ sell ~~them~~ so much & ~~tt~~ I wantd £20 000 cash & tt sh go t the Illawarra Co . I will take shares in your Co for t other things tt you will get from me. And tt ws done.

The Charimn:- When you went home to Eng this lnd ws mortgd to Osborne? Yes.

You financed t mortg in London & paid him back? Yes for t Co..

Do you know whether Amos t Contractor pd this mortg? No he didn't.

Did your people py it? Yes to Osborne. This balance sheet shows tt t only mortgage tt Mr Amos hs is for £34402. 15.

What ws tt for? Tt ws for t rlwy wh cost us £41 000.

Mr Sleath:- So you pd for t rlwy principally w debentures? No, we owe Amos £34 000; tt is all we owe.

Then he held debdntures for tt? No he holds a charge on t property.

The Chrmn:- Is nt t whole of tt property omortgd to Amos to secure his advance? T rlwy & one of t properties are.

And is nt tt assignd to t Unionn Bank? We only know Amos in t matter.

Well he holds t ~~1st~~ first mortge? Yes, but you must understnd tt tt represents £7000 less than t cost of t rlwy.

Co., bar t.

Does

Still his mortgage is over it all ?Yes it is only a nominal thing.

Mr Cohen:- You bought t property ~~for~~ from Mr Vaughan for £25 000? Yes.

You pd £8160 to Stiles & three other people? We pd £13,000 cash as far as I know. Accordg to t deeds as far as I hv sn them t original purchase money for this land was £5000.

Here is a conveyance from Stiles and 3 other people of t one part, Robert ZVaughan of t other part & yrself of another prt. Tt recites an agreemt between these people to sell to Vaughan cer tain property for £8160 & it is contractd by you to prchase for £25 000 You pay £8160 of tt down, & instead of Vaughan payg to these people you take over Vaughan's interest & pay it to these four people & they receive tt money? I don't know how it ws done. I know I pd £13 000.

I understood Mr Vaughan to sy tt he hd got from you £12840 cash ~~of this~~, tt t four shares were £4000 cash, of which £1000 ws pd up? No he must hv meant £1000 liability.

The 12000£ pd up on t shares plus t £13 000 made t £25 000? Yes. Mr Mosely hs deeds showing tt originally they bought tt land for £50,0o & they stuck us for £13 000 cash.

You pd £8160 at t time of t conveyance? I don't know how it ws pd, but I know we pd £13,000. If I am asked any questn about Stiles I want it understood tt they bought this land for a smallsum of mo ey, I understand £400 cash w t mortgage. They represented they owned this land & I agreed to buy it for £13 000 cash & £12 000 in Synd shares Out of tt they made a profit of £8000 cash & 12 000 Syndicate shares.

The Chmn:- Ws t guarantee put up by t Harbor Co or t Smelt Co? Wh guarantee?

Wh is placed at t Bank? T London Co. arranged w t smeltg Co & t Camden Co to guarantee an overdraft of £10 000, wh ws done.

Does t Smeltg Co hold any other interests in this Harbor Co., bar that? Yes they own 30 000 shares.

Does t Camden Synd hold any shares in it? Yes, I cd nt tell

you exactly how much but I think they hv £2000

Mr Sleath:- How were they pd for? They took acertain amnt of preference shares & I gave a bonus of ordinary shares.

The Chrmn Did nt t Smeltg Co advance t money to build t rlwy? They built their own branch rlwy. There is a small brach line wh does nt come under our Act.

Did they nt advance this £50 0000 to pay off the mortgage to Osborne? No.

Hv they nt the Smeltg Co got a second mortgage on this Estate ~~the Smeltg Co?~~ Only for t £10 000. We owe nothing whatever except t ~~a n~~ amnt to Amost & t £10 000 wh we hv lent to the Govt

They hv a second mortgage for t £10 000 & Amos has a first mortgage over the whole of it? No, only over Lake lands

Tt ws t original estate? We hv ~~our~~ our coal property as well, wh we paid Stiles & Vaughan for.

But as to t Lake Lands Estate Amos practically holds t first mortgage? He hs a mortgage for £33 000 & our expenditre on t rlwy hs bn £41 000.

T Smeltg Co. hs a second mortgage for this £10 000? Yes.

What use is their second omortg if t Harbor is nt constructd? We think our land is good & tt our rlwy is good. If t Harbor is nt comstructd I suppose we will sell t land somehow.

Mr Simpson:- T land they hv a security over, subjt to Amos' mortg, t land wh ws originally purchased for £65 000, t land wh ws purchased from Stiles for £ 20 000, & also t rlwy tt cost £31 000? Yes.

The Chrmn Practically Amos owns t lot? Oh no, I told Mr Amos only a little while ago tt if he liked to hv his money pd off & did nt want to carry on t contra ct I wd pay him off at a fortnight's notice but he wd nt take it.

Mr Simpson At t present time I suppose there are a very large numbr of hands employed in t Smeltg Co? Yes a large numver.

Runng to over a hundred? I think nearly 300

Is ther any contract now existg between t Smelt Co & t Broken Hill Co_ w reference to Broken Hill ores ? Yes we hv a contract w t Broken Hill Junctn Co for 16 500 tons ~~xxxxxx~~ a yr of concentrates. Tt is or ws till lately t whole of their output. I am Chrmn of t Broken HillJunctn Co, & I made t contract myself.

One Co made t contract w t other? Yes. T Smeltg Co is takg 30$ tns a wk of their encentrates.

For what term? 12 mnths.

Mr Carroll:- When will it be up? I think somewhere about t beginninng of next yr .

Mr Simpson:- Hv these ores to come to Syndney? They are brough to Sydney from Port Pirie.

And then by train to Illawarra? Yes

If this Harbor scheme were constructd what savg wd tt effect to t Smelting ~~txSxmtg~~ Co? The charges now are equi valent to from 8/ t 10/ per ton of t ore . I cd exlplain tt perhaps better . It costs approximately about 4/ per ton of ore & then 10/ per ton oflead to get it back from the works to t ship. T ores go over 60% of lead so t charge is equivalent to about 8/ or 10/ per ton.

Tt is to sy you are handicappd to t extent of 8/ or 10/? If we hd direct shipment we wd save tt. On all lead ores there i s a very handsome profit.

Are negotiatns pendg between t Smelt Co & any organisatn in Noumea w refe ence to t transmissn of ores from Noumea to t ~~Smet~~ Smeltg Co. If so wioll you kindly explain those negotiatns? It is w London Cos carrg on business in Noumea.

What kind of ores? Copper ores and nickel ores. My reason for comg out to Australia was tt we hd negotiatns w these Cos in Lond as to t treamtent of their ores in Australia. At t present time t they are shippg these oresto Europe & t freight is about 35/ per ton. On inquiry we found they cd get these ores down here for some 7 or8/ per ton & in consequence of negotiantns entered between t Smeltg Co & t International Cos in London I cam out & I hv bn to N Caledonia w Mr Wineberg t Gen manager of t Smeltg Co to investiga e their prop

erties. T London Cos are perfectly satisfied w our properties. They hv hd them reportd on & t facilities we hv for treatg their ores. When I left Noumea about a fortnigtht ago wehd arrangemts made up to a certain point, wh we will hv to determine in London, & t gen man ager is leavg, Noumea by t next French boat to join me here & to go to Eng to con clude our negotiatns. I hv a cable from him this wk statg tt he leaves by t next French boat.

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Mr Sleath: But no contract hs bn entered into? No, tt ws said in a mistake ~~toreport tt~~. I noticed tt in t Hse t other night. No contract hs bn entered into but we consider tt t business will be settle d . I may state definitely tt one of t conditns made is tt we hv t power to make this Harbor. I am nt statg this w any idea of inducg t Cttee to consider t thing any better, but as a matter of absolutel fact. Mr Higginson will be here in a fortnight's time & will go on w me to Eng. When I left for Aus. I hd a cable to sy t Bill hd passd t second readg in t Up Hse & we all considered we wd get our rights to an extensn.

70

MMrCarroll You a ere chrmn of t Broken Hill Junctn Co? In L Lndon.

1 And you arrange tt they wd get this great quantity of ore to smelt? I arranged for it but t contract ws concludd in Adelaide by t head Boardz

2 Will you sy tt you are smeltg tt 300 tns a wk at a profti ? Tt is a matter of t business of t Smeltg Co. wh I don't think I am at liberty to disclose

3 Mr Simpson:- I think it is hardly fair to ask Mr De Wolf for details w regard to t ~~past~~ Cost of workg these ores because there are other Cos wh ar carrg on similar operatns & it wd give them a clue to t details of t workg of this Co.

4 Mr Carroll:-You are one of t Directors & this is a big contract tt you hv got. You are just as much interesteed in t Smeltg Wrks as you afe in t Illawarra Wrks or in other Cos . and you don't sy whether you are smeltg it at a profit or at a loss? Well I hv a prety good idea.

You won't sy, you don't care to answer ? Nt ~~as far~~ as t

Smeltg Co is concernd.

276 Hv you sublet any of tt 16 000 tns of ore? ~~Yes~~ we hv lately sold 4000 tns.

To whom:- Well tt is a questn I shd nt like to answer. I dn't think you shd ask any questns connectd w t business of t Smeltg Co. I am nt here as a Director of t Smelt Co.

What amnt ofmoney hs t Smeltg Co expendd on t work? Some thg over £200 000 besides of cojrse a large workg capital.

But as far as plant on t grnd is concernd? About £200 000

Mr Ashton:- Wd you mind sayg what t determining considerations were w this Smeltg Co. in the choice of a site at Lake Illawarra ? There were two points, one ws t cheapness of coal, & t other ws that they expectd to get water carrige for low grade ores from t ~~fi~~ different colonies.

Tt ws contingetnt on t xonstructn of t Harbor? Yes.

And if th harbor were nt to be made any other site inland wd hv suited t Co as well so long as t site ws close to t sea by rail as at present? I cd hardly say tt, but those were t two material points , the cheapness of coal & t advantage of havg water carrieage for low grade ores.

Mr Waddell Water carriage right to the point where t smeltg we take place? Yes.

T competition of thses ores w Europe & w S Australian Smeltg works is very keen and t profits are guaged by a very small per ton.

T Chrmn:- But in order to carry out smeltg of tt kind it is necessary to hv lead ores? Yes you must hv lead.

Mr Cohen Is there nt sufficient lead in t ores themselves?

T n S W ores are very deficient in lead .

Mr Campbell Beg a Director of t Smeltg Co you cd explain howi it ws tt when t Co ws selectg a site wh wd be co venient for water carriage they did nt hv it im ediately beside t lake? They own t land ~~wherenthey are.~~ there T site ws chosen by Mr ~~Hart~~ Forrest when he came there it ws open to him to put his works anywhere. Q. It is some distance

from Tilawarra Pt.? There are a great many considerations in choosing a site & one is elevatn. They chose the most elevated site

Chrmn Did you recommnd makg t contract for t Junctn ore? Yes.

I suppose you don't know anythg about this Juntn ore at all I suppos Mr Wm Weinberg wd be t man to tell us.? I am a large shareholder in t Co.

Dd you think it wd pay to buy Junctn ores? Well there is nothing much in it atpresent.

Mr Simpson:- I suppose it is used for fluxing ~~at~~ with other ores.? They use it for runng down gold ores, but these are technical questions about wh Mr Weinberg can give informatn.

Chrmn It hs bn representd tt t Harbr shd be cnstructd for t benefit of t Smeltg Co but t Sneltg Co is nt askg for it? I think I can safely sy as a Director of t Smeltg Co tt if they do nt hav a Harbor they will nt spend any more money there.

But t only ores you hv bn gettg are t Junctn ores? But there are many other ores we cn get if we hv direct water carriage.

Mr Waddell If you do get a Harbor will t wrks be enlargd? I hv no doubt of it.

Chrmn:- You only rely on ths Harbor for t carriage of ore? And t shipmt of bullion, lead & copper & t general enlargemt of trade. T whole London Board are convincd tt w a Harbor made there we shall

increase these works to 4 or 5 times there present capacity.

When Mr Howell sys tt it does nt much matter to the Smeltg Co whether they hv a Harbor or nt how do you recognise ~~recognise~~ yr stemt w his? There are many statemnts of Mr Howell wh I wd nt like to explain.

Mr Howell sd tt before t Sel. Cttee? I hv nt seen t evidence but it is possible he my hv sd so.

This is t evidence Mr Howell gave us at t time tt he startd these works. He ws t original Manager of t Smeltg Co'x Wrks? Yes I employed him to come out.

Well he statd before t Sel Cttee tt it wd make no difference to t Smeltg Co whether they hd t Harbor or nt? I don 't remembr any evidence such as tt.

Messrs Harbour & Co

~~Dec 8~~

Thursday's evidence (Dec 8)

Conclusion

John Rawlings

3300 At t time you askd for t extensn of time for t completn of this work it ws statd tt you hd ample time to complete it ~~w this~~ la~~s~~t 12 mnths extn? We askd for 2 yrs. I ws in London & all t informatn ZI got ws tt we ~~were~~ were cut down to one yr & I con sidered tt a great stumblg block in gettg to work .

/ Me Sl-ath:- But your request ws tt you did nt want any ex tensn of time to complete t work, but tt t only reason you askd for tt extensn ws t fear of damage by storm or a visitatn of Provi dence? Well those were t reasons given out here_ I suppose the people out here did nt quite understnd t reasons wh actuated t people at home, but as a matter of fact t shortness of time did interfere w us very materially in startg t works. And there ws another thing wh interferd w us & tt ws at at tt time t Smeltg Co hd bn expectd to start their operatns lo ng befo e they did. There ws a long delay inmstartg t operatns o f t Smeltg Co. & there ws actually no trade. It is only since t Smeltg Co . hs bn in operan tt we hv built up a trade.

2 But those were t representatns put before t Hse here & those were t representatns upon wh t extensn ws grantd. So you see t Hse cd nt be held responsible if t people here acted for you ~~really~~ made really false representatns? Well I know they expected we wd hv plenty of time but when we came to make arrangemnts for money exceptn ws take to t shortness of time we hd for comple tg t work.

3 The Chrmn Mr Henderson in his report sys

13-97

The railway is to be completed by 3 Dec next

Do you think the condition will be complied with?

Most certainly.

4 3

PRINTING OFFICE
12 DEC 1898
SUPT. DOCUMENTS

Lake Maurice Harbour Select Committee

Quotation to be inserted in blank
in evidence of Mr. Wolf on Thursday
Dec 8, I think about p. 26.

The Chairman: Mr Henderson in his evidence says:

The last work is to be completed by the 30 Nov 1897.

Do there any earlier date for the completion of any other part of work? Viz. the railway is to be completed by the 15 Dec next.

Do you think it likely that that condition will be complied with? Most certainly.

Will the work be completed within the time you ask? Yes, barring accident such as a spell of rough weather.

But in your opinion there is nothing but bad weather that will prevent the completion of the work by the 15th Dec?

Nothing.

I believe we cd complete t works but you cannt induce financial people to take these risks. They sy if t works are nt completd within t time t Govt can take everythg.

Yes, but this ws on the 13 Nov 1897. Nw you are askg for 2 yrs longer. You sd if you hd tt extensn t wrks wd be completd by tt time? No doubt if we hd raised t money then t works might hv bn compltd within t time. But we explaind tt owing in t first place to t Smeltg Works nt hvg bn started & there beg no trade to show people in Engld tt there wd be a revenue, & then again because of the shortness of time, we were unable to enlcude our negotiatns for raisg money.

Well you see it ws on t evidence of this Sel Cttee tt you got tt ectensn of time & t evidence shows tt if you hd tt extensn for 12 mnths t works wd certainly be cpmpleted. Now you are no further ahead than you were then? Oh yes we hv a trade there now. . We hv our Smeltg Wrks in full swing.

I mean as far as t enstuctn of t Harbor is concernd? Since tt time we hv done two things. We hv completed our railwy, wh hs taken some time, & we hv also put up £10 000 deposit. By puttg up tt deposit we hv shewn our intentn to proceed w these works. I hv no doubt we ~~wi~~ will get t money we require but if we fail we forfeit our £1 0,000 & I don't see tt anybody is much t worse. Tt this t view I take of it.

In your earlier evidence you sd tt practically t Sneltg Co ~~took~~ put up t money? But we owe it, we hv to pay it.

But this Harbr is practically for their benefit, & nt for yours ? We hope nt.

Do you expect to make anybprofit out of it? We hv a large area of land. We went into this business in order to make this land valuable by startg industries. We hv several industries we wish to start there. We hope to build up a township there. As faras t Harbor is concernd I wd nt give 2d for it. If anybody else will make the Harbor we will giv t right. We don't wish to make it . We only want to develop t Districts . If we cn find emply ment for a large number of men we expect to put up our land into

township lots and sell them? We will make a town there if we cn. We hv certainly bn a long time over it but we h v put our own money ~~in~~ into it & we hv nt hd money out of anybody else. We hv put up our deposit & we are willg still to make this Harbor.

When you sy " We" you mean the Harbor people? Yes. In Ameria if we went to t Govt w a proposal of this kind they wd give us a Subsidy, but we hv never askd t Govt here for a subsidy.

Mr Ashton:- When t last 12 mnths extensn ws grantd & t statemt ws made by Mr Henderson tt t work wd be completed within 12 mnths I ssppose if t money hd bn forthcomg t work wd hv bn done? Yes

But t Financial people considered the time did nt afford them sufficient security & consequently they did nt subscribe t money. ?

T first objectn tt ws raised ws tt t Smeltg Co hd nt atartd workg.

T is to sy t 12 mntsh extensn did nt afford them sufficient security? ~~No~~ That is so.

And your positn now is tt if you get another 2 yrs it will afford them sifficient security & t money will be forthcoming? I hv no doubt about it.

T is really t positn on wh you ground your appicatn for extensn & your explanatn of t non completn of t works durg t last 12 mnths extensn? Yes.

Mr Sleath Some time in 1888 t four gentlemen composg t Synd purchased this Lake Lands Estate of 2940 acres? Yes.

You pd for it £35 000? Yes, subjt to a mortgage of £30 000

You bought it from P H Osborne? No, we did nt by it from P H Osborne. We bought from t Lake Lands Synd subjt to a mortgage.

Were any of you interested? No.

Ws tt £35 000 pd in cash? It ws pd durg t 12 mnths, part cash, part in 6 mnths, and part in 12 mnths.

Ws tt £30 000 pd by you & your partners? Yes.

Nt raised by shares? No No shares hv ever bn sold.

Mr Sleath :- And af erwrds t mortg ws pd off? Yes.

Then in t same yr you flated it into t Illawarra Harblr & Land Syndicate? Yes.

45

W a capital of £240 000? Yes.

When you floatd it into this Syndicate did you increase t nnumbr of shareholdrs? No it ws floated from t original Synd shareholders. They calld it £240 000 w £180 000 pd ~~up~~ up.

Nominally it ws t same man tt held it? Yes.

But did you nt increase t numbr of shareholdrs? Only nominally; no money pasd.

Ws tt t time when Mr Barton became a shareholder? NO.

What about Mr Stiles & Mr Newton? They hd Synd shares & these Synd shares were turned into sh ares of t Co . w a liability. 12 000 shares ~~w~~ t profit made by Vaughan & Stiles on t sale of t land.

So their interest in the Synd ws shares to t value of £12 000? Yes, four shars of £3000 each.

~~Because~~ Besides ~~their~~ cash? Yes, they hd £13 000 in actual cash.

~~£~~ £12 000 value in shares? 4 shares of £4000, pd to £3000 w a liability of £1000.

Then, still in t same yr, 1888, did t Synd sell to t Illawarra Harbor & Land Corporatn? Yes.

And t Illawarra Harbor & Lnd Cprpotn incr asd t ~~ho inal~~ nominal capital to £600,000.? Yes.

Did any fresh shareholders come in then? No cas shareholdrs came in.

Ws it ~~in~~ cut up this wy, 1000 shares at £50 each? £100 each, pd to £50

And £100 000 cash? Yes, tt representg t cost of t properties.

So, ~~tt~~ you t original Synd, tt ws really sellg to this Co, were to receive £100 000 cash & what share interest? Shares pd up to £500 000 w a liability of £500 000.

So, for t property tt you hd given £90 000 for you were then getting £100 000 cash & £500 000 worth of shares? Yes, as a matter of fact we never did get t cash.

Tt ws what you were supposed to get? Yes.

46

If you transferrd tt property to Fink as Trustee fo t t Co. to hand over prsuma bly to the Co whenever t Co ws prepared to meet its obligatns to t Synd how comes it tt Fink as Trustee mortgs this property for wh he ws Trustee fo r nearly £9000? At tt time t Co owed £100 000 on t property, & this sum of £9 000 ws very much less, includg t previous chartges on t property, than t amnt of £100 000.

T^t is so, but it seems to me stange tt Mr Fink, tradg presu — mably under the name of Wallach Bros, cd mortgage this property for wh he is only Trustee for somewhere about £9000? At tt time t Co cd nt get possessn of t property until they hd pd £100 000_ At tt time they hd pd nothing & Fink ws quite within his rights so long as he did nt exceed £100 0000 in raisg money on them.

Fink endorsd this Bil tt he made in his own favor? Yes.

And Fink discountd it? Yes.

An d gave some mortgagd land, is tt so ? Yes I believe so.

Tt ws somewhere in 1892, if we come to 1894 did t Bank then sell the land to Osborne for £300?? They sold t Equity.

And did Osborne redeem t land? Osborne ws t mortgagee. I subsequently redeemd t land. He ws always mortgagee for t £30,000.

In reality t £35 000 ws pd in cash but t other £3 0,000 still remained as a mortgage, is tt so? Yes., the mortgage hd 2 or 3 yrs to run

T mortgagee hd still t mortg ovet tt £3 0,000 & he bought t Equity for £300, so in 1894 he became t owner of t land again? Well, he ws t mortgagee in possessn.

Osboene held t first mortgage, t Bank held a 2nd mortgage & they sold t second mortgage to Osborne for £300, then he became t final mortgagee of t lot? Well he ws only t mortgagee still. I think I am right in statg tt t Co wd agree to tt security beg given to t Bank.

Cd you tell me when Mr. Carey joind t Co.: hv you t share register, first of t Synd, & then of this Co ? There ws no shar register of the Synd; the Synd ws n registered.

Ther ws only nominally t four of you? Yes.

Hv you t share register of t Illawarra Lnd & Harbor Corpora tion? I think it is here. . (Articles of Associatn produced)

If Mr Carey signd t Articles of Associatn he must hv joind t Synd? These are t Articles of t Co. He ws one of t first Directors.

Did he join on t formatn of t Co? On t formatn of t Co. T Co ws registerd on t 29mOct 1888.

What share interest did he hold, do you remember ? 30 shares.

W a face value of £100 pd up to £50? Tt is so .

Did he put in t £50 a share? He never pd a shilllg.

Did he give any consideratn for his shares? Nothing

Ws he holdg these shares entirely in hsi own right, ~~Entirely~~ Or ~~ws he holdg them~~ in t interests of anyone else? Entirely nih his own right .

Q. I notice on these Articles there is a gentleman of t name of Frederick Orr, did he join t Co at t same time as Mr Carey? Yes, he ws one of t original shareholders?

What interest did he hold? Hehd 140 shares.

£100 shares pd up to £50, w a liability of £50 per share? Yes . These did nt belong to him they were my shares.

He ws holdg them for you? For me.

I want to see t share register of t Co when it ws formd; how many share holders were there? I think you will find it in this list (Produced)

Newtown is down here for 26 shares did he pay any money into t Co? He ws a Synd shareholder.

He got shares from t ~~first~~ small Synd; there were 4 of you when you made it into a larger Synd, Newton came in & got shares then? Yes.

Was Cubitt in t same positn? He ws a partner of Mr Newton's Wood? No, I think he ws Secretary, he hd a few shares given to him.

" J R Carey, Contractor, George St, 3 0 shares. Did he join t Co then ~~do you know?~~ He signd t articles there I think.

3370 Shark Arbitration ~~31~~ 32

372 3 Did he py any money? No,

What consn did he give for his shares? He did nt pay any thing for them, he was made a present of them.

4 Mr Simpson Ws tt in order to get him to take a seat on t Brd? I sup ose it must hv bn to qualify him.

5 Mr Sleath:- T Hon Edmu nd Barton, 30 shares. Did he pay anythg for them? No, Mr Barton did nt pay any cash but he agreed t be a Director & take no fees. Accordg to t Articles of Associa tn t fees wer £500 per yr, & it ws agreed tt t Directors wd take ~~no cash but take~~ their fees in shares.

6 Ws this book written up at t time? Certainly, tt is t registerd document, t signd articles of t Associatn wh must be signd at t time of t ~~legislatn~~ registration of t Co.

7 And ws Mr Barton then a membr of t L Council? He ws a mem of one Hse I don't know wh one. T date on t certificate to t Articles of Associantn is 29 Oct 1888. He is ~~donwn~~ down in this Book as a m of t Leg Cncl.

8 Did nt Mr Barton hv charge of t ~~1st~~ first Bill? No, I think nt. It ws Mr Sutherlnd, who hd bn a Min, & who died shortly afterwards. Mr Chapman put t Bill through.

9 Mr Sleath:- Did Mr Sutherland hv any shares? No. Mr Chapmn took t matter up for Mr Sutherlnd. He ws a son in law of Mr Sutherlnds, & when Mr S ws taken ill he carried t Bill thro for us.

80 1 Did Mr Chapmn hv any shares? No he never hd any interest.

" C A M Billyard 30 shares, " Did he py anything for these? No

2 " John Black, Melbourne, " Did he py cash ? No.

3 Did these gentlemen hold these entirely on their own? Some of these people hd shares given to them in some cross business trans actns. I don't know what they were exactly. It ws simply askd tt these people shd hv shares allotted to them.

4 As to t whole of these shares tt appear on t share list no actual cash ws pd to t Co for them? Nt to t Co.

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Therefore when this Co ws floatd w a capital of £6 00,000 t 500 000 shares were really distributd amongst t mems of t Synd ? T Synd and their friends, ~~got~~ but those shares carried a correspondg liabilit~~y~~. It wd nt be t same as gettg fully paid up shares because a man who takes a heavy liability like tt takes a big risk.

6 T^t^ beg so, &, it ~~nt beg~~ to was not intendd tt any money shd be p..d into t Co where ws it expectd t £100 000 shd come from tt you were to get in cash? From t workg of t Co. We intendd to leaveit for some time. We thought we wd get to work & tt our land wd become valuable. It ws t time of t land Boom & we expectd to cut up our land and sell it at once but we were a little bit mistaken about it . T Land boom burst & we cd nt do anythg w t land.

7 Vaughan holds 140 shares; does he hold them in his own right? He got them ~~under~~ from his Synd shares.

8 " Moseley, 140 shares; " Does he hold them in his oown right or for anyone else? He holds them for me .

9 " Harper, 70 shares " . Are they in his own right? No I think he holds them for me .

10 " Stibbes, 140 shares, does he hold them i n his own right? He got them from his Synd shares.

391 " John McAllister Howdon, 150 shares, did he hold those in his own right? He ws a partner of Fink 's. Fink hd a large numbr of men in Melbourne who were interestd w him in his Synd shares .

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3.

MINUTES OF EVIDENCE

taken before

THE SELECT COMMITTEE on the

ILLAWARRA & LAND CORPORATION BILL.

Friday 9 December 1898.

Members present:

Mr Ashton.

Mr Carroll.

Mr Sleath.

Mr Waddell.

Mr Archd. Campbell.

Mr Nicholson.

Mr Cann.

J~~. Patteson~~, Esq in the Chair.

E. P. Simpson, Esq. Solicitor appeared on behalf of the Illawarra Harbor and Land Corporation.

ERNEST LUDWIG ADOPLH WEINBERG. called in sworn and examined:

Mr Simpson: You are General Manager o t Smeltg Co ? I am.

Will you tell us t amount o money t Smelting Co h expendd upon their works and wh they h in their operatns at t present time ? Roughly speakg abt £300,000.

Includg land, t improvements on t land, ores purchased and in transit ? Yes.

What number o men do they employ in their works ? Abt 200 now.

Will you tell t Ctee whether t works wd h bn erected upon their present site if this Harbor scheme had not bn contemplated ? I do not think so. I understood tt was t principal reason inducg t Co to build t works where they are

T constructn o t Harbor will be an important element in t future prosperity o t Co ? Certainly.

I understand tt t Co h now a contract f ore fr Broken Hill ? Yes.

To what extent ? We h a 12 months contract w t Junction Co for 15,600 tons.

How does tt ore now come to yr works ? It is landed at Darling Harbour transhipped to railway cars there and comes down to our works by t line.

Suppose t Harbor were constructed what savg wd it effect f t Co upon a contract o tt kind ? T ores vary; t Broken Hill concentrates are heavy lead, they contain from 60 to 65 % of lead. We pay first o all 3s ~~four pence halfpenny~~ for railage.Then we pay 11d for wharfage charges checking supervision of loading. Then we h to ship t lead back again; upon t assumptn tt there is about 65 o lead in t ore we pay freight on a little over half. T railway ~~freight~~ freight to Sydney is now 10s per ton on t lead. If we had a Harbor I daresay we shd effect a savg o about 8s a ton.

So tt upon this one contract alone o about 16, 000 tons there wd be saving in round figures o £6,500 ? Yes.

I believe some negotiatns are in progress w reference to t treatment o ore fr New Caledonia ? Yes I h just returned fr Noumea.

T constructn o t Harbor wd form an important feature in tt scheme ? A very important one indeed.

Is it possible tt tt scheme might fall thro in t event o t Harbor not being constructed ? I am afraid it wd.

Are t Co contemplatg an extensn o their works ? Yes some extensions are in hand now, we are buildg additional furnaces wh will be in operatn in t middle o January. These furnaces will give employment to about 42 more men.

Is it possible tt t constructn o this Harbor wd lead to a further extension ? Yes I am almost sure it would.

Mr Nicholson: H you special rates f t railway Commrs for t conveyance o your ores ? We do not pay t rates except upon contract ore in large quantities. Our clients pay t rates upon small parcels of ores which come to t works. We all enjoy t same privilege that is one half penny per ton per mile. Tt is t rate paid everyone who ships ore by rail.

How do you reconcile tt w t statement o t late Manager tt he had made such arrangements w t Rway Commrs tt he did not care whether t Harbor were built or not ? I do not think Mr Howell realised t true positn o affairs when he made tt statement. T works were not then in operatn. Tt statement was made by Mr Howell as far as I know ~~because~~ before they had purchased 1 lb of ore at the works.

Mr Ashton: T fact is this tt t ores wh come to your works wither fr another part o t colony or another country ~~ship ore~~ cd be landed at t Smelting works at Illawarra cheaper if they cd come all t way by sea instead o being landed in Sydney and then brought round to your works by rail ? Yes.

In regard to t prospective Noumea contract what you fear is tt if you could not bring t ore all t way by sea you cd not give enough f it to enable you to compete successfully ? Yes. You must remember this tt t ore fr New Caledonia will not be bagged. All t Broken Hill ore is bagged in order to prevent loss. T bulk o t New Caledonian ore is shipped in bulk and you can understand tt this ore has to go to Darling Harbor and to be transhipped there, especially in a dry season like this and then railed in other trucks down to Lake Illawarra there wd be an enormous loss o weight in transit. I

do not think our clients cd stand it.

The gist of your evidence is ~~if~~ you cd land t ore cheap er if it came all t way by sea than if t journey were broken and t ore transhipped at Sydney ? Yes.

Chairman: You hold a Power o Attorney f t Co ? Yes.

The Com h so far made no contract w New Caledonia ? Not yet but Mr Higginson will be over in about a fortnight's time to confer with me further on the subject.

What ~~other~~ names are the of t persons who are urging on this contract w t smelting Co for t treatment o nickel ore ? I am t person principally interested in it as ~~a~~ representative o t Smelting Co.

But on t other side ? T Co's represented by Mr Higginson are t International Co which are an offshoot fr t London Globe Finance Co. I suppose you know tt they are greatly interested in some o t West Australian mines.

H you ever had experience in t treatment o nickel ores ? No practical experience.

At present you h no plant adapted f t treatment o those ores ? No but their treatment is so simple tt any metallurgist with fair knowledge and some experience can treat them

Do you as a metallurgist think tt this contract wd pay yr Co ? Yes

Are not t ores very silicious ? Yes.

Wd you refine t nickel at Dapto if you started work there ? I cd not say. It wd depend entirely upon t development o t trade whether it wd pay ~~a~~ to refine nickel. T refining o nickel matt is not a very great problem .

You do not know t percentage o nickel in t ore ? Yes it varies fr 6 to 7 per cent.

The present contract w Europe f t New Caledonian nickel ore is based upon 7 per cent. They pay at present a freight o 31s 6d to 32s 6d fr New Caledonia.

What wd be t freight here ? I shd say tt if we cd bring t ores over direct in suitable steamers carrying fr 2000 to 3000 tons o ore we cd charter those steamers to bring t ore over f about 6s a ton.

What is t value o nickel ore o t grade you h named in London ? At present they are paying to t producers in New Caledonia 75 centimes per kilo. T purchaser has to pay t freight. As to t value in London I shd h to calculate it.

You still consider tt ore o tt grade fr New Caledonia cd be smelted at Dapto at a profit to you and to t producers ? Certainly at a very great profit indeed.

Mr Ashton: T difference in freight as between Australia and Europe wd give you a very great advantage ? Yes at t present time they pay to get 7 per cent nickel ore home 31s 6d. If they can get t same grade o ore over here for 6s you can understand what an enormous saving there wd be even if we concentrated here a 50 per cent nickel matt.

Chairman: But your smelting charges at Dapto wd be higher than at home ? Not very much.

The balance sheets fr all t smelting works o Australia show tt it costs more here, take t one item o labor alone there is a great difference there, then also as regards quantity there is a difference ? T statement you made applies principally to ores wh contain heavy metal, lead ore and heavy copper ores. We h no market for these metals. We h to deperd upon t home market f them and also f t nickel

but you h to bear in mind tt 7 per cent nickel does not represent a large bulk even if we run it only into 50 per cent nicket matte.

But your contention is tt t difference between t freight fr New Caledonia to Dapto and tt fr N Caledonia to t old ctry wd give you a profit ? Yes.

As against tt you would h t extra charges f smelting and t subsequent carriage o t nickel to t old country f a mkd market. ? Yes.

Mr Simpson: It is contemplated is it not tt t ships wh bring over nickel ore to t smeltg works wd h a return freight in coal wh wd be suitable f t treatment o some o t ore at New Caledonia ? Yes. We shd not charter any boats unless they were provided with water tanks for water ballast

Chairman: There will be a return freight o coal to New Caledonia ? Yes. They pay at present on 7 per cent nickel ore - tt is to get it home - £11. 4s. If it came over here we shd pay £2. 9s. Take 7 tons o nickel we cd turn it into 1 ton of nickel matt. To get tt home we shd h to pay 25s. There wd be t difference therefore between £3. 14s and £11. 4s namely £7. 10s. to cover profit and working charges. We do not pay any more than other people wd pay f t nickel and they must make a profit on t price paid.

You are presuming tt t stuff will be carried at t price f wh it is now carried ? Yes. T freight I h named would be tt arranged f a big contract.

How many tons o ore could you treat at t works ? 4000 tons a month to start with.

But you h no appliances there ? Tt is o no consequence. If we got a contract I wd undertake to put up

in 6 months plant wh would treat 4000 tons monthly.

You calculate tt you will get a shipping Co to contract to bring t ore over f 6s or 7s a ton ? I am certn o it.

You spoke just now o steamers carrying 2000 or 3000 tons, cd a steamer o tt size get into t Harbor ? I think so if there were 20 ft o water.

You know tt t Bill only asks f 15 feet ? Yes I took exception to tt 15 ft wd not do They are going to provide more

With a depth of 15 ft o water and w t silting up wh wd be likely to take place you cd not rely upon getting in boats o t size you h named ? Unless tt cd be done it wd be o no use building t Harbor there but I do not see any difficulty in it.

You h a contract you say w t Junction Co ? Yes.

It has bn in existence f some time ? Yes.

It is f lead concentrates ? Yes.

Lead is a necessity in smeltg operations ? Yes.

Whether it pays you to smelt or not you wd h to have lead ? Not always ; you can use copper.

For silver smeltg ? F silver smelting.

D d you ever do any silver smelting without a lead flux ? Yes I h done silver smelting w copper.

In bulk ? Yes.

Does it pay you as well as lead ? It depends entirely on t circumstances.

Is it not always t practise to have lead ore if it is possible to get it ? I h bn connected w work in wh they

never had 1 lb o lead ore and they did an enormous business in silver copper gold.

450

Do you smelt t whole o t contracts to wh you h referred ? No we resold 4000 tons, pending t erection o 12 furnaces. That work is in hand now.

Tt is t reason you disposed o part o t contract ? Yes.

W suitable roasting furnaces wd it still pay you to buy Junction concentrates ? Yes.

At t price it now costs you to smelt ? Yes.

Would you buy lead concentrates fr Broken Hill if you cd get them fr Tasmania at t same price ? I am not prepared to answer tt questn I do not think you shd expect me to expose our whole business.

But if you cd get carbonates o lead fr Tasmania at t same price wd you not take them ? It is a matter o fr freight. T whole smelting business in Australia depends entirely upon freight.

If you cd get carbonates o lead fr Tasmania at t same price wd you still buy Junction concentrates ? It is rather doubtful.

Does t ore most profitable f smelting come fr Broken Hill ? No I do not think it does.

Where does it come fr chiefly ? Fr other sources.

Wd you mention some ? We buy all over the Australian Colonies.

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But you must know where yr principal supplies come fr now ? Fr N S Wales and Queensland. Some parcels come fr Tasmania.

Where do you get yr limestone and ironstone fr ? N.S. Wales.

If a Harbor were opened at Lake Illawarra wd you be able to get them any cheaper ? I think very likely tt we shd.

Where do you anticipate getting them fr ? I must decline to answer tt question. You must see tt there are certn matters in connection w our business about wh I cd not speak.

Wd a Harbor be o any use to you in getting limestone or ironstone ? Yes

Surely you can say where you think you cd get them from ? I know tt we cd get fr Tasmania better ~~limestone~~ ironstone than we are using at present.

What about the limestone ? I cd not say I h not investiggted t matter throughly yet.

You wd h to pay harbor dues remember ? Tt is quite true.

Making allowance f harbor dues freight and all tt sort o thing do you think tt if a Harbor were opened you wd be able to get yr flux any cheaper ? I think we cd.

You think you cd get it more cheaply fr Tasmania ? Ironstone but not limestone.

Wd it be as good as t stuff you are getting now in Australia ? We are getting excellent limestone but t ironstone might be better.

How much do you use here yearly roughly speaking ? W t prospects tt are before us f next year f instance we shd use speaking roughly fr 15,000 to 16,000 tons o limestone

and fr 10,000 to 12,000 tons o ironstone.

Wd your coke come in thro t Harbor ? No.

Wd your coal come in tt way ? No.

How much coal do you use yearly roughly speaking ? We shall be using during next year unless larger contracts come in about 15,000 tons. We use from 15000 to 17,000 tons o coke.

None o tt wd come thro t Harbor ? No it wd all come by rail.

How much ore do you smelt yearly speaking roughly ? W our present aontracts and supplies going fr 70,000 to 80,000 tons

How much ore besides t Junction contract ore wd come to your works through t Harbor if it were there now ? A good deal o our ore comes along t coast. I shd say speaking roughly tt about half o t ore wd come coast way.

Over half o what you are smelting now ? Yes.

Where wd it come fr ? Fr Queensland and West Australia.

Out o t ore you are already treating how much wd come by rail ? I cd ~~dot~~ not define t exact quantity unless I went in to t different localities.

You are arguing tt if your works are to be carried on successfully it is necessary you shd h a Harbor I want to know how much ore you wd get thro t Harbor ? More than half.

Where wd you get it from ? We buy all over t Australian Colonies.

That is a very general statement, Where wd you get t bulk o t ore likely to come thro this Harbor ? We get some fr Broken Hill, Tasmania Queensland and West Australia.

What ore fr Queensland h you bn smelting ? We h bn smelting t Ravenswood ore.

Mr Sleath: What sort o ore is tt ? Refractory gold ore.

We get a good deal o copper ore fr Queensland also.

Fr what mines ? Fr t North at t back o Cairns and also some fr t Mt Perry district.

They wd not be large quantities ? No they are small parcels but in t year they count up.

H your Co any mines o their own ? Only one at present. Webbs Mine at Emmaville.

The White Rock is a separate Co ? Yes

Do you receive any ore fr Lewis Ponds ? No.

You do not expect any ? No.

How much do you get weekly fr Webbs Mine ? Abt 30 tons a week.

Both Webbs Mine and Lewis Ponds belong to t Smelting Co ? Yes. At Webbs we are going to put up a ~~dressing~~ plant capable o crushing about 100 tons a day.

Do you get any quantity o ore fr t Camden Expdoration Co ? No not at present.

Do you know any o t Mines owned by them ? I know some o them by name but I h never visited them.

You will remember tt Mr Armstrong said tt your principal supply o smelting material came fr t Camden Exploration Co ? Yes. May I point out tt Mr Armstrong possibly meant fr mines in which t Camden Syndicate are interested. For instance t Camden Syndicate is greatly interested in t Junction Mine. ~~Mr de Wolf i~~

Mr de Wolf is interested in t Junction mine but he is not t Camden Syndicate ? Still I know tt t Camden Syndicate hold a large interest in t Junction Mine.

498 H you a suplhuric acid plant at Dapto ? Yes.

9 H you established a coke industry there ? No we buy our coke.

500 How long has t sulphuric acid plant been put up ? It is just completed. Some little things are still wanting.

501 Mr De Wolf said you had established a coke industry down there, tt was his evidence before t select Ctee ? We h no coke industry there. No doubt we are t largest consumers o coke as far as tt is concerned.

2 T Illawarra and Harbor & Railway Co is a distinct Co fr t Illawarra Harbor and Land Corporation ? Yes.

3 There is no connection between them except tt arising fr monetary assistance ? Their interests are identical as far as t Harbor is concerned. Tt is all.

-4 Did not t smelting Co pay money to avoid Mr Osborne foreclosing upon his mortgage ? I could not tell you. I am not well versed in t initial operations o t concern. I only took charge o t works during t year.

5 If tt railway line had bn foreclosed upon and any one had got hold of it your operations wd h bn practically at a stand still ? I do not know but I do not think t mortgagee wd step in and prevent our using t line.

6 Supposing he did so it wd o course h put yr Co in a bad way ? Yes.

7 Who owns t land over wh t railway passes ? It belongs to t Illawarra Harbor and Land Corporation.

8 Do you know t area o land owned by t Corporation ? I cd not tell you t exact acreage.

9 Cd t Corporation sell land without your Co's permission ? I could not say.

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You are an Engineer, cd you tell us how much money has bn exped ded upon t Harbor works ? I h never seen them. When I say tt I do not mean it to be inferred tt I h a lack o interest in t matter. T fact is tt I am a very busy man and if I were to look at t works it wd mean going down to t mouth o t Lake and makg a careful examination.

Who paid f t railway line wh connects w t Illawarra Harbor and Land Corporations land ? I cd not make a positive statement on t subject but as far as I know t Smelting Co advanced t money.

They paid f t line ? I think so. I can tell you what our interest is but I do not know anything about t earlier transactions. I know fr my books and balance sheets t interest we ~~had fr~~ t Illawarra Harbor & Land corporatn as far as pounds shillings and pence are concerned, but oherwise I am not acquainted w t earlier history o t concern.

Mr Simpson: What interest in money value h t Smeltong Co in t Illawarra Harbor and Land Corporation ? £25,000 made up o £10,000 in cash, £5000 o guarantee in connection w t Camden Syndicate and t paid up £10 shares We received 1000 ordinary shares and 1000 preferential shares and we gave a guarantee w t Camden Syndicate for t deposit w t Treasury o t £10.000.

Did t Smelting Co pay £20,000 to Mr Osborne to get rid o his mortgage ? I cd not say. I know there was ~~no~~ cash transaction. We gave them £10.000, in what way tt has been applied by t Illawarra Harbor and Land Corporatn I cd not say.

Was not t first mortgage held by Mr Amos railway contractor ? I cannot say. All these things are in t hands o t Co's solicitor. When I hade to look into t matter I get

out t papers but I am not versed in t earlier transactions o/t concern. I really h had no time to look into these things.

As to t depth o. water in t channel you think 15 ft wd be o no use ? No

No sailing vessels wd come in ? Not unless they were towed.

You will h to use steamers ? Yes. In regard to t Harbor matter our contention is simply this: We are of opinion tt w a harbor we can establish a larger trade. That is our principal contention. If we do not gt a harbor t smelting works will remain as they are. They will never be any larger.

But t whole o t ore you say tt wd come by sea wd be practically t Junction ore ? No we shd receive ore fr Queensland and West Australia.

Of t ore you are already treating t bulk is Junction ore ? Yes but you can understand tt if we had t Harbor it wd give us a very big pull indeed. You h bn connected to a certn extent w mining as far as I know and you know tt t profits o smelting works are very small in fact t figures are often on t wrong side. Nowadays if a smelting Co makes a few shillings o profit they do very well. In heavy lead ores our profit is not counted by pounds ~~to t ton o ore~~ but by a few shillings.

Mr Simpson: Tt wd point to t necessity f a large volume o business ? Yes.

Chairman: T only ore o tt wh you are now treating wh wd come thro t Harbor wd be t Junction ore ? Tt wd be t principal ore but we shd receive other ore coastways.

Mr Ashton: You h stated that more than half t ~~country you~~

of ore you treat comes seawards ? Yes.

That wd be about 40,000 tons a year ? Yes.

Of wh about 16,000 tons wd be Junction ore ? Yes.

Leaving a balance o fr 18 to 24,000 tons to come also seawards ? Yes. At present it comes to Darling Harbor and has to be railed across fr Sydney.

It wd reach you thro a harbor if one was there ? Yes

Chairman:C Outside o t quantity you receive fr t Junction mine you say that fr 18000 to 24,000 tons wd reach your works thro t Harbor ? Yes.

Mr Sleath: How wd t ore fr Mt Perry reach you if you h a Harbor ? That comes in very small parcels now.

And it always will ? You cannot tell. There is a new ~~ins~~ district being opened at Canindie I know t district fairly well.

But t district has bn opened up f many years ? Yes.

I take it tt if you had a dozen harbors t small parcels o ore you receive fr Mt Perry wd not reach you thro anyone o them because it wd not pay large steamers to come there w t ore ? Quite so.

In what quantities does t Mt Perry ore reach you at t present time ? In parcels o fr 10 to 20 tons.

If you had a Harbor at Lake Illawarra you wd not h steamers bringing there such small parcels o ore as that ? Not unless there were intercolonial boats making special trips or boats taking coal away fr t district.

But boats wd not go to Lake Illawarra f coal wd they ? I cd not tell exactly.

T parcels o Ravenswood ore wd be about t same in quantity as t Mt Perry ore ? No we receive larger parcels

from Ravenswood.

The West Australian ore wd also arrive in about t same parcels ? I do not think so, We have received larger parcels f West Australia.

What has bn t largest ? We received 500 tons at on one time.

Mr Waddell: I suppose you expect your trade to grow as your works become better known over Australia ? Yes.

Mr Sleath: But w small exceptions even if there were a Harbor at Lake Illawarra a lot o t stuff you treat wd still come to Sydney and reach you by rail ? It wd de end entirely upon t development o t trade. Speaking o today you are quite right. A great deal o t ore comes in small parcels and even if there were a harbor there some o those parcels wd not reach us through it but w t development o trade, t channel and quantity supplied will change.

Mr Ashton: Putting your case in a nutshell if you cd save 8s it wd pay you; tt wd be t difference in cost according to your former evidence ? Tt was a calculation upon lead ore w t lead freight back.

Do lead ores form a large proportn o t ores you treat ? Yes.

Suppose you spread a saving over t whole o t ores you treat what wd it amount to on t average, I mean t saving effected by taking sea borne ores straight to Lake Illawarra ? It wd depend upon t amount o back freight you had to get rid of. Unless I went into figures it wd be hard f me to make an estimate o tt kind but I shd say tt t saving wd be between 3s and 5s.

Your case is this tt if you can save t cost o transhipment and t railage fr Darling Harbor to your works at

there wd be t possibility o great development in your Co's operations ? Yes.

Mr Archd.Campbell: What you mean is tt t ships by wh you obtain ore instead o going to Darling Harbor wd go to t Lake ? Yes

If you got those ships within 5 or 6 miles o your works wd it not answer t same purpose ? We h a railway system there now and as far as I know t wharves will be in close proximity to our works.

Assuming tt instead o your vessels going to Darling Harbor they went to Talawera Point, what wd be t distance to your works ? Not quite 2 miles. I think it is t same distance fr Talawera Point as fr t works to Dapto station

But it wd mean two handlings t same as at Darling Harbor ? It wd be a different handling altogether. I h already pointed out tt t great bulk o t ore we expect to treat at Dapto will be shipped to us. It will not be bagged ore and there is a difference between t carrying o such ore fr Sydney to t works instead o only a distance o 2 miles.

But in either case therebw would be trainage ? Ye Yes

And there wd be two handlings ? Tt is absolutely necessary in any case because you wd h to distribute your ore

T reason I put these questions is tt it was to be inferred fr your eviddnce tt t ore wd be tipped out o t ship into smelters ? Tt is a matter f after consideration. If our people said they wanted special landing facilities f t ore I suppose t Corporation wd be quite willing to give them those facilities. At present t idea is to bring t ore right into t works in trucks.

If you had shipping facilities ~~fr your works in-~~

6 miles fr your works instead o at Darling Harbor wd tt be o great advantage to you ? It wd be o advantage if there were a railway connection.

If a ship came to you fr New Caledonia and were within 6 miles o your works how much o t 8s on saving o wh you h spoken wd be retained, I am speaking now o t difference between a point 6 miles fr your work and Darling Harbor ? It wd depend upon how much we had to pay f railage over t 6 miles

Assuming tt t railway were your own ? There wd be a distinct saving in tt case. T Govt has a limit and even if we conveyed t ore only 5 or 6 miles we shd h to pay t same to t Govt as if it were conveyed 15 miles.

T railage rates you h fixed w t Illawarra Harbor and Land Corporation are considerably below t Govt rates ? Yes I can make tt statement w confidence.because some time ago we approached t Govt to take over t haulage f t Dapto Station to t smelting works but they quoted me a figure I cd not entertain

Mr Archd. Campbell: Let me put an illustrated case, suppose there were a ship lying at Port Kembla w 6000 tons o nickel ore fr New Caledonia to be taken to Glasgow, sup pose tt nickel ore came into your works wh wd be 6 miles away what wd t profit be taking t average ? I cd not say

It wd affect t 8s o saving wh you h already quoted very much ? Yes.

Is there any restriction to t effect tt your Co cannot contract w t Govt railway or w any other lines than those running thro t Harbor and Land Corporations property.? No

Your operations at Dapto you say wd be increasd providing you had there a harbor by which you cd receive ore fr W Australia, Queensland, Tasmania and other places ? Yes I think we cd expect an increase o trade but our principal

object now is to get t New Caledonian trade f our works .

You h no contract signed yet ? No.

You are only in negotiation ? Yes.

T negotiations h bn in progress f 12 months or more ? They are dependent a good deal upon t opinion I may form as to t possibilities o such a trade. I cd only form tt opinion fr paying a visit to New Caledonia. I did not know o t proposed combination w t Caledonian business until shortly before Mr de Wolf came out fr England. when I was instructed by t Home Board to make a full report upon t Caledon ian matter.

Has yr report been before t Board ? No I returned fr New Caledonia only a fortnight ago,

H you any reasonable expectation tt they will go on w t contract judging fr your report ? I think so.

Do you think t other parties wd be willing to go on w it at your price ? As a matter is not yet settled I am not at liberty to express an opinion. T questn is sub judice.

Your principal contention is tt this Harbor is going to benefit your works and t only reasonable ground f tt contention is tt this contract will be entered into ? No During t time I had charge o t smelting Co's affairs I h not pushed our trade. I h directed my attention to t provision o facilities but I am certn tt if we got t Harbor and got t benefit o t few shillings o savg wh we wd derive fr it so far a t ore is concerned we shd be in a positn to extend our Broken Hill trade. I shd try to do so.

You admit tt t Harbor cannot possibly be o any benefit to you so far as small parcels o ore are concerned ? No the benefit will arise fr big parcels.

You h no reasonable hope o trade ~~except tt arising~~ through the Harbor except tt arising fr your trade ~~fr Broken Hill and~~ New Caledonia ? I wd not like to say that. If our trade were to be confined to t New Caledonia trade we might as well shut up now.

The West Australian ores will be treated at Freemantle in a short time ? T Freemantle smelting works are shut down.

But they are not constructed ? They started and were shut down.

So far as yr Wes Australian trade is concerned is it ~~not~~ likely tt your clients will pay freight all t way to Lake Illawarra when they h smelting works at Freemantle ? You under estimate t advantage we h in t shape o cheap fuel You are aware tt our western smelters h to pay a fairly high price f fuel and tt gives us an enormous pull over them and our steamers fr Freemantle wd bring ore here f a few shillings

Because they h back loading ? Yes.

But do you not see tt t ships wh bring coal to Freemantle will h back loading in t shape o bullion ? But not sufficient.

Mr Simpson: There is more coal than bullion ? Yes

Mr Waddell: On the average how many tons o coke does it take to smelt a ton of ore ? In coke smeltg in large furnaces we use roughly about 4 tons o ore to 1 ton o coke.

With 1 ton o coke you can reduce 4 tons o ore ?

Yes.

Is tt all t fuel you use ? Some ores h to be roasted and a certn amount o coal is used in roasting preparatory to smelting.

Mr Cann: With your method o roasting cd you give t Ctee any idea of t quantity o coal used as compared w t ore roasted What quantity o coal f instance wd you use to roast a ton o ore ? It is impossible to say exactly. We h a new furnace building wh we estimate to consume 1 and three quarter tons in the roasting of 5 or 6 tons of ore but we have furnaces wh put much more ore through in proportion to t fuel consumed.

An estimate giving 3 or 4 tons o coal f t reduction o 1 ton o ore you wd regard as an absurd estimate ? Yes.

Chairman: Yr positn narrowed down is this, tt t only advantage t Harbor wd be to your Co wd be t facilitating o t transit o big quantities o ore ? Yes.

If you had 15 or 20 Harbors small parcels o 20 or 30 tons wd still reach you thro Sydney ? Yes.

Your contract w t Junction Co expires next year ? Yes, next May.

It has not paid you to treat the ore ? I am not prepared to say tt.

T only other source fr wh you anticipate getting ore is New Caledonia. You h not yet completed a contract w t mines there and you do not know whether your terms will be accepted ? T probability is tt they will be.

Suppose your terms are not accepted and t Illawarra Harbor is constructed, what trading advantages will it give you as far as you can see now ? It will give us a very great advantage, we h never yet pushed our business.

There are other smelting companies with whom you h to compete. These Co's are just now getting into full swing. When your works were mooted they were not in existence ? Quite so.

You get your coke in the colony ? Yes.

Cd you not get better coke in Germany than you cd get here ? No.

Then how do you account for t Broken Hill mines using German coke ? I will tell you t reason. T coke tt is made here as far as ash is concerned is not considered a good coke T ash contents o all our Southern coke may be put down at an average o 15 per cent. German and English coke is supposed to contain 7 per cent. You pay freight on 8 per cent and you put 8 per cent o material in your furnaces wh requires so many units o carbon to be fluxed off again. If you are using coke f smelting purposes it pays you to buy t best coke you can get. It is a matter o freight. I suppose t persons to whom you refer at Broken Hill ~~now they~~ can practically bring out coke f t same amount wh it wd cost them f Newcastle coke.

Mr Sleath: You do not make coke yourselves ? No.

Coke made in the colonies is generally very small ? T coke we are getting now is I consider a fair furnace coke It is a coke wh stands a good burn. ~~I mean without being crushed in t furnace~~

Mr Carroll: H you made any sulphuric acid yet ? No.

Mr Sleath: How far are your works fr where this Harbor will be when completed ? I think abt 2 miles.

Wht wd be t difference in cost between cartg t ore 2 miles and 6 miles ? In t case o t Govt line there will be no difference because both distances wd be within t 15 mile limit.

But supposing you were using your own line ? It depends entirely in t capital invsted in t line but t di f-ference in t two distances wd not amount to much.

Up to t present time you h no line constructd on your works where t Harbor will be ? There is a line down to

t place where t Harbor will be already.

T ore you are expecting fr New Caledonia will arrive in full shipment? Yes.

You wd require a fair depth o water in t Harbor to allow t ship to come in ? Tt is right.

You h already explained tt you h not been able to notice t Harbor works ? Tt is right.

H your Co considered t time wh must elapse before t work can be constructed ? Yes

So tt if you enter into this nickel contract you will h to arrange f t ore to be taken to your works by some means other than thro t Harbor ? Yes at t beginning very liiely we shd.

And f a number o years ? Not f a number o years

I mean judging fr t rate at which t work has hitherto proceeded ? I hope they will proceed a little quicker Our friends in New Caledonia are bound down to Europe for anothe year. T nickel wd not come here right away.

Then it might be another year before your nickel n contract started ? Yes they are tied to European smelters f about a year.

As to t money money your Co has paid f their interest in t Illawarra Harbor and Land corporation, Your Co bought 1000 preferential shares at £10 ? Yes and we hold 1000 ordinary shares.

You h paid to t Co £10.000 in cash ? Yes, tt is all we h in t concern

In return f tt you got 1000 preferential shares and 1000 ordinary shares all fully paid up ? Yes. On our taking up 1000 preferential shares they gave us 1000 ordinary shares. That was part o t bargain.

Does yr Co hold a mortgage f t £5000 guaranteed ?

Yes we have security.

Tt is t only money you h had to advance ? Yes

Mr Carroll : H your Co entered into negotiations for an extensn o their Broken Hill contract upon t same conditions ? I h entered into negotintions f an extensn o t contract undr conditns more favorable to t Co.

At present nothing is settled ? Nothing.

One third o t contract is sublet to a Melbourne firm ? Yes we are not prepared to renew t contract w t Junction people at t same figure. It is almost certn tt they will fall in w my ideas. I had nothing to do w t making o t contract in t first instance. 4000 tons were resold because we ourselves had not roasting facilities f t ore. You all know tt freights h set in very high and if we had a to pay a premium on re selling it has bn brought about simply by t conditns o freight.

If t Govt constructed a Harbor at Port Kembla you would regard it as being better than no Harbor at all ? Yes provided we obtained railway facilities

Carriage wd come to a little more but t Harbor would be o great advantage to you? Yes.

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MINUTES OF EVIDENCE

TAKEN BEFORE

THE SELECT COMMITTEE

ON THE

ILLAWARRA HARBOUR AND LAND CORPORATION BILL.

Monday, December 12, 1898.

P r e s e n t: --

Mr Ashton,
Mr Cann,
Mr Carroll,
Mr Cohen,
Mr Sleath,
Mr Waddell,

W.J. Ferguson, Esq., in the Chair.

Mr P P Simpson and Mr Morely appeared for the Illawarra Harbour and Land Corporation.

Thomas Andrew De Wolf, re-called and further examined.

Mr Sleath: On the share register appears the name of the Hon. Edmund Barton as the holder of 30 shares? Yes.

I think you stated that he never paid anything for those shares, & that he received them in consideration for going on the board, or something of that sort? In lieu of directors fees According to the articles a sum was set on one side to be paid in cash, and the directors decided they would accept payment in shares.

Is Mr Barton still on the registered share list? He is on

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3370 Hock Stewart

the London register.

For how many shares? £3000

I think you said that in January 1894 there was a call made on the original 30 shares? Yes.

A call of £10 per share? Yes.

Did he pay that call ? No, I am not certain whether he transferred his shares before that or not. - he paid no call on them.

If he had transferred his shares previously, his name would not have appeared on the London register ? Yes, because it was arranged that on transferring these shares they were to have the same number of shares in the London company.

Whether the call was paid or not ? Yes. Well in this case it was arranged and in several others.

Did Mr Carey also hold shares to the same amount? Yes

When he call was made did he pay the call ? No, he paid a portion of it: £250.

Is he still a shareholder in the company? No, he refused at that time to take the liability. As I explained

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before there were very heavy liabilities on the company at the time he refused to share his shares with the liability he requested me to take a transfer of the shares.

What is the liability on the £3000worth of shares of Mr Barton in London? No liability.

So that if Mr Carey had taken the same interest in the London company as Mr Barton, there would have been no liability? No, I may explain that at that time the debts of the company were heavy, & it was a question whether I would be successful in my efforts in London to finance the company. If I had not been, the company would have had to be wound up, & people would have had to pay up.

Mr Simpson: Had the smelting company been formed at that time? No.

Mr Sleath: Were there 10,000 shares in the company when the call was made? Yes.

And a call of £10 per share was made? Yes.

How many shares paid up that call ? All the shares that remained were paid up.

3370 Rydal Hotels

63 That would mean then that £100,000 was paid ? I explained before that the company owed £100,000, representing the amount due to the syndicate for the purchase of the properties.

So that when the call of £10 was made, is it a fact tt a good deal of that call was paid up merely as a question of bookkeeping? Yes, to settle t debts of the company. There were cross entries.

For instance the syndicate representing a number of shares in the company, and having £100,000 due to them by the company, they simply squared the two things by cross entries ? Yes, it was rather a complicated account, because there were accounts between the syndicate and the original purchasers of the land.

So that the calls on Barton's shares for instance would be paid in that way ? Yes, I took a transfer of the shares , and I paid up the call.

Then were they transferred back to Mr Barton ? The shares in the London company were allotted to him.

Did he pay anything for them? No.

6 When did Mr Neild first become a shareholder? ? I cannot vouch for the exact time. The date of the acceptance of the shares in the London company was in 1896.

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637 Do you know whenhe first came on to the list of shareholders in the Sydney company. When did he first become a shareholder in the original syndicate, or whatever it was? I have no knowledge. I received instructions from Mr Armstrong when I was in London to allot 100 shares to Mr Neild. That took place when I was away for four or five years.

Q But Mr Neild is still a shareholder in the Sydney company. Do you know when Mr Neild became a shareholder in the Sydney company? Yes, the date of the transfer of one share is the 28th July 1897.

Q Previous to your ~~answering the qu~~ being instructed by Mr Armstrong in 1896, when you were in London you knew nothing of Mr Neild in connection with the company? Not in connection with the company.

91/92 Q We had a good deal of information about Styles and Vaughn's transactions the oter day. You explained to the committee that you bought this Ocean Colliery Company from Styles and Vaughn who were partners ? I bought it from Vaughn.

For £25,000? Yes.

Did you understand at that time that Styles was a partner?

No, I only knew Vaugh n in the transaction..

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£12,000 of that was paid in cash? £13,000.

And £12,000 in fully paid up shares? No, 1 shares had £1000 liability . There were four syndicate shares £3000 paid-up and £1000 liability.

So you did not know anything of the business between Vaughn and Styles? I ascertained afterwards that they were jointly interested, but all my dealings were with Vaughn with the exception that I was asked to put two of the syndicate shares in the name of Styles, which was done.

Mr Cann: At whose request? Vaughn's.

Mr Sleath: In July 1894 were Styles shares forfeited? Yes.

Did he pay the call ? He never paid a shilling from the commencement to the expense of the company.

So that in 1894 his shares were forfeited? Yes. Most of his shares had passed out of his possession entirely at that time. He had borrowed money from them from the Mercantile Finance Co, who were also large shareholders, he had borrowed money from Mr Myring a storekeeper up country and also fm a money lender here, named, I think, Phillips.

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669 So that his interest in the shares was not what it might appear? No, Actions had been taken by these people to force him to pay this money back. That was some two years prior to the forfeitureof his shares.

670 Were all his shares forfeited? Yes.

671 What did the company do with those forfeited shares? They were open to any one to take up who would pay the balance of the call.

672 As a matter of fact you took up Styles's shares? Yes.

673 We were told something about the probable amount of money which you had expended for the purchase of the property. I would like to go over the figures very briefly again ? There was £35,000 payment for the property, then £30,000, & £13,000.

674 Was that the total cash payment made for the property? Yes, for the purchase of the property besides expenses. The total payment in cash for that purpose was £78,000. That does not include any legal or other expenses incurred.

675 The money that the company has received has been how much. Was not £20,000 from London the first amount? Yes, and £20,000.

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3370 Smith Sutherland

6 And of course this £10,000 deposit is a liability? Yes.

7 You have received£40,000 in the company; what are your liabilities, & I am not talking about the £10,000 deposit? I will give you the exact amount. This is the last balance sheet dated 28th February 1898. There is £34,402 due to Amos.

8 As against that, you have spent, in railway construction, practically £40,000 ? £41,465.

9 And in harbour works ? £3,503, that is within a few pounds of £45,000.

10 In 1889 your first bill went through ? In December 1890.

11 That is practically eight years ago? Yes.

12 During the whole of those eight years you have only expended in harbour works £3503 ? yes.

13 Did you give any instructions to Mr Heild in October 1895 when the previous extension was asked for? No.

14 Who would have represented the company then? and given instructions ? Mr Armstrong.

15 Do you think that two years would be of any use to

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construct these works ? Yes.

Do you think it would be possible to complete anything like harbour works there? Do you mean 15 feet.

Yes, even 15 feet ? Yes, but our ~~em~~ engineers here can give you these particulars better than I can. I can only give you what he tells me. I understand that it is a cheap and easy business to make a depth of 15 feet, but we shall probably try to make it deper. We must make it deeper afterwards.

A good deal of the Smelting Company's affairs have crept into this evidence. Do you know how far the smelting works will be from the haibour when constructed ? A very short distance.

I think Mr Weinberg in his evidence on Friday said it would be two miles ? It is just about two miles from where the ores would be unloaded, it is a trifle under.

Of course all the same handling of the ores must take place, as if the distance was 20 miles ? It has to be handled

So that the difference between the cost would be simply the cost of the haulage as between 2 miles and 20 miles ? There are many other things, . The difference ofhaulage, I suppose would be that.

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Mr Cann: What amount of money do you anticipate it will take to complete all these works as you intend to do them ? About £150,000. We have a contract let to Amos - the balance amounts to £150,000.

What are your prospects of being able to raise that amount of money ? I have not the slightest doubt that we shall get the money at once, as soon as I get to England.

Are you negotiating, pending the passing of this bill ? Yes. When I left England we had matters pretty well settled, unless something unforeseen happened. People will not bind themselves for 12 months to take up any business, but unless something unforeseen happens, these people are prepared to find the money.

Mr Cohen: Do you feel fairly confident yourself that the money will be available ? I sent £10,000 from London on my responsibility, & I would not have sent it out unless I felt that I could carry out the business. We have nothing to sell. All we have to do is to make the harbour, and make the land available.

Mr Sleath: It was stated over & over again that the capital of this company is £1,600,000? That was a nominal amount for which the company was registered originally.

The original Sydney Company was registered for that.

You will see that Mr Heild over & over again repeats that?

That is the registered capital. We might have registered for £10,000,000; it would not have made the company any different; only we should have had to pay more stamp duty.

There would be no actual difference in the capital of the company if it were put down at £1,600,000, or £600,000?
No.

What is the total indebtedness of the company at present?
£45,000 including the £10,000 deposit.

What is the balance due from the company to the syndicate ? That is all settled.

That £100,000 is practically settled ? Yes, in the way I have explained. We made the call & settled it.

So that there is no money due to the syndicate now?
No, the £10,000 lodged comes back to us..

It is only a cross entry? Our total liability is £35,000, which is a great deal less than the cost of our railway.

Chairman: Do you mean the liabilities of your present company? Both companies; there are no liabilities in London.

You mean the liabilities of the Illawarra Harbour and

Land Corporation, and you do not include the Smelting Company ? No, the Smelting Company is quite a different matter.

Mr Sleath: So that the London company took shares for their £20,000 cash ? Yes.

So that is no liability? No.

If any firms were to undertake underwriting this, what would they want out of it ? They get the usual commission.

Of 100 per cent ? No, not with us. We do not do business in that way.

Chairman: Is it not often done by taking shares ? Yes.

For instance, if they do not get the cash, you give them double the amount in shares ? We very often give 2½ per cent in cash and a commission in shares.

Mr Sleath: You actually did give them 100 per cent. They took up ~~£20,000~~ 20,000 shares, and you gave them another 20,000 ? We gave them a certain amount in shares.

Did you not give them £20,000 in shares ? We are quite

prepared to make the thing palatable to the English investor. He usually wants to have some interest in the company as well. We are quite prepared to do all that is necessary to see that we have the money this time, & make no mistake about it.

64 Chairman: When Mr Carey, Mr Styles and Mr Newtown were shareholders, I suppose they knew the whole of the transaction up to the disposal of part of your property to the Smelting Company ? They had ceased to be shareholders before I went to England.

Mr Sleath: The call knocked them out ? No, it was not the call, it was the fear of the liabilities.

Mr Simpson: Was it not onaccount of the Mercantile Finance Company ? I arranged for a time to pay off the liabilities, but other people would not take the risk.

Chairman: Did they know of the disposal of the property to Fink by you ? Yes, that was ratified by the company.

Did these shareholders know it? Yes, they had notice of it.

Then Styles and Newton must have been shareholders up to the time of the formation of the Smelting Company ? No, the transfer of the property to Fink occurred some years before; it was a long time.

years before; it was a nominal one.

706 They were shareholders at the time, and knew it? Yes, & subsequently.

Were they shareholders at the time you formed this company? Yes, they were the first shareholders.

✓ At the time you formed the Smelting Company ? No, they were out long before that.

3 The call on theshares put them out ? As far as Carey and Newton were concerned, they refused to accept any further liability, they were liable for £40 a share, & they refused to hold them. Styles never paid one shilling.

4 Still they had their shares, & you disposedof the property to Fink? That was years before. I did not dispose of the property to Fink. It was in my name, I was only one shareholder. ~~In order to raise money~~ Mr Fink or the Mercantile finance corporation would not agree to become security for further advances from the bank unless the property were put in their name, instead of mine. They simply held it as trustees.

5 They were shareholders at that time? Yes.

6 When the call was made, practically Fink owned the property. &c.

property? No..

Was it not handed over to him ? No, he took the same position as I did, I was trustee before.

Mr Sleath: When did Mr Lyne became a shareholder? I cannot tell you. I got instructions from Mr Armstrong to allot ~~transfer~~ some shares to Mr Lyne, but I understand that Mr Lyne never accepted them.

Chairman: You transferred this property from your name to Fink's , and the same day Fink discounted this bill ? Yes, he got an advance.

To Wallach Brothers? Yes.

You say he discounted this bill when the property was transferred from your name to his , & he didcounted it to Wallach Brothers ? He got the money from the bank.

They signed the mortgage to the A.J. & G. Bank? Yes. I think whenI gave my story of the company I explained all that as clearly as I possibly could. I pointed out that the company owed the syndicate a large sum of money , which they had not paid off, and Mr Fink was quite within his rights in obtaining further advances for ~~the purchase~~ the company from the bank, and giving security.

9/3 You and Mr Armstrong own practically the whole of those 10,000 shares? No.

14 How many ? We hold a pretty good number. I explained that we hold them to assist us in financing in London.

15 You do not know the exact number of the 10,000 in your name ? I can tell you how many in my name .

Mr Sleath: Do you hold shares that are really not in your name? yes.

17 Chairman: How much do you calculate these harbour works will cost you ? Mr Harper can give you the exact figures of the contract. We have let a contract to Amos, & £35,000 of that has been spent. The railway has been finished.

18 The £150,000 would be outside the £34,000 ? Yes, we estimate the amount of the harbour and railway at £200,000. These are all done by schedule rates, & we may have to increase or decrease the amount. More stone may be required in the breakwaters and walls, ~~the~~. The people in London esimate that we would require on the contracts about £250,000 to pay interest during construction and so on.

19 Mr Sleath: Have you any estimate of the trade likely to be done when the harbour works are completed ? No, we

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are satisfied that the Smelting Company's business will be sufficient to pay us interest on the cost.

Mr Carroll: What is the cost of the railway in Amos's contract ? The cost of the railway was altogether £41,008.

Has Mr Amos been paid ? He still holds £54,000.

And he holds a mortgage over the railway ? Yes, and Lakelands estate. This amount of Amos's is less a good deal than the cost of the railway. I sent out £6000 worth of rails from London.

Mr Cohen: Did I understand you to say that you were prepared to pay off Amos at once, if he wants it ? I offered it to him, but he does not want it. If we do not get our bill through, we will pay him off at once.

Mr Carroll: Have you any money in the bank - I mean the Illawarra Harbour & Land Corporation ? We have a revenue of about £4000 a year coming in. As we get the money in, we pay our expenses, & we pay off Mr Amos. We pay him off a little now & then.

Has the Illawarra Harbour and Land Company held monthly or quarterly meetings lately ? No, they have not had a

meeting for some little time. I have been away for some time.

Is it a fact that they have been two years without holding a meeting? I do not think so.

Have they been very nearly two years? I do not think so. Do you mean a meeting of shareholders.

No, a meeting of any sort ? Yes, there have been meetings. The formerSecretary has gone to London -- he could give the information.

Who can give us the information that the Secretary ought to give ? We can produce our minute book. There is very little business to do.

Mr Simpson: Would not the meetings in London be sufficient to meet the requirements of the law? Yes.

Mr Carroll: Are all the shares held in London except 30? Yes.

Mr Sloath: Are those 30 shares different from the shares inLondon? Yes, they are original shares.

Is one share of those ~~30~~ thirty 1,600,000th part of the

company ? It is a ten-thousandth part; it is a share £100 paid up to £60. Nobody would care to hold a share of that description with £40 liability.

Mr Carroll: Are youaware that the government have now passed a bill witha view to constructing a harbour at Port Kembla? Yes.

What effect will that have on your scheme ? We are quite independent I think.

Will it not have a bad effect on the public at home who may go in for apeculiation? I do not think so, because we have a trade of our own. I do not think we will be very much afraid of competition.

What trade have you got? We have the trade of the Smelting Company.

It is stated to be very little ? We would not have put these works there unless we expected to do a very much larger business than we do now.

You have no contract with New Caledonia ? No, we will not unless we have a harbour made. If we have a harbour made I think it is absolutely certain we will have that contract, & a very large one.

You do not wish to state whether the contract with

Broken Hill is payable or not ? I could not answer that question. We have European and Australian smelters competg with us, & if we said that we were making money, we might be charged more.

What is the reason for letting one-third of the contract to a Melbourne company? I do not know the business of the Smelting Company, but I do know that the reason for that was that we were short of roasting appliances, which we are now putting up - those are 12 roasting furnaces

You said that you were going to have other works there. Have you any works for sulphuric acid? Yes.

Have you made any ~~sales~~ ? No, sulphuric acid is a by-product, & would probably be used for superphosphate , but we cannot afford to bring tht down to Sydney by t Illawarra line. You cannot make a chemical industry there without water carriage.

It was stated eight years ago that if you got the bill, the first work you would construct would be the harbour. How is it that that has been hung up so long ? I have explained that.

How is that you were able to start the Illawarra Smelting Works and not the harbour ? It is a different thing

737. Is one share of those thirty
1,600,000th part of the

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entirely. I used my efforts with my friends to get them to put up the works in order to create a trade for the harbour. I am largely interested in the harbour, & it was my business to try to establish a trade there. People might say that they would go into the smelting company when they would not go into the harbour company. They might put in £500,000 into that company when they would not go into a harbour company

Chairman: You say the company has an income of £4000 a year; what is that from ? From agistment and rentals & traffic on the railways.

How many acres of land now belong to the company ? originally there were 2900 acres, 500 acres have been taken off, leaving 2410 acres.

What do you think that is worth ? I think it is worth a lot of money. If the harbour is made, it will be worth very much.

What is the minary value of it now ? For 2900 acres I paid £65,000 10 years ago. We have four miles of water frontage to the lake. We went into the thing intending to make the land valuable, and at the same time put up big works.

Would the harbour increase the value of this land considerably ? Naturally it would -- the harbour and works.

Mr Simpson: Have not the Smelting works also increased the value of the land? Yes.

8 a 207 Teale Steward

95 Do you think the Smelting Company's works would give a value to agricultural land ? Yes, if you employed a lot of men about there the land becomes more valuable.

3 Mr Sold: Have you sold any of the land in small blocks? Yes, but not much.

4 What price have you been getting for it ? About £1 a foot.

5 About £300 an acre? Yes

6 Chairman: This company owes you practically £100,000? No, nothing.

7 They did not pay you any cash ? The debts were owing, and we owed the debts. We had to write them off. Money was owing to us.

8 It was a system of bookkeeping ? The money was owing to us, and should have been paid.

9 Mr Carroll: Do you say there is no Secretary now ? Yes, there is a Secretary, but he only joined during the last three weeks.

10 Who is the Secretary ? Neild.

1 Is he a relative of Mr Neild? Yes.

96

Mr Simpson

Was Mr Jarvis the secretary for a number of years ?

Yes, for five or six years.

763 Mr Carroll: It is reported that the sleepers in the railway line are rotting, & that the government refuse to allow their engines to work on it; is that true?

Certainly not. I cannot help reports being spread about.

97

33707
Steward
Thornton

GOVERNMENT PRINTING OFFICE
13 DEC 398
STOD-GUP'T.

Walter Andrew Harper, sworn and examined.

764 Chairman: Did you give evidence before the committee in 1895? No, I was away.

Mr Simpson: I understand that under the act the government have power to appoint a consulting engineer? Yes.

In pursuance of that power did they appoint Mr Darley ? Yes, as soon as the plans of the scheme were prepared it was considered important that Mr Darley should approve of them at that stage, because after the works were going on, he might come and alter them. So we submitted the plans to him before entering into any contract.

What was done by Mr Darley ? He made a very small alteration in the entrance to the works. The width of the channel was altered 100 feet, or something of that sort.

With that exception, were the plans approved of by him as consulting engineer ? Yes. There was a little difference in the construction of the breakwaters, a difference in the height and width of them, & also in the channel.

Are there any engineering difficulties in the way ? No. I produce a plan which accompanied the Port Kembla

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evidence as it was approved of by Mr Darley. It is the official plan of the Illawarra entrance.

Mr Sleath: What was the width before ? 200 feet at the entrance.

And you changed that to 430 feet? Yes.

Mr Simpson: Was your firm engineers for the Illawarra Corporation and did they prepare the plans in connection with the scheme? Yes. I think the committee will see by these plans that now that the tie-bank has been constructed there is practically a southern breakwater from Windang Island to the mainland, so that the breakwaters are really under the lee of the island.

Mr Cohen: Will that protection facilitate operations under the contract ? yes, it is made of light rubble, & is constructed to convey the stone to the breakwater, but it has stood very well , although the stones are only about one foot in diameter.

Mr Simpson: How long will it take to complete the harbour? The contract provides that it shall be done within two years.

...rs that the present contract with Amos ? Yes, it

depends a great deal on the dredging power. Under the contract, the contractor will have to supply dredgex, but I think the company will also supply a dredge of their own.

176 Have they the option of doing that? They have the refusal of a very large steam pump belonging to Mr Hay of Cooklangatta. If they buy that it would complete the work very much quicker. The contractor puts himself under ~~the~~ penalty to complete the work in 2 years..

? You have no doubt that if two years extension were given, it could be completed ? No; it is very light work - it will only take £140,000 to complete it.

Is there much blasting to be done ? No, none except to get stone out of the quarry. Soundings and borings have been taken by the contractors. We provided a clause in the contract that although the depths were given by us the contractor had to bore himself, & had to take the responsi - bility?

9 Has he done that? Yes.

Is there little or no blasting to do in connection with the excavation? There is no blasting at all in connectn with the harbour works. There is at the quarry. There is nothing of that kind in connection with scouring out - it is sand pump work.; it is exactly similar to the

107

3370 Bradford Randall.

entrance;
the Gippsland Lakes, with the exception that we have this island. At the Gippsland Lakes it has been a perfect success with timber and breakwaters, & it is exposed to the whole Pacific Ocean; there is no shelter.

181 Mr Sleath: Can you tell us the length of the southern breakwater ? The breakwater as shown on the plans really divided into two . The ~~latter~~ latter portions of the breakwater are ~~is~~ called training banks from the tie-bank towards the lake, & from there to the sea, breakwaters. The length of the southern training wall is ~~16650~~ 1650 feet.

And the breakwater? 1815 ft.

I suppose the breakwaters ~~are~~ are to be of stone. What depth will you have to go to get something like a bottom, or will you put them on the shifting sand ? The sand is quite solid, but the channel will be dredged say to 20 feet. It will be lined with stone to that depth. The stone will be allowed to find its own bottom; it may sink to 15 or 20 feet; we have to put in whatever stone is necessary. My experience is that it sinks 5 or 6 feet and beds itself in the sand. It is exactly like the Suez Canal through the Bitter Lakes, where they have lined it with pitching. It has not gone below the bottom level of the canal. The stones are sunk a foot or two in the sand.

101

What is the size of the training wall ? 10 feet on the top with a batter of 1½ to 1.

Will the breakwater be larger than the training wall ? The southern breakwater is very large. The width at the top is 15 feet; at high water mark, 51 feet; at low water mark 66 feet, with a batter of 1½ to 1 with 10 ton blocks.

What about the northern breakwater and training wall ? It is practically the same, it is a little shorter.

The distance fom the mouth of the breakwater to the finish of the training wall would be 3465 feet? Yes.

What is the length of the canal channel? A little over 3 miles.

Do you intend to have a training wall up both sides ? No, it would be simply deepened just like an ordinary canal.

Do you think that will stand ? Yes. Very much wider slopes are provided than are necessary. The Suez Canal slopes stand at 1 in 1. We provide 1 in 5, so that it is almost like a saucer.

This channel is only 100 feet wide ? That is at the bottom.

Mr Cohen: What is the height of the tide there? There is scarcely any in the lake. There would be about

two feet when the work is completed.

193 Mr Sleath: What will be the width at the top of this dredging ? If you carry the slopes to water level, the width will be 330 feet.

With a batter of 5 to 1 ? There are 115 feet on each side of the central piece at 23 feet. I am taking that depth, because I think it is really intended to take it to that depth. In the northern breakwater there is 139,000 tons - that is the whole thing. In the southern breakwater there is 153,000 tons. The total cost is £52,924.

That does not include the training walls and the channel? No. The cost of the total dredging 3,600,000 yards is ~~£81,00~~ £81,000, a lump sum contract. The contractor is responsible for dredging that, and at the completion of his maintenance time, he hands over the channel at the theoretical slope.

Do the training walls come under that estimate ? No, there are 167,000 tons in the training walls and the cost approximately is ~~£160~~ £18,000.

As the engineer and having made yourself ~~thoroughly~~ have thoroughly conversant with the whole surroundings, ~~have~~ you considered the possibility of ~~any~~ silting up when the breakwaters are completed ? yes, fully . The last part of the breakwater, for about 50 yards from the end is

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on
~~old~~ solid rock. There is no sand shifting at the ends of the breakwater. Before any silting up could possibly occur, it would be necessary for the whole of the area of the bight to reclaim to the eastern cape of Windang Island. That would take centuries. Before any sand could get round at all, it would be necessary to do that.

But from the other side? There is no trend from there. The whole force is from the south and the only sand which comes is in a heavy southerly. There is a little drift along the shore, but the breakwater is sufficiently large to keep all that, & there are fascine banks running parallel for half a mile south of the breakwaters to trap any little travelling dry sand. The banks come to a very small sum; they are only to hold dredgings; they only amount to about £2000 altogether.

What is the depth of water at high & low water marks at the eastern end of the breakwater ? 26 feet at lowwater.

With a hard rocky bottom? Yes.

What would be the corresponding depth between the breakwater and the training walls ? At the present time it varies a cording to the state of the lake - sometimes there is a deep channel there, & sometimes there is no channel at all, ~~unless~~ Until these walls were built there was nothing to guide the channel or maintain it in any directn.

Mr Cann: When you make an opening into the channel, will

3387 Inspr Brabazon

not the level of the lake go down to dead low water ?
It will be dredged.

6 3 Will you not alter the level of the lake ? No. When it is dammed up the lake rises sometimes several feet, but it never goes below low water mark. All our calculations are to low water mark.

4 Mr Sleath: What depth do you intend to dredge it right through from the eastern end ? 20 feet at low water.

5 Mr Cohen: Do you say that there will be a rise of about two feet ? less than 2 feet.

6 But there must be a rise of four or five feet outside? Yes, 5 feet at the entrance.

7 Mr Simpson: Has Mr Darley seen these plans? Yes.

8 Mr Sleath: You say the width of the channel will be 430 feet . Do you see that Mr Darley says that the width ought not to be less than 500 feet ? He has altered his view since the plan was made. That is his document; I do not agree with him on that, and I should not give way any further. My opinion was that it might have been less. I am backed up in that by Sir John Coode, but at the same time I did not wish to fight on details with him, & I gave way to the extent of 430 feet which we agreed upon.

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ge says that the entrance to the Amsterdam Ship Canal, a parallel case is 800 feet wide, and that it is not so exposed ? You can get plenty of instances the other way.. it all depends on the current. I am certain that is ample.

Do you know the width of the entrance to the Tyne ? No, but it is a very wide entrance, & then there is the river Tyne.

Mr Darley gives the entrance to the Tyne at 1100 feet, and the Tees 2000 feet ? You cannot compare these works. This is a lake: it is all still water, & the only scour we have is the tidal range. If we make them too wide we shll have too little scour , & if we make them too narrow, we shall have to too much.

Mr Cann: If you have a lot of wet weather, will you not have a great deal of scour? Not very much.

Mr Sleath: Do you know any work of this kind in the world with as narrow an entrance ? I do not know any one exactly similar, but the plans that Sir John Coode made for Lake Macquarie provide for an entrance of 200 feet. That is the nearest case to this that I can imagine. On that point the ctee should be quite satisfied, because anything we do there will be done under Mr Darley. If he insists on the width being greater, the company will have to do it.

106

Q(3 Mr. Sleath: You say that Sir John C^ode recommended an entrance of 200 feet to Lake Macquarie. Do you know that Mr Moriarty increased that width very much? I think he widened it to 500 feet.

10 To 1300 feet ? I knew he altered it.

How long have you been engineer for this company ? Since its inception about eight years ago.

Have you done much work in connection with the harbour ? No, only the tie-bank. We constructed the railways on shore.

Supposg this extensn is granted have you any arrangements made as engineer for the company to proceed with the work ? We called for tenders for the harbour and let a contract for that to Mr Amos. He will carry it out. There will have to be certain alterations in his contract with regard to the depth. His contract is for £140,000 approximately; it was £200,000 including the railway.

How long is it since this contract has been entered upon? About three years.

So that three years ago you were exactly in the same position to proceed with the work as you are now?

I do not think so.

I mean the contract was made the same as it is now?

Yes.

What has been expended on harbour construction in the three years ? About £4000. -- between £3000 and £4000.

We had a witness here the other day who said he could not observe any harbour works ? Then he has not been there. The tiebank is shown in that plan as complete. One of the witnesses in the Upper House said he had ridden across the lake.

Chairman: What did you say was the total cost of this work? £140,000.

Is that without the railway? Yes.

In 1898 in giving evidence before the other ctee, you put it down as what? £170,000.

No, without the railway you said it would cost £250,000 ? That was our original estimate, we modified that very considerably as regards the works themselves, & prices have gone down very considerably.

817 ThenIn September 1898, acouple of months ago, you said it would cost £200,000 ? I said the contract was let for £200,000, and £40,000 of railway was done, which left it at £160,000.

No, in1889 the harbour itself without the railway was estimated to cost £250,000; now, in 1898 at page 17, you put down the cost at £200,000 ? That is not quite right. The actual facts are that the contract for the harbour works and railways was let for £200,000, of which £40,000 has been spent on railways, leaving £160,000 for the harbour.

In your evidence in 1889 you put it down at ~~£200,000~~ £250,000 without the railway ? It has never been altered; it was £200,000 including the railway .

Mr Simpson: Was that before the contract was let? Yes.

Chairman: In 1889 you put it down at £250,000 without the railway; a couple of months ago, in September 1898, you put down the cost at £200,000 ? We let the contract for £50,000 less than the estimates. That would have been more correct if it had said, inclusive of the railway.

Do you think that if we wait for another two years it will come down to £80,000 ? No. Where we come down between our contract and the estimate was in the work itself. Our ideas were very large as to the size of the work. We modified those and reduced the contract to £200,000.

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Q 3 Mr Cohen: Does that contract hold good? Yes, I think it is a fair contract.

4 Mr Sleath: Have you gone into the questions as to the probabilities of the work paying, or are you merely as an engineer, carrying out the work? Our official capacity is only that of engineers, but I am quite satisfied about its paying. I am so satisfied with the company that I have a very large share in it.

Is it not sometimes customary, in a case of this sort, for a practical engineer to give a report ? I am satisfied myself that the smelting company's trade alone will pay interest on the debentures, & I do not care for anything else but the debentures.

The Chairman:

6 Do you know the total amount of stuff that the company is dealing with at present ? No. I know that they expect to deal with a very large quantity when the harbour is made, but I do not think my evidence on that point would be as good as Mr Weinberg's.

You hold that opinion, but still it is only an opinion? The amount required to pay interest on £200,000 at 5 per cent is £10,000. It is clear that the dues from the Smelting Company alone will come to that, that is treating 200,000 tons a year.

110

That is for over-sea stuff? Yes.

You think the Smelting Company can treat 200,000 tons a year at their present works ? Certainly not, but I am satisfied that if this bill is granted, the New Caledonia business alone will be sufficient, even supposing they do not make larger contracts with Broken Hill. to pay interest on the whole affair.

But the New Caledonia contract is in the air; for instance they could not make it for at least 12 months? Yes, they have large stacks of copper ore already.

So you not knew that the New Caledonia company is under contract with some English companies to take their stuff, which does not expire for 12 months ? Not for copper, only for nickel.

Mr Sleath: But there is no proposed contract for copper with New Caledonia? Yes.

Mr Weinberg does not say so ? My evidence is only heqrsay.

The Chairman:

Is Mr Henderson a member of your firm? Yes.

I suppose you have all of these plans in your office? The one before the ctee is Mr Darley's ——— the rest were done by us .

Do you think there is any danger of this harbour silting up after being constructed on this plan? Not the slightest. There is no movement in the lake ; it is dead water.

Will it be after the channel is made ? Yes, except between the walls.

Do you mean to say that with the sweep of the Pacific Ocean into this channel you willhave no silting ? Where the channel is confied within stone walls if there was any silting it would take it away. But there is no reason to suppose that there will be any sand difficulty. I am perfectly clear on that point.

Do you think the harbour works on that plan can be constructed ~~the same~~ for the sum you mention ? Yes, easily.

Mr Sleath: You say that this work would be constructed easily in two years ? Yes.

851 To the depth specified? Yes.

You seem to differ somewhat from Mr Henderson; would you be surprised to learn that he does not think it would be? I do not know that he ever gave that evidence.

Would you be surprised if he gave this evidence: the Company could not go to the public in London and get money now for carrying out a 20 feet channel in two years, because the time is too short ? That is quite right. What he means is this: If you apply to a man for debenture money, he is not going to take contractor's risks that the work will be done to a day in two years; it would be unfair to ask him. You must have at least a fair margin of time. A contractor will take the risk of doing a work within a certain time under a penalty of £500 a week, but if a debenture holder lends his money, and the work is not done, he loses the lot. All that we have had to deal with in the other evidence is the 15 feet channel. That would be completed in two years.

Are you a large shareholder of this company? I have no shares in the Sydney company; I have in the London company.

Mr Harper appears as a director of the London company ?

Yes, I am a director.

You are still a drector? Yes.

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3107

Edgar Murphy

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857 I suppose you know the Sydney and the London company are practically the same ? I do not know that.

Is it not all money raised to carry on the same work? The London company is undoubtedly the financing body of the Sydney company.

You are a director of the London company, & you ought to know. Is it not a fact that the Sydney company has practically ceased to exist ? No, it cannot have ceased to exist.

I do not mean legally, but practically. How many shares are held by the Sydney company? I cannot tell you.

Do you know how many are held by the London company? Yes, nearly all the shares.

Do you know how many the London company have got out of the original 10,000 ? I cannot say.

Would you be surprised to learn that they took up 9970? No, because I know they have nearly all.

If they have 9970 out of 10,000 is it not the fact that

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they are practically the company ? They are the largest shareholders undoubtedly. It is rather an academic question. I can tell you that there are some first-class people in the London company. I will not be a director when the works start.

Did you undertake the survey and preparation of plans for this work at the request of the Illawarra Corpor tion? Yes.

Did they make a contract with you to do it? No, they simply employe d us professionally in the ordinary way. They pay us a fee on the work as carried out.

Supposing the work is not carried out, how do you stand for fees then? We do not get any.

Do they pay you in shares or in cash? In cash.

That is if it is gone on with? In any case.

Did you buy the shares which appear in your name in London ? No.

Were they given to you for some consideration? I do not think I should go into that. I devoted considerable time in London to this business , & Mr De Wolf gave me the shares himself personally. I did not ask him for them;

115

they have nothing to do with my firm or business.

Mr Simpson: I presume your firm have been paid cash for their plans? The work has been carried out by my partners and their payment has been the ordinary engineering commission.

And paid in cash? Yes.

Mr Sleath: Your interest as a shareholder is purely a personal interest, & it has nothing to do with the firm? Yes.

There is something in connection with Amos's contract that I want to ask. Mr Amos says that the contract was verbally accepted. I suppose there is nothing really binding between you ? There is a proper contract ~~between~~ prepared by Allen and Allen acting for Mr Amos.

The reason why I asked the question was because Mr Amos in his evidence said that there was only a verbal contract ? I can explain that. The original contract was a binding contract, but subsequently there have been some alterations in the work . When those alterations were made he submitted a tender. That will have to be embodied in a contract when the work starts. The first contract has been modified.

No. In the evidence it is stated that he produced

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the tender dated 22nd April 1897. He was asked if it had been accepted, and He said it had been verbally accepted? I am not going to commit myself as to whether it is or not. As soon as we start the works, we will have that ~~co~~ contract ~~embid~~ embodied in a legal form.

But Mr Amos may not be prepared to proceed ? Yes he is.

But you have nothing here binding him ? We do not care much. The contract has been let, but there has been an alteration, and he submitted a fresh tender. There is no object in the company doing anything more with that tender until the work is started. Then it will be put in the contract that the solicitors will prepare.

Chairman: That is made an affair contingent on this scheme being accepted by parlt ? Yes, we are morally bound to Amos; he has done the work well; he has got the contract; and the delay has not been his fault .

I mean there is nothing binding whatever . He cannot hold you responsible; you cannot hold him responsible; but you are morally bound to him ? I think he can hold the company responsible, & if they do not conclude the contract with him, they will have to pay a penalty.

You think that if the company does not ~~finally~~ x ~~xxxxx xxx xxxxxx~~ finally arrange the contract, they will have to pay a penalty ? Yes.

117

Mr Sh: the evidence it is stated that he produced

Mr Moseley: At the bottom of page 27 you will see questn 637:

"But there has been another contract - the terms and conditions are identical." 2 —

Yes.

Mr Sleath: But does it not say in that question that the company will have to pay 90 per cent monthly on the work done ? The contract is binding . If the corporation do not carry out that contract they have to pay Mr Amos a certain penalty. I do not remember what it is. The schedule of prices which is embodied in the contract has been subsequently amendd. That second schedule has not been embodied in the second contract.

Mr Cann: Was that contingent on the giving of notice to go on with the work? Yes, or paying the penalty.

There is this reservation that you have to give notice to go on with the work - then he is liable, and you are liable if the notice has been given? yes.

Then there is nothing in existence until that notice has been given ? Yes.

Mr Sleath: Mr Amos in giving his evidence was asked by Mr Trickett:

"You say that within two years of getting notice to proceed, you will have the work done in accordance with

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withthe principal act ?"

He answered

"Yes to a depth of 15 feet"

Then he explains that Mr Armstrong, the managing director, made a verbal contract ? --- I think that is pretty nearly correct.

Mr Cohen: Were the detail plans submitted to Mr Marley? Yes, every detail.

And he signed his approval? He returned the plans with this modification of the breakwater. We then adopted it, and resubmitted it.

Did he sign it ? He never signed our plans; we got his report approving of it.

6.

GOVERNMENT PRINTING OFFICE
13 DEC 1898
SUPERINTENDENT

1

Andrew Armstrong called in sworn and examind

Mr Simpson - What is yr connectn w t Illawarra Harbr Ld Corporatn ? I am Mang Director o t Illwarra Harbr and Ld Corporatn in t coly

Mr Sleath - You are manag directr o t Sydney Co ?Yes

Who are your co-directrs ?At present Mr A B Chppendall and Lieutenant Col Neild

How long hs Mr Chppendall bn upon t board ?Abt 3 yrs I think ; I cd not give you t exact date

How long hs Lieut Col Neild bn upon t board ?Abt 2 yrs

When did Mr Chppendall first become intrstd in t Co as a share holdr ?we hd some shares in t Illwarra and Ld Corporatn in t coly bef t Londn compy was formd. He now holds one share in t local compy

How many in t London Compy ?£500 worth

How did Mr Chippendall become a shareholder in t first place ?He is my brotherinlaw and I gave him shares immedtly t compy was formd in its early days. I divide many o my intrsts among severl o my relatives and my childrn

So tt Mr C hippendall did not pay anything into t compy

f his share intrst ?Nothg whatever

When did Lieut Col Neild first become intrstd in t

compy as a shareholder ?By direct allottmt by t London compy afte

it was formed.Liet Col Neild was promsd by me an intrst in t

syndicate when it was formd I think in 1888.In pursuance o tt

promse under my directn in London certn shares were allotta to

him after t formatn o t compy there.All t colonial shares hd

heavy liabilties and Lieut Col Neild being a frnd when t compy

was formd in Londn I directd t allottmt to him o a certn number

o shares wt liabilty.T shares were allottd to him wt his knowldge

leave it to him to accept them or not as he pleasd.we acceptd them

T compy was formd in Nov 1895 but we hd no knowldge o t formtn

o t compy until Feb 1896 and it was abt May 1896 bef Lieut Col

Neild hd any knowldge o any shares being allottd to him

When did Lt Col Neild become a shareholdr in t Syany

Comply ? I had merely told him on t conclusn o some old things in

wh we were intrstd tt I wd put him into t compy.He never ha

anythng more tangible than tt until t shares were allotta to

him in May 1896

903 So tt altho you hd made this promse to him he had no

legal intrst until May 1896 ?Tt is so

4 You remember tt sometime in 1895 you were askg f an

extensn o yr original right under t act ?Yes.We got a secnd bil

thro in Oct 1895

5 Was Mr Neild then in chrge o tt bill ?Yes

6 Had he any intrst in t compy then ?Nothng more than t

promse I hd givn him long, long bef tt , tt I wd put him into

somethng in considratn o t various losses we hd ha together

7 Ashton - He did not know tt tt promse aplied to this

particlar compy.He did not know it at tt time ?I do not think he cd

h known it.His share hd taken no tangible form .He was not direct

-ly or indirectly a shareholder

Your statemt ~~was~~ is tt he did not know he was a

shareholder ?Quite so

8 Mr Sleath - You say t he did not know tt at t date you

aplied f yr secnd bill ?I do not think he cd posbly h known it

Mr Ashton - He did not know tt you were going to

fulfil yr promse by giving him shares in this particlar compy ?No

He did not know anything abt t fulfillmt o my promse until I

advisd him tt certn shares were allottd to him in t London Compy

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That was abt t end o Feb and it was early in May 1896 I think

when t shares were allottd.We had no knowldge at all tt t compy

wd be formd until late in Decr 1895

When did Mr Neild becomes possessd o his shares in t

Sydney Co ?I cannt fix t date exactly but I shd think it wd be

abt April 1896

Do you remember giving evidce on t 11th Oct o this

yr bef t select ctee o t L C ?Yes

Do you remember stating tt Mr J C Neild hd bn intrst

-ed in t compy frm t very start ?Yes

Cah you explain now to this ctee in yr own way t diff-

erence betwn t two statemts .You say today tt up to April 1896

Mr Neild hd no interst in t compy ? He was a registrd shareholdr

at a certn date and I recognisd him as a shareholdr at anothr

date.I distinctly told him tt I wd put him into t first lege thng

I formd and in my own mind he was a shareholdr.On lookg at t date

~~to~~ since I gave t evidce to wh you h referrd I find tt nothg

occurrd to put him in t postin o a tangible or legal shareholdr

until May 1896

Do you not think then tt t evidce you gave bef t

select ctee o t L C is somewht misleadg ?It may be misleadg,but

337 Thos Ellis

I think you wil agree w me tt it was in acord w my own mind in t matter - nothg more than tt .I gave t evidce wt t slightst intention to mislead

Q16 But on readg t evidce now does it not apear to you tt it is slightly misleadg ?It is calculatd to mislead and I shd regret very much havg misled any select ctee o Parlt . What I said in my mind was t distinct understndg tt I wd put him in to something I meantnd to him in t early days tt when I was formg a large thng I wd not forget our old losses together

You h hd a large experce in t formatn o companies ? Fairly large

Q18 In those matters is there not alwys t poss-y o a change o directrs fm a variety o causes ?Of course t directrs may resign or may retire in rotatn

Q19 So tt if you wantd to put anyone into a parlar concern you wd put him down in t reg list o shareholders ?Tt is rather a wide questn.I do not wish to shirk any questn but I scarcely understnd t ll meang o what you ask

Q20 Supose you were going to give me an intrst in a compy you wd put me down on t Share Reg and transfer c ertn shares to me. ?As a rule companies are formd by seven persons unitg and agreeg to its formatn there must be seven.They generlly put

1264

themslvs down f one share and arange t details aftrwds. The directorate is aftrwds formd acordg to circs. In some cases those formg t compy are not competent to form t directorte and in tt case t direc torate is formd o othr persons

What I mean is this : If you ~~are~~ going to give anyon an interst f a considratn - it does not matte what - it is done as a rule immedtly after t compy hs bn formd ?It can be done at any time. We can transfer t shares to any parlar perso n but it is generlly done as you sugest

Mr weild is suposd to h obtaind his share in settlmt o many little transactions as you put it ? yes ; but they were transactions wh left nothg bindg agst myslf

Let me refer you to yr evidce bef t select ctee o t L C. In reply to questn 809, referrg to Mr weild's interst in t concern, you sd " I agreed to put him into it and I did put him into it in abt t yr o our startg t concern ". Do you remember sayg tt ? I sd somethng like it, I perfectly remember ~~tt~~ I explaind as far as I can posbly explain up to t present, my meaning in giving tt evidce. It was only in reality a continuatn o t same line o evidce

8370 Stewart Arthur

What you mean to say then is tt you gave Mr Neild an intrst in 1898 and tt he did not include tt intrst in his aset at t time o his insolvency ? I was askd a numbr o questns at t meetg o t select ctee o t L C wh hd refernce more or less to Mr Neild's insolvency and portns o t answrs were excisd by t directn o t chairman fm t offical record.Portns o my answrs were purposely withheld

Is tt your explanatn o this misleadg statemt ?To a very grt extent

What you mean is tt you fencd t questn ?I do not meant , but I was askd questns wh were entirly beyond my positn as Managing directr o t compy.T matters were entirly beyond my control

You admit tt t answrs you gave to questns askd you in t previous inquiry were calculatd to mislead ?Yes

Is t reason you gave t answrs wh hv bn quoted in t parlar form in wh it apears tt you wantd to shield Mr Neild ?No

Let me refer you again to your answr to question 809 T questn was "Was this arangmt betwn you and Mr Neild giving him his intrst in t concern in writing ?" T answr was " I do not think it was ". That is to say you were not sure whethr it was in writing or not .Now you say tt Mr Neild did not know anything

about it until 1895 or 1896 ? Exactly.I was not sure at tt date

whethr t arangmt was in writing or not

Had you any doubt in yr mind whethr Mr Neild knew

anything abt t matter bef 1896 ? I know tt he was aware tt I had

told him tt I wd put him into t first big thing I was in

T compy might be so good tt you might not deem

fit to put him in ?At all events tt is all t knowldge he ever had

yet in my mind I lookd upon him as a shareholder in t compy

and fm t start my evidce I think conveys tt impressn

He was a shareholdr in yr mind only ?Exactly

Mr Cohen - When you put Mr Neild into t compy did you

not tell him t you wd put him into a certn compy - naming it ?

I think not.I wrote to him at t end o Feb 1896 informing him tt

followg upon my old promse to him I had recomendd t allottmt o

certn shares to him in t London compy

You did not ~~tell him~~ mention to him t name o t

original compy he was in ?No.I sd I think it wd be a compy he

cd be put into wt liabilty

You say now tt in ~~Nov~~ 1896 you told Mr Neild tt in

conseqce o yr promse you were giving him certn shares in this

compy ?No : I told him tt as far back as 1890 I think

You told him then tt you wd put him into some thng ?

Yes

And in 1896 you told him tt you had recomendd t allot-
ment to him o 1000 shares in a compy formd in London to continue
t operatns o a compy wh hd bn formd in Sydney ?Yes

In May 1896 Mr Neild knew t exact intrst he held in
this compy ?Yes

He knew t compy and ~~&~~ everything abt it ?Yes

Prior to tt year he was ignorant you think o what he
was in ?That is exactly what I mean to convey

On page 31 in reply to questn 747, referrg to Mr
Chippendall's intrs, you were askd "How were t shares acquired ?"
and you sd " I do not know tt I cd tell you ".You were afterwards
asked how Lt Col Neild's shares were acquired and you answered
"In t same way " . Can you throw any light upon those two answrs?
I do not think they are at all anomalous.Mr Chippendall was my
brotherinlaw and I promsd him a small portn o one o my syndicate
shares

Then acordg to yr answr now you did know how Mr Neild's
shares were acquired ?I knew tt there was an allotmt o shares to

33707
Leake Pelletier

Mr would by t London compy. As far as I can recolect t questn was put to me in such a form in t first instce tt it cd not be easily answered

cd you not h very simply answered t questn " How were t shares acquired ?" ? That is explained fully in t answrs wh follow'd. T questns wh were put at first developd other questns

4 What I want to get at is t develpmt o t answrs ? My answer as to Mr Chippendall was tt I had givn him an intrst in a portn o my syndicate shares

There is nothg in t evidce to show how Mr Chippendall acquired his intrst. In fact there is yr direct statemt tt you do not know tt you cd tell t ctee ? Tt questn is developd in ~~preceding~~ succeeding questns

6 You say now tt Mr Chippendall had a small portn o ~~one~~ yr syndicate shares , but listn to yr answr to questn 748. T questn is "You do not know how ? " and t answr you gave was "I know tt he hd a very small intrst in t formatn o t first syndicate and in t allotmt or settlmt o shares afterwds in t colonial compy ~~and~~ or was transferrd to Mr De Wolf f t purpose o enablg him to finance in London " ? Mr Chippendall got certn shares by virtue o a certn intrst. T point is how did he acquire tt intrst. What was t basis o his share allotment. In answer to questn 747 you sd tt you did not know tt you cd tell ; then in t

succeedg questn w regard to Mr Neild's interst you sd tt it was

qacquired in t same way as Mr Chippendall's ?Yes

947 Mr Cohen - As Mr Ashton has pointd out you sd in t

first instce tt you ~~did not know how t shares tt you~~ cd tell how

t shares were acquired. When you were askd questns upon this point

today you sd tt he was your brotherinlaw, and tt he was givn a

small interst in yr syndicate share. Fm t form in wh yr answr was

previously givn when you sd "I know tt he hd a very small interst

in t formatn o t first syndicate " no one wd assume tt it was

part o yr interst ?I admit tt t answr to questn 748 is to some

extent misleadg

Mr Ashton - You confess tt bef t select ctee o t LC

you sd you were ignorant o how Mr Chippendall acquired his shares

when you knew tt you hd givn them to him ?I think it is hardly

fair to put it in tt way

Can you put any other constructn upon it ?T answers

afterwds developd show tt Mr Chippendall came in as holdg part o

my intrst

I do not think t answrs show tt he held part o your

interst ?No questions were put to me by t ctee wh permittd o my

makg t explanatn in precise terms tt Mr Chippendall held part o

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my intrst

Why did you not tell t ctee at once tt Mr Chippendall held part o yr intrst instd o sayg tt you did not know tt you cd tell them how he acquird his shares ?I had no intentn o misleadg t ctee

Mr Cohen - Another point is this : you were askd how Mr Weild acquird his shares and you sd in t same way as Mr Chippendall ?Yes

Then are we to assume tt Mr Weild also had a small intrst in t concern fm t first ?No

Mr Ashton - There is nothg in t evidce wh you gave bef t select ctee o t L C to show tt Mr Chippendall's share was a part o yr intrst ?I did not feel at all clear tt t questn put to me left me an opprty o statg so. I certly hd no desire to suppress t fact tt Mr Chippendall acquired his shares thro my syndicate intrst

Mr Carroll - Is Dr Storer a resident o this coly NO

He has 20 shares I understand ?Yes

Mr Cohen - Let me refer you to questn 804 .In reference to Mr Weild's intrst you were askd "How did he acquire tt intrst" and you answrd "I really cannt tell you, but I may say at once tt

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even if I cd remember I shd decline to answr t questn .Mr Neild and I had many privte and friendly transctions We were in adj oing offices yrs and yrs ago. As a mattr o fact I do not remembr t exact parlars .Even if I did I wd not go into them."

How do you reconcile tt answr w yr statemt today ?I cd only continue my explanatn by sayg tt this answr was givn to badgering questns concerng Mr Neild's insolvency. A grt deal o t evidce hs bn purposely excised. What you see does not give a fair resumé o t questns as actully put

Take your answr to questn 806. You were askd "Was tt arangmt whereby Mr Neild took an intrst to t extent o £1000 by virtue o t arangmt made betwn you and him in 1888 " Your answr was "Yes, by virtue o intrst or right in t compy springg out o his transctions w me in 1888 ". Now you say he did not know anythg abt t mattr until 1896 ?Excptg my verbal promse in 1888 or 1890 referrg to no parlr compy ? Quite so

Mr Sleath - Mr Neild did not know tt he had any intrst at all in this compy or in any parlr compy until May 1896 ?No

Mr Ashton - You must admit tt t answrs you h givn today side by side w t answrs you h givn to a previous ctee are unsatisfactyr . T explanatn is I take it tt you did h an

arangmt w Mr Neild in 1888 in regard to an intrst in this compy tt Mr Neild probly because he lookd upon t thng as nebulous did not include t intrst in his list o assets at t time o his insolvency ?No arangmt was mde then.I h endeavrd to explain to you tt no arangmt was mde entirly in my own mind.I intendd to put Mr Neild into t first big thng.T matter was entirly in my own mind

Mr Waddell - You cd scarcely call tt an arangmt ?

There is no other arangmt and as I h sd Mr Neild hd no knowldge o it until 1896

You adhere positivly to tt ?Yes When these question were askd me I did not know tt I hd writtn to him at all on t subjct but I h searchd my letter book and I find tt I wrote to him in May 1896 informg him tt he hd bn allottd a thousd shares in t compy formd in London

Mr Ashton - His first intrst was in t compy auly registerd in Londn ?Yes

He did not hold any intrst in t synaicate bef he held these shares in t London compy ?No : there was nothg beynd my promse

Then yr statemt tt he had a small intrst in t formatn o t first syndicate refers only to t arangmt to wh you h referrd as being your own mind ?There was merely t indefinte promse tt I wd put him into somethng.It is quite possble tt in some way or othr

I mark mentnd this matter to him when I first began to form t

syndicate in 1888

Mr Cohen - Was it in 1888 or 1890 tt you wrote to

Mr Neild tt in pursuance o yr former promse he hd bn allottd

shares in this compy ?No ; I wrote nothg to him on t subjct until

1896

Mr Sleath - How did Mr Neild acquire his shares in t

Sydney Co ?By being a large shareholder in t London compy. Requir

ing a directr I sugestd t matter to him and I told him tt he wd h

to be a shareholder in t colonial compy. He acquired one share

~~entirely outside my compy~~ by purchse ~~I think from someone.~~ I am not

cognisant o t circs. It is possble tt he bought it f a trifle

Will you refer to yr answr to questn 811 on page

34. You h sworn tt Mr Neild acquird his share in t Sydny Co by

purchse fm someone and tt you hd no knowldge o t transactn . In

reply to questn 811 you sd "T share in t Sydny Co means tt he ha

a share in t compy wh was settld by t allotmt in t London Co. One

o t shares he still holds here "?" Yes.

Now will you refer to t follong questn and answr "Hs

he held it long ?" ? Ever since t date o t allotmt to him under

t old arangmt in 1888 to wh I h referred ". Yes, tt is quite con

-sistent w what I now say

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~~But you~~

But you say now tt after acquirg these shares in t London compy he aftrwds ourside o those shares altogether and quite indepndtly o you acquired another share in t Sydney Co : will you explain t inconsistency ?That is clearly an error

Mr Cohen - Which is t error. Your former statemt or yr explanatn today ?I do not think it is fair to put me in this positn

Mr Ashton - But t ctee ought to know surely wh statemt is true ?T evidce is contradictry. I clearly made an error in giving my evidce bef t select ctee ~~bef t~~ o t L C

T printd evidce you say is wrong ?Yes

Mr Sleath - You say tt it is absolutly wrong ?I am sure tt Mr Weild's interst in t local compy was not acquired until long after he hd held 1000 shares in t London compy. He obtaind his share by transfer outside o my ~~compy~~ Langaton altogether simply in order tt he might be electd to a seat on t board

You say now tt your answrs to questn 811 and ~~813~~ 812 in t L C's select ctee were absolutly ~~in error~~ wrong ?Yes

Questn 813 is as follows : " Is it a bona fide claim wh he has in this compy ?" and you answrd "It is a bona fide claim agst me, settld by my putt g him into t earlier syndicate "

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33707

Hart Steward

That related to my promse : there was only my promse

Did you promse to put him into t earlier syndicate ?I promsd to put him into t first good thng I had . I believe I advised him in 1890 tt I hd put him into t compy.If I h sd tt by way o answr it probly arose frm t belief in my mind tt I had made t promse to him.That is what I had in my mind when I gave t answr to questn 813

You sd in reply to questn 813 tt you had put him into t earlier syndicate.Now I want you to answr this questn : Did you or did you not put him into tt syndicate ?I only put him into it by my promse

Did you put him into tt syndicate or did you not ?I did not

Altho on t 11th Oct you swore tt you did ? ~~It is~~ a continuatn o t same evidce ~~tt I am make t statemt I make now~~ by statement

Mr Cohen - You say now tt you nvr put him into t earlier syndicate ?Except as I h alrdy explaind tt there was my promse to him tt he shd be put into t first big thing I had.

Mr Archibald Campbell - Did you read t printd copy o t evidce taken bef t select ctee o t L C bef it took its pr sent form, t form in wh it apears bef this ctee ?Yes ;Many altratns were required in consequce o portions being excised havg

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reference to Mr Neild's insolvency.T ctee determind tt thse portns shd be excisd and t context was not clear

You passd t evidce in t form in wh it now apears ?I presume so

Mr Cohen - were you present in t hs a few nights ago when Mr Neild explaind how he became possessd o these shares ?I was

You heard his statemt ?Yes

You heard Mr Neild make a statemt simlr to tt wh you are makg to us now ?Yes

That was subsequnt to yr giving t evidce fm wh quotations h bn made ?Yes

Mr Sleath - We do not want to h any other selc t ctee inquirg into yr answrs.I want you to clearly undrstnd this questn therefre bef you answr it:How long h you bn in Mr Neild's compy since t discussn in t hs upon this questn a fortnight ago ?Three or four times f a few minutes

For a few minutes only ?Perhaps f an hour on one ocasion

Did you discuss this questn at all ?Certly not

You never mentioned it ?No

You are psitive abt tt ?Quite positive

You quite understnd tt you are on your oath and tt your oath here is just as sacred and bindg as it wd be in any court o t coly .I will give you an opprty to correct yr evidce if you choose to do so. Will you positivly swear tt you never in any way mentioned t affairs o this compy to Mr Neild on t three or four ocasions you mentnd when you were speakg to him ? We may h mentioned t affairs o t compy but not to point referrg to his interst or to his share.I had ocasion to meet him in refernce to t afairs o t compy

Did you not say just now tt you had never mentioned t matter ?Not matters arising out o my evidce

My quesn applied to t afairs o t compy since t discussn in t hs.You h then discussd w Mr Neild some o t compys afairs ?Yes

T questn o t extensn o time ?No ; most certly not

You h not mentnd to him t prob-y or otherwise o t bill passg t hs ?No : neithr directly nor indirectly

33407 Barnhart Edgar

999 Had you any reason f not doing so ?I thought it

was not proper to do so

600 Why ? There was no ocasion to do so.I thought it was

not right under t circs to make any allusion to ~~him~~ any subjct

o t kind

Mr Ashton - Wd you h seen any impropriety in doing so

?I shd h thought it improper in view o t fact tt Mr Neild was a

m o t select ctee

Mr Sloath - H you had any conversat ion w Mr Neild

since t day when he practically resignd his seat fm this ctee.You

remember t day to wh I refer ?I do not think I h.If I had it

was only f a few moments behind t chair.I h not seen him other-

wise

3 Is yr memory fairly good ?Yes

4 Did you not meet Mr Neild in t passage here. ?I saw him

there

5 Were you not conversing w him on the stairs ?No ; I had no

talk w him at all eithr directly or indirectly upon any matter

conectd w this inquiry

6 Is ~~me~~ it not a fact tt you are a strong personl

friend o Mr Neild's ?Yes : we h known one anothr f many many

yeas rs

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B5 n 104

Ledbury Election Petition 1907

Y ou a re ve ry friendly ?Yes

You a re both intrstdin t passing o t bill wh has

bn referred to this ctee ?I /am intrstd in it ; I do not know

what intrst Mr weild may feel in it

8 You know tt he is a shareholder in both companies ?

Yes

9 Both o you being intrstd in both companies and ~~both o~~

you being close personl friends you swear tt t affairs o t compy

were never mentioned between you on t three or four occasions to

wh you refer ? We never mentioned t matter t ctee is now inquirg

into

10 T ctee is now inquiring into t bill .Did you not

mentn t bi ll to him ? We h never discussd t bill since his speech

in t hs

Mr maddell - Altho you h seen him severl times ?Yes

Mr Ashton - You say you revisd t evidce you gave bef

t select ctee o t L G ?Yes

And t evidce as printd is as you revisd it ?Yes

You admit tt in many parlars you ~~gave bef~~ t evidce

you gave bef t select ctee o t L G was incorrect ?Yes

What has led you to altr your evidce ? On what parlar

points

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On t points on wh you admit it to be incorrect ?I fully believe tt I had writtn to Mr Neild to t effect tt he shd h an intrst in t compy.I quite believe tt when I gave my former evidce

Why do you hold a diffrnt opinion now ?I h since lookd at my letter book and I find tt I first wrote to Mr Neild on t subject in 1896

Is yr change o view or altratn o statemt in this parla due to t fact tt you heard Mr Neild give a different version o t affair in t hs ?I do not think his statemt influenced me a single bit.I simply lookd up my correspondce.

Why did you do tt.You had revisd your evidce.What suggestd any doubt to yr mind tt you hd givn correct evidce.What led you to suppose tt you hd givn misleadg or untrue evidce ?

Princply t statemts wh were made in t hs

You sd just now tt it was not Mr Neild's statemt tt induced you to alter yr own statemt ?It was t statemts generlly in t hs wh led to this bill going bef t presnt ctee tt induced me to look at t coresppondce

That is to say it was owing to t procedgs in t hs tt you made furthr investigatn an d found out tt your former evidence was incorrect ?That there were slight errors in my previous evidce

1057 Was not t only statemt wh cd h thrown any doubt upon t accuracy o yr previous evidce made by Mr Neild himself .That is to say he gave a different version o t affair thantt wh you yourself gave bef t select ctee o t L C ?I think he did

3 Is t version you hd givn today substantially in accord w t version givn by Mr Neild ?That I cd not say.I only heard it once ~~and I h not since~~

1074 Will you admit tt t version givn by Mr Neild in t hs was a very differnt one fm tt given by yo u bef t select ctee o t L C ~~after~~ 1075 t acquisitn o Mr Neild's intrsts ?Yes ; there were certn inaccuracies in tt evidce.I think they were very unimportnt but they were inaccuracies .

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1025 Mr Neild speakg in t L A on t 1st Decr sd "Mr Armstrong over and over agn sd to me - long ago at least as 1884 I suppose - "~~Were you~~ "Well Neild you h lost your money thro my proposls and I will tke care tt when I h something good you shl stand in w me and it shl not cost you anything " That was it seemd to me a straightforwd act and it was stated by Mr Armstrong to me often enough tt I was to h an intrst in this Illawarra matter ". Is t a corect statemtnt ?I do not think it is.I do not remembr telle Mr Neild tt

6 He also says "Year aftr year passd by and sometimes it wd be mentnd when We met but as I say it was chiefly forgottn Is tt corect ? I h no recolectn o mentng t matter to him betwn 1890 and 1896

7 In what yr did Mr de Wolf go to London ?In 1894

8 When was t London compy formd ?In Nov 1895

9 Mr Archibald Campbell - A month after your extendg bill was grantd ?Yes

10 Mr Cohen - When was t scrip forwardd to Mr Neild ? Abt May or June 1896 You refer I presume to t scrp in t London compy

/ Mr Neild also stated in t house on t 1st decr "After

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Mr De Wolf went to London and t London compy was formd I received one day fm London wt any previous intimatn a notificatn to this efect : tt 100 shares o t nominal value o £10 each in t compy in London hd bn t ansferrd into my name and tt t scrip cd be obtaind at t office o t Sydney Co " .Is tt corect ?Yes

1032 He also sd " I say tt t promse was made as far back as 1884 , probly earlier, and I suppose it was towards t end o 1894 tt t scrip was forwdd to me ". ? That is a mistake.There was no scrip in t London compy until abt Jan 1896

Q Mr Ashton - You stated bef t select ctee o t L C you may remember tt Mr Neild hd an intrst in t thng fm t comencmt ?Yes

A I askd you here today how you came to make tt statemt and yr reply was tt you hd an impressn that you had intimated to Mr Neild prior to 1896 tt you hd givn him an intrst in t compy but tt on lookg up yr letter book you found tt it was not so ?I found tt t first letter I wrote to him on t subject was dated May 1896

Q When you gave yr evidce bef t L C you thought otherwise ?I thought I had intimatd to him tt I had given him a portn o my syndicate intrst in t compy but I can find nothng to suport t opinion I then had

1464

1036 Then Mr Neild ~~ought to h~~ also stated in t house tt at various times subsequnt to 1888 you did mentn to him tt you hd put him into t syndicate ?I h no recolectn o havg spoken to him abt t matter during tt time

Yet at t time you gave your evidnce bef t L C your recolectn was tt you hd done so ?There apears to be a discrepncy there

Mr Neild recolects t same thing ~~and~~ Now you say, altho you recolectd t circse when giving yr evidnce bef t select cte o t L C and altho Mr Neild himslf recolectd it when speakg in t L A tt you h no recolectn o anythng o t kind ?T point seems to me to be merely a questn o whethr he held an intrst under t promse fm me at tt date or later.I do not remember makg a comunicatn to him betwn t dates you h named

Mr Waddell - Who found t £10,000 wh was depositd w t trsy ?Our Attorney in London Mr De Wolf

Did any o t original shareholdrs pay anythng towrd it ?No

Mr Cohen - was it not contributd by t Camden Exploratn Co and by t Australian Smeltg Co ?These are mattrs abt wh you cd get informatn a good deal more readily fm Mr De Wolf. I am

merely Mang Directr o matters at this end.I know nothg o t details

o t matters to wh you are referrg

Was it fm this end tt t money was found ?No ; it

was remittd fm London

Mr Ashton - How much hard cash did you put into

this enterprise ?I can produce my cheque book showg tt I paid

£13,000.My A/c Bk shows othr charges amtg to a total o £18,000

What interst did tt give you in t syndicate ?

Approximtly one sixth

You h not your cheque books w you ?No

How were t local directrs appointd.Were they electd

at a meetg o shareholdrs ?Yes

Mr Cohen - There are only three ?There are only three

at presnt.Until t harbor is started there is only t managmt o t

landd estates required at this end

Mr Sleath - I was askg you if you had any concern satn

w Mr Neild in regard to t affairs o t compy since this bill was

referred to this ctee by t L A and you sd you had not.Is not tt

so ? Yes.I had not

You are positive abt tt ?Very positive

Altho you hd bn in conversatn w Mr Neild 3 or 4 times

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t conversatn in one instce extendg to an hour you h not in any

one instce discussd w him t afairs o t compy ?Not t afairs o t

compy as regards t matter being bef parit, but I certly hd some

compy matters to discuss w him. F instce I had to submit cheques f

t paymt o ry a/cs and othr things

Is it not a most importnt questn f yr compy now whethr

or not you get this bill ? Undoubtdly it is

It is not a most importnt questn f t compy ?Yes

You are Manging directr are you not ?Yes

Mr Neild holds what positn ?He is Chairman o t Board

Yet you, say tt on t ocasion to wh I h referrd you

never discussd w him t afairs o t compy ?No. We h hd no meetgs f

t purpose .I h only met him in a casual way. F instce I met him

t othr day at t door o this room. We did not then go into compy

matters and we h nd no meetg o directrs since

What is yr interst in t compy ? £100,000 worth o shares

one sixth o t share issue. ~~o t 600,000 shares issued I hold one~~

~~sixth~~

T shares are paid up to £50 ?Yes

W a liabilty o £50 ?Yes

"337 Chatterton Shand

~~That will be £500,000 ?Yes~~

~~Whn does t £100,000 comes in ?There was a £10 call~~

~~f t purpose o settle matters betwn t syndicate~~

At t formatn o t compy only 10,000 shares were issued

paid up to £50 ?Yes

T payment o calls is a separate matter altogethr ?It

is separate in some ways. Your questn has rather a wide meang

I will put it in this way ? Your compy was floatd w

10,000 shares o £100 each ?Yes

You were to get one sixth ? I was in t syndicate

who formd t compy

What was yr interst ?I took one sixth interst in t

whole concern

How much money did you put in ?My cheque book shows tt

I paid £13,000 , but my a/cs book shows tt I paid altogethr into t

concern £18,000

Chairman - That was f t purchse o t land originally?

Yes

Did Mr De Wolf pay part o tt amt ?No, no part o tt. I am

speaks now o my own paymts

That £12,000 was pd by you f t purchse o t ld ?Yes

148

1068 How much was pd altogethr ?£90,000. £65,000 f t Lake lands estate and £25,000 f t coal properties

Was tt all in cash ?No.T coal properties were purchsd f half cash and t balce o purchse money was in synalcte shares

That was purchsd fm Styles ?No We purchsd nothng fm Styles.T Lake lands estate was purchsd fm a syndicate who hd purchsd fm t osborne famly. T price paid was £65,000

How was tt £65,000 paid ?We bought fm a synalcate. We did not purchse fm t osbornes direct but we kept t terms

Mr Cohen - You were one o t syndicate wh sold to yr syndicate ? No.I came into t syndicte after t syndicte was formd I purchsd a share in it

Mr Ashton - You were not in t selig syndicate ?No.I purchsd a share after t syndicate was formd

Were you in t syndicate wh purchsd fm osborne.Did you buy into t syndicate ?No.I was not .I hd nothg to do w tt

Chairman -It was Styles &Vaughn who purchsd fm t osborne ?No.Tt was a diff nt matter altogethr

Who was it who ownd t land in t first place ?T Lake-lands estate syndicate was t syndicate wh purchsd fm Osborne

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1077 Were you not in tt ?No _ I never hd any conectn w tt

I sold t land on their a/c to a syndicate formd in Melbourne by

Mr De Wolf

Were you in t syndicate wh purchsd ?I bought into tt

syndicate afterwds

After t sale ?Yes

That syndicate was yrself and Mr De Wolf ?Yes

Anyone else ?Mr Vaughn came into tt syndicate as t

holder o shares in part paymt. He bought his syndicate share in

part paymt o t balce o his purchse money . He acquired his intrst

in t settlmt o t property. he sold t property f £25,000 half cash

and half shares

To whom did hersell t property ?To Mr De Wolf

Was tt previous to t purchse o t Lakelands estate by

Mr De Wolf ?I think it was a month or two afterwds

Whom did t syndicate consist o when they bought t

Lakelands estate - Mr De Wolf and whom else ? Mr Fink o Melbourne

You are sure abt tt ?Yes

Mr De Wolf and Mr Fink were t original syndicate wh

purchsd t Lakelands estate fm another syndicate wh hd purchsd fm

Osborne? ?yes, and I was t agent who sold

Whom else was in t syndicate w Mr De Wolf and

Mr Fink ? I think only Mr Fink and his brotherinlaw Mr Howden

Mr Newtown bought into it in Sydney

Did Mr Newton buy into t syndicate when t land was

sold ?No. T prope tty was sold to Mr De Wolf who formd t syndicte

He afterwrds formd t syndicate ?Yes. T syndicate was

not formd until afte t sale o t land to Mr De Wolf

So tt you sold direct to Mr De Wolf ?Yes

You were t agent ?I was t agent f t syndicate who sold

Who we re they ?I cd not say ; I was instructed

by Mr Acheson

T agreemt f t sale was ~~to~~ with Mr T hompson and yrslf

and Mr ~~Newton~~ Hewton and Mr Orr ?No. A syndicate was formd to acquire fm

Mr De Wolf, purchsg in t name o trustees on behlf o t syndicte

formd by him

Was there not an agreemt in 1889 betwn Mr Thompson an

yourslf and Mr Newton and Mr Orr ?There was one in 1888 ; t

secnd agremt in 1889 was a modified agremt to t same efect

T next was dated 24th April 1890 between J Thompson

and Andrew Armstrong w t Illawarra Land Corporatn .Is tt so ?Yes

When you sold to t Illwarra Hrbr and Land Corporatn

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did you part w t whole o yr right in connectn w t property ?Yes

1049 Do you know anythg o an agremt betwn Mr De Wolf on t one part and Mr Fink on t other f t transfer o t property fm Mr De Wolf to Mr Fink ? Yes.I think Mr Fink as t preponderatg shareholdr tried to pinch out t other shareholders and to get possessn o t whole thng hislf

§ Why did Mr De Wolf try to transfer to Mr Fink ; What were his reasons ?I presume to allow money to be raised to meet one o t terms o our paymt.Mr Fink nd undertakn t whole o t financing

§ What considratn was Mr Fink givn to undertke all this financing ?T interst describd in eithr o t agremts you h mentnd or some other registrd agreemt under wh he came in.I really cannt remember how he was to be paid f financing t matter.He was to take it home to London thro his being t Managing directr o t mercantile finance compy

1102 When this property was transferrd to Mr Fink by Mr De Wolf did Mr Fink have any powr over it by t transfer ?Yes ; it gave him very considrble powr

1104 Cd he have sold it if he liked ?Yes ; t & equity o redemptn

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402 Did he not mortge it on t same day to Walach Bros

?Yes To meet one o t payments due to t syndicate ?.I think it

was to meet a paymt o £8000 due at tt time

Mr Sleath - Was not t paymt on a P/N o yr own and

Mr De Wolf's ?To a certn extent it was, altho we hd met all our

payments in t syndicate and he had not.He induced us to give a

P/N to enable him to ~~discount to mat~~ meet a certn paymt due to t

syndicate?We hd to tke up tt note afterwds to meet paym[s on t id

Mr Cohen - There was a little bit o cross financg

among yrslves ?Yes. Mr Mosely was t attorney f us all and kept a

record.I dare say he cd produce the abstract o title embodyg t

whole o t parlars

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John Randall Carey, called in sworn and examined -

Mr Sleath - When did you first b come associated w t

Illawarra Harbr and L Corporatn ?N In Oct 1888

7 You then became t holder o how many shares ? I shd explain tt Mr De Wolf askd mè to join t board and I demuurrred a little at first .He sd I was a large contractr, tt I was in a large way o ry contractg and tt I wd be o advtge to them considrg t work likely to be caried out and tt he wd be very glad if I joind t board . After a little persuasion he sd " sooner than tt you shd not do so I will make you a presnt o 30 shares to wh I am entitld as one o t vendors "

8 Chairman - 30 shares o £100 paid up to £50 w a liabilty o £50 ?Yes

9 Mr Sleath - How long did you hold those shares ?I had a ttendd a few meetgs bef t shares were allottd.I cannt absolutly state at this moment when t allottmt took place but t minutes will show whethr I attendd any meetgs after t allottmt or not. I declind to tke shares. After atendg t first few meetgs and seing t positn o t compy I declind to remain on t board or to h anything more to do w it.I sd I wd not tke t shares and I was told tt t shares were allottd to me on t 28th March 1889

M r Ashton was tt after you hd vacated your seat on t

board ?Tt I cannt say.I h not t necessry papers.I endeavrd to

obtain them fm my solicitr but he hs mislaid them

Was t allottmt mde to you after you hd intimata tt

you did not want any shares ?That is t very point I want to get

at.I cannt absolutly tell you My solictr hd t papers but he has

unfortuntly mislaid them.T register shows tt there were 30 shares

allottd to me on t 28th March 1889.That date was found to be

illegal by some means. - I do not remember how.In consequce o tt

I thought there wd be no trouble abt striking my name off t registr

but they altrd t date on t register fm t 28th Mar to t 15th Apl

wt any minute on t book authorisg it and wt any re-allottmt o

shares

T shares were still left standg in yr name ?Yes

Ntwthstdg tt you hd retired ?Yes.I had an opprty

aftrwds to search t minutes right thro.I obtaind t books fm t

Sec and took copious notes fm t minutes.I am speakg now fm t

notes tt I h taken.There was somedispute a year aftrwds betwn t

Fink party and t De Wolf and Armstrong party.While t Fink party

hd possesen o t books they alowd me to go thro t minutes and as

I h explaind I took copious notes o them. ~~After tt~~ There was

another allotmt o shares postd in t Registr on t 25th April 1889

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No refece to tt is made in t minutes. You will undrstnd tt I am speakg now o a fresh allotmt o shares quite distinct fm t first allottmt. I made repeatd aplicatn to h my name struck off t regist on t ground tt t allotmt o shares was illegal and tt I had declind to acept any shares in t compy. I had alrdy declind you will remembe to acept t 30 shares offered me and Mr De Wolf

1114 Mr Cohen - why did you refuse to acept t shares ?In t first place I was not satisfd w t positn o t compy and I did not want to h anythg to do w it. I was dissatisfd w everythg conectd w t compy and I did not want to be connectd w it. I was unsuccessful in my aplicatn to h my name struck off t register As a further claim to h my name taken off t register I may mention tt t follows gtn got their name struck off: Mr W H Moseley 139 shares, E H Grossman 70 shares, J A Thompson, 30 shares. These were all solicitrs and their names were struck off on t 14th July 1892

15 Were they struck off by t directrs themselves or on aplicatn to t court ?That I cannt say. Their names were off t register when I saw it

T

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1116 Did you ask t court to strike your name off t

register ?No

17 You made aplicatn only to t directrs ?Yes. My argumt was tt I wa s never properly on t register

18 You were put on wt your consent ?Yes.Matters went on and I never heard much more o them until March 23rd 1892 when a call o £10 per share was made payable on t 12th April 1892 by a board consistg o t followg directrs present :-Mr Howden, Mr Vaughan , Mr Amos, and Mr de Wolf, Mr de Wolf dissentg fm t call That is an extract fm t minutes. O tt call I ~~recorded~~ noted on t 12th April 1892 T minutes disclose t followg circs N T board resolvd to issue a writ agst De Wolf f all calls overdue upon shares in his name and as regards t other shareholders tt t solicitr shd draw t necessry notices o forfeiture and tt t sec shd forwd them \. That entry is dated t 12th April 1892

19 Mr Saath - They were going to sue mr de Wolf f his calls and to fo t others off ?I do not know abt tt. But they were going to forfeit all t other shares. Fm what I gathered fm t sec at t time there was a dispute between Mr De Wolf and Mr Fink. T minutes further disclose t fact tt t calls o Mr Aaron, Mr Amos, Mr Fink, Mr Norton, Mr Williams, Mr Pickford, Mr Masey and Mr Botchard were paid by an order on t Illawarra Hr Syndicate amountg in all to a certn sum wh I did not extract fm t minute book. But there is

3320 Farrell v Forster

a/minute fm wh it apears tt there was a threatnd sale o part o

t compy's property by Mr R M vaughan.T followg resolutn appears to

h bn carried " That t secretary tke whatever steps may be

necessary to protect tt portion o t compy's propeerty shd t

necessity arise ". We come now to t 18th April 1892.I then

received notice tt unless t call was paid by t 4th May 1892 my ~~sh~~

shares wd be liable to forfeiture.I then made inquiries fm t Sec

abt t positn o t compy and I was allowd to go thro all t minutes

o t directors' and genrl meetgs fm wh I took copious extracts upon

all subjects wh might probly bear upon my positn wh I intendd t o

fight to t last. T secretary at tt time advisd me not to pay

t call or to tke any furthr notice o it until I heard agn fm

him.T Sec I think was Mr Barker. T books at one time were taken

out o t hands o t Armstrong & De Wolf crowd and were taken over

to t Fink crowd and while they hd this dispute betwn themslves

I obtaind all this informatn. on t 2nd May 1892 Mr De Wolf also

told me not to pay t calls as he never intendd tt I and others

shd h to pay any calls, and tt he wd see tt tt intentn was

carried out or he wd burst up t compy.

1120 Mr Ashton - It was t Fink crowd to use your own phrase

who were makg t call ?Yes Mr De Wolf objectd to it.Mr DeWolf

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3707
Bellette

then offrd on several occasions to tke a transfer fm me o t shares
stg ndg in my name, but I wd not risk t liability I shd be under f
any calls wh might be made upon Mr De Wolf during t first 12 mos
~~Not being~~ I was under satisfd tt he was financly good enough to pay them, and
I preferred to stand upon my contentn tt I was not legally a share-
holder altho n my name apeard upon t Registr. On t 5th April 1893
I received notice o a general meetg at wh a resolutn was to be
proposd to authorise Mr J M Howden to proceed to London to
arrange f t issue o debentures to t amt o £750,000 on such prices
and terms as he might consider best f t compy. On t 12th April
1893 t secretry wrote to me askg if I still adhered to my demand
tt my name shd be struck off t register, and if so whethr I wd
attend a board meetg to be held on t 14th April 1893 when t
directrs wd consider my applicatn. On t 13th April I replied to t
secretary to t effect tt if my name were still on t register I
agn demandd tt it shd be forthwith struck off. On t 14th
April I atendd t board meetg as requestd but there was no quorum
and therefre no business was transactd. On t 9th May 1893 Messrs
Creagh and Williams who were actg f me received a letter fm Mr
E H Crossman who was acting f t compy askg whethr I wd consent to

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a conversn o my present shares into fully paid up shares and deferred debentures so as to get rid o my liabtilty. There were various letters particulars o wh I need not give you wh passd and on t 29th Nov 1893 t board consisting o Mr De Wolf , Mr Armstrong and Mr Vaughan made a call o £10 per share. Mr Vaughan dissenting - t call to be payable on t 22nd decr 1893. Again on Jan 10th 1894 Mr Howden's seat was declard vacant thro non-atendicé by a board consistg o Mr De Wolf and Mr Armstrong

Mr Cohen - I gather fm what you say tt different directrs made t two calls ?Yes. I explain tt one call they did not persevere in. I h t rough substce o a minte to this efect : tt there was a claim upon Armstrong &Thompson trustees f t vendors f £54,000. T details o t claim were givn but I h not them w me

Mr Archibald Campbell - How many formd a quorum ?The quorum was altrd once or twice. It was fixd first at 3 I think and then afterwds it was fixd back at 2. T minutes show in reference to Mr De Wolfs extra claim tt heaskd tt his calls shd be carred to t credit o his claim and also t calls o Mrs Hamilton and Mr E Barton, and t same in reference to Mr Armstrong's calls and those o sundry othr persons who were named - Mr Armstrong, Mr Wood, Mr Turnbull, Mr Chippendall, Mr Liddell, and Mr A G Friend. 73 share

rep-g a total o £12,210 .On Feb 7th 1894 it was resolved tt steps be taken f t recovery o calls.I do not know who t parties cd be. All t others were ou/~o it and there were left I think only Mr Styles and mysl f. However upon tt point I am not quite clear. There was t further entry tt Mr crossman shd be removd fm t positn o solictr o t compy and tt arangmts shd be made w another solictr to act f them.Then in April 1894 I was advised tt it wd be better f me to pay t £300 call in order to get out o t diffty instd o fightg them and possbly havg to pay my own costs

123 Mr Cohen - Did you pay tt £300 ?yes ; I h a receipt f it

4 You are sure it was not £250 ?I h not t means at this moment o seeing what my cheque was but I h a receipt f £30 o T effect o tt payment was to relieve me o all respons-y f 12 mos Then there was an agreemt betwn Mr Friend, Mr Armstrong, Mr De Wolf and mysl f, Mr Friend and mysl f being on t one side and Mr Armstrong and De Wolf on t other

5 T shares were paid up to £50 w a liabilty f anothr £50 ?Yes

6 They calld up £10 bef they entered into an agreemt w you under wh they placd to yr credit a certn sum to protect you agst furthr calls during t 12mos o your liabilty under t act ?Yes

33707 Edgar Steward 1127

To whom were your shares then transferred ?I cd not say whether they were transferrd to Mr De Wolf or to Mr Armstrong but I think to Mr De Wolf.I wd not admit o course tt t shares were mine at all.I signd t transfer to get rid o t whole thng

Mr Waddell - Tt endd your conectn w t compy ?Yes

That was in 1894 ?Yes

Mr Sleath - H you any furthr informatn you cd give t ctee ?Yes.I find tt t Illawarra H & L Corporatn was registrd on t 29th Oct 1889. Amongst t first directrs were Mr Edmund Barton Mr Goodchap, Mr Billyard, Mr J Newton, Mr T A De Wolf and mysif propertties were sold to t compy f £600,000 by a syndicate.T amt was paid by t issue to sy syndicate ms and nominees o 10,000 share o £100 each paid up to £50 t halce -£100,000 cash being payable at a later date. Five o t directrs I h named held 30 ~~shares~~ shares each , Mr De Wolf holdg 768. T act giing t harbor concessn was grantd in Decr 1890.That speaks f itslf.In 1892 there was a conveynce by Mr De Wolf to Mr B J Fink o t Lakelands estate,book 495,711 consideratn 10s.

Can you give us some explanatn o tt ?What follows I think will satisfy you on t subject.It was simply a questn o financg.I find tt on t 29th July 1892 on t very same date acordg to book 495,777 there was a mortgage ~~transfer~~ fm Fink to Wallach Bros

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~~mortgaging~~ t same land subject to t existg mortgage to Osborne in order to secure a P / N f £8920 by De Wolf and Armstrong in favor o Fink and by him endorsd to Wallach Bros

132 Who ~~were~~ t man who conveyd to Fink ?De Wolf

3 Was not Fink trustee f t compy ? He must h bn trustee f t compy if he was a m o t compy at t time ; but he was not trustee f me.It was a questn o financg t company's property & on t same day, tt is on t 29th July 1892, acordg to book 495,778 there was a sub-mortgage by Wallach to t A J S Bank agst t discount o t P/ N I h just mentnd

4 Chairman - Whose P/N was tt ?It was a note by De Wolf and Armstron in favr o Fink and by him endorsd to Wallach Bros.It was a piece o financg w t compy property

Mr Sleath - They were financing their privte affairs w t compys property ?I can hardly say tt, becse I take it tt t whole property was sold to t compy originally

They were financg w t companys property in order to meet their own P/Ns ?I take it tt tt is so

Mr Simpson - Do you say tt t proceeds o this financg were applied not to t benefit o t compy but to t benefit o privte individuls ?I do not say tt. There is no proof tt tt is so.I take it tt t land sold to t compy in t first instce and tt no right

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3707

was givn to mortgage it to anyone

1138 Mr Cahn - Were these persons in these transactions

acting on behalf o t compy ?T records do not show tt to be t case

on April 3rd 1894 t A J S Bk sold t property subjct to t existg

mortgage to Osborne f £30,000 - to Henry Osborne his son f £300

On About April 26th 1894 t call o £10 per share on 10,000 shares

was made. That is one o my troubles in t matter - tt t call was

made after t property was parted w altogethr. T first mortgage was

to Osborne and t nxt mortgage was to t A J S Bk whom sold their

right under t secn mortgage to Henry Osborne. T conseqce was tt t

compy did not possess t ln at all . T first and secnd mortgagees

took it out o their hands. I maintain therefre tt t call hd no

right to be mde under any circs. I think I explaind in previous

part o my evidce tt severl o t calls were paid by Mr De Wolf ,

Mr Armstrong, Mr Barton and a numbr o others by bookkeepg

manipulatns leaving only a few o us upon wh to make calls

Mr Simpson - will you explain in what sense you use

t word manipulatns ?I cannt tell you parlarly how they manipulat

-ed t matter but there was a certn amt claimd to be due to these

gtn and tt amt was transferrd frm t one trng to t other

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33707

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You mean tt there were cross entries ?Yes

Mr Cann - No cash was paid ?No

Mr Archibald Campbell - You did not get out o it so easily yourslf ?No ; there were only 3 o us who hd to pay. There were only Mr Newton Mr A J Friend and myslf who ever paid in a shillg except t amt put in ~~by Mr Fink~~ in t first instce in connec-tion w t purchse o t land. I do not know tt I can say anythng furthr except fm informatn I h gained. I can make no furthr state-ment as to t company's afairs fm my personl knowlge

W. Sleath - Do you know anythng abt Mr Styles ? No. I know his name is on t books f a few shares and I know fm t minutes tt he was one o t vendors o portn o t land in t first instce. I also know fm t minutes tt he forfeited his share. Mr friend I find is supposd to h rejoined t compy

H they made any ~~apologies to you~~ proposls f you to to rejoin t compy . Has anyone hinted at such a thing ? Such a thng hs bn mentnd to me tt I sd I wd not h anythg to do w t compy in any shape or form

Mr Ashton - You say tt when t Fink crowd made a call t he Wolf crowd made an offer to accept a transfer o shares fm you ?Yes. On more than one ocasion Mr he Wolf sd he wd take back t

165

shares

1146 But later on he was a party to make t call wh you

hd to pay ?Yes

How do you explain his changed attitude ? I

suppose it was a case o necessity , when needs must t devil

drives.They wantd money and they were determined to get it where

they cd

Mr Cohen - After they hd made this call o £10 did he

say tt he wd tke over yr shares ?No ; it was prior to tt

Mr Cann - Hs there bn any other dispute between you

and t board in refernce to any othr matter apart fm t afairs o

this compy.If anyone hs sd f instce tt you were tryg to blackmail

t compy wd there be any truth in t statemt ?No

1150 Did you demand t £300 back agn fm t compy ?No ;I

sd I wd tke it back if they wd give it.I do not know even now

tt I will not sue them f it bacse I think t money was illegally

taken

I supose your claim to this £300 is t blackmailg to wh

they referred ?probly.I do not know o anythng else to wh t

statement can h refernce

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3707 Gant Bonham

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Mr Cohen - did you ever sit at any o t board meetgs ?

I did at a few in t first instce.I cannt say now whether they were board meetgs or general meetgs .I know tt I sat a few preliminary meetgs.

Mr Sleath - H you hd any other financl transcatn w this compy ?No.

In no way at all ?None whatever

You never hd any transactn w them outside t share transactn ?Not in any shape or form

Therefre t statemt tt you are attemptg to blackmail t compy can apply only to t transactn wh you h explaind this afternoon ?Yes and to nothg else

You are confidnt o tt ?Yes

Chairman - Fm your knowldge o t compy and fm yr conn ctn w it were you satisfd tt it was a bona fide compy ? I was satisfd tt it was advisble f me to get out o it as soon as possible

Mr Ashton - That might aply to entrprise t prospects o wh you did not think were good ?Yes

Mr Carroll - When you paid t amt you h named to get out o t compy was there any understndg tt in t event o t compy being floatd and gettg on they wd refund you t money ?No. It

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was not put in tt way.Mr De Wolf promsd tt he wd eventully

~~pay~~ back t £300

He regardd it as a debt o honor ?I presume so

inasmuch as he hd sd on several ocasions tt I shd not h to pay

anything

Mr Simpson - I understnd tt you complin tt t board made

t call after they hd parted w t assets o t compy . As a matter

o fact h they ever parted w their concessn ?I did not mentn t

concessn .I was referrg to t property o t compy.I do not call t

concessn property in tt sense

You meant to ~~except~~ Except tt ?Yes _ I was referrg to

freehold property

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3370 Bonham Gates

1164 Are you not aware tt t license fm t crown to con-

struct was then in force and tt t compy was formd as a matter o

fact to construct a habr ?Yes

When you went into t compy you knew ttone o its

objcts was to construct a harbr ?Yes, but there was ground

attached to it and without t ground t scheme was o no value

Mr Ashton - T ground was t only tangible asset ?Yes

Mr Simpson - You are not sure how it was transferrd to

Mr Fink and for what purpose ?I o nly know tt there was a ~~convey~~ lease

~~and~~

Mr Arch Campbell - When you refer to t proprty o t

compy you mean t land held by them ?Yes

Mr Simpson - T informatn you h givn to t ctee is

derived fm documents put bef you wt your havg any knowldge o t

transactn between Fink and t Mercantil Finance Co ?Except so

far as t minute book is concernd, and there is nothg in t minute

book to show tt. If t board endeavrd to do anythg o tt kind it

shd appear on t minutes.

1170 You do not know except fm what you h gathrd fm t

deeds anythg o t circs under wh t proprty was transferrd to

Fink ?Only fm tt and t absence o minutes

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1170 You do not know as a matter o fact tt Mr Fink was

closely allied w t Mercantile Finance Co ?Yes

7 And tt he was financg t Illwarra H & L Coporatn to

a large extent ? I knew tt he was connctd w t corporatn

3 Was he not findg t money t corporatn had ?I h heard so

many a/cs o t thing fm one person to anothr tt it wd puzzle a

Philadelphia lawyer to arrive at t true state o affairs

4 But as a mattr o fact you heard tt Mr Fink was

financg t corporatn ?No

5 Did you not know tt there was a contract in existce

to construct a harbr ?I did not know tt there was any contract

in existce in 1889. All I knew was what I gathered fm t minutes

after I left t compy and I left t compy early in 1889

6 ~~Was is~~ What is t date o t receipt f t £300 to wh

you h referred ?T date o t ~~agrmt~~ settlmt betwn myself and Mr

friend on t one side and Mr De Wolf and Mr Armstrong on t other

side is t 26th April 1894

7 You went upon t board in ~~1394~~ 1889 and t shares were

not transferrd out o yr name until 1894 ?That is so I believe

8 I also understnd tt during 1889 and '90 you attendd

several meetgs o t board ?I do not think I sat upon t board at

all in 1890

1170

119 Wd it surprise you to see your name down in t minute book as havg atendd a moetg o t board in 1890 ?It wd surprise me to see my name appearg in conectn w any meetgs in ~~a~~ 1890.I cd give you t definte informatn if I hd all my papers w me

~~On lookg at t minute book I see tt t last date upon wh your name appeard apparently in conectn w meetgs was t 17th .~~

~~1889~~.Your resignatn was accptd in April 1890 ?I believe it was

When you attendd t meetgs you must h known tt you attendd them havg certn qualificatns ?Yes

Do I understnd tt you now tke up t positn tt you were never a shareholder ?I say tt t original allottmt was illegal

How can you reconcile your attitude in attendg meetgs o t board w your denial tt yo were a shareholder, to be qualifad to sit upon t board you must h held a certn numbr o shares and yr statemt is tt you shd not h bn upon t list at all ? I was not then aware o t illegalty o t original allottmt.When I be came aware o it I wanted to get out o t concern

In what respect was t original allottmt illegal ?I cannt say wt lookg at t papers.It was so illegal tt t board wt authorty ordered t date altered t date in t minute book to make t allottmt legal

171

3370 Woods Ellis

87 You say now tt you were under t impressn tt you were qualified ?At tt time I was

88 You must also admit tt if you were qualified a certn numbr o shares hd bn allottd to you ?T first allottmt was corect

In what respect was it incorrect ?I cannt answr tt questn now.My solicitr might be able to answr it

89 As a matter o fact does it not amt to this, tt at a certn juncture you thought t compy's prospects were not as bright as you hd thought them in t first instce and tt in consequce o tt and not in consequce o t illegality o t allottmt you askd Mr DeWolf to relieve you o yr liabiltias ?I did not ask him to relieve me o my liabilties.He offered to relieve me but I did not a c cept his offer becso I did not think he was financlly good enough to carry it out

Did you not aftrwds acept t offer ?In considratn o certn amt o debt being put to t credit o Mr friend and mysif

90 Is it not a fact tt in consequce o t prospects o t compy so far as you were concerned appeard not so bright as they apeard in t first instce when you agreed to accept shares you asked to be relieved o your interst in t compy ?N o

172

33307 Ellis Pellatt

1196 On what grounds then did you seek to be relieved o

it ?I knew nothg abt t compy when I went into it. As time went

on I gained informatn as to t compy and I thought it a good

enough to get out o it

1197 Mr De Wolf swears tt Mr Fink at abt this time ha

got into diffties and tt it was impossble to finance affairs wt

his aid ?I knew nothg o those facts

1200 Did you not immediatly you took your seat on t boara

make inquiries as to t positn o t compy ?I did , and then I want

-ed to get out o it.

You were sittg on t boara f a period o 12mos ?Yes

T compy was formed in Oct 1883 ?Yes

You will see fm t minutes tt you attenud a meetg on t

17th Decr 1889 ?I think t 9th April 1889 is t date o t last meetg

I attendd

1196 Will you undertake then to say tt these minutes are

false ? In tt respect I shd think they wd be

1197 Mr Sleath - Do you recollect being present at t meetg

to which Thompson refers ?No : besides tt was a genert meetg o t

compy ; it was not a meetg o t board. I cannot see any meetg o

directors recordd at wh I attendd aftr April 1889

173

55

1198 Mr Simpson - You say you joind t comp̄y in Oct 1388 ?

Yes

1200 And you attendd eithr directrs or generl meetgs up to

Decr 1389 ?I do not say tt

1201 But t minutes show it ? yes, aparently

After looks at t minute book and seeing tt your name appears there as havg attendd a meetg in Decr 1389 will you say whethr you did or did not attend tt meetg ?I do not see my name down as havg attendd a directors meetg aftr April 1889.That is t date as far as my memory goes o t last meetg I attendd.You show me my name recordd as havg attendd a generl meetg in decr 1389.I really cannt say whethr I was there or not

Mr Ashton - You resigned in January 1390 ?I resignd some time bef I sent in a writtn resignatn

43 Is it probable tt you resignd abt a month after t generl meetg you attendd ? I s it likely tt anything transpired at tt generl metg wh causd you to resign ?No

54 Mr Cobbon - Is it likely tt your name wd be recorddin t minute book as havg atendd a generl meetg if you were not presnt ?No, I did think not

55 You see your name is recordd in t Minute bk as havg bn presnt at t generl meetg .Wd you undertke to say tt you were

174

23707 Brindley Thos

not p~esnt ?I ce ~tly wi not say I was not p~esnt

1209 Mr Sleath - H you any ~ecollectn o being p~esnt ?I h

not

Mr Simpson - You say you we~e not p~esnt at any

directors m eetg after April 1889 ?I sd tt you hd not shown from t minutes tt I was present at any directs meetg after tt date

I will ask you to look at t minute bk under date o 11th Dec~ 1889 .You will see tt you there took t chair at a meetg o t board at wh t report o t compy was actually adopta or approvd by t directs presnt ?I see tt tt is recordd

Will you say whe~h~ or not these minutes are correct ?I take it tt they are correct

So tt on t 11th Dec~ 1889 you actually approvd o t report o t compy ?I was presnt at t metg

So tt altho you thought in April 1889 aft~ some 5 or 6 mos experce o t compy tt it was not a compy in wh you wd like to remain, you attendd a meetg in Dec~ o tt yr at wh you as a direct~ expressd approvl o t report to be submittd to t shareholders ?I do not say anythg o t kind.I h already stated tt I cd not say exactly when I left t board.It was I thought in 1889 when I hd bn upon t board long enough to gain certn informatn w regard to t compy I thought it good enough f me to get out o it

Did this informatn upon wh you came to t conclusn tt t compy was not one w wh you ought to be identified come suddnly to you ?No ; it came by degrees

What was t informatn. ?First and foremost I got informatn as to how t property was bought and sold and all connected w it, and when I came to consider t amt raisen upon it I thought it was good enough to get out o t concern

Still in Decr 1889 you actully approvd o t report to be submittd to t shareholders ? I do not say tt I approved o it.It is not to be inferred merely becse t report was approvd by t meetg tt I approvd o it

But accordg to t minutes you were presnt at t meetg ?I do not deny tt

I presume t report and balce sheet o t compy wd show t exact cost o t compy ?It wd not show details but it wd show t actual cost

So tt any informatn you gained wd h reached you betwn t meetg in Decr and t meetg in January ?No ; between Oct 1888 and Decr 1889~~Is it true tt you h sd tt unless~~

Is it true tt you h sd tt unless this amt o £300 wh you now say may h bn £250 were repaid to you you wd stop this bill fm going thro t hs ?Who says tt I sd tt

I am askg t questn o you . Did you say it ?I never said such a thing

sd such a thng

You are sure o t ?Yes

122

Or anythng like it ?Or anythg like it.I told one o

t gtn tt if they did not pay me back t £300 they hd swindld me

out o I wd know t reason why.That is to say tt I thought I wd sue

them, and he sd I cd do my best

~~Although your solicitrs actg on your advice~~

Altho actg on t advice o t solicitrs you came to

an agremt under wh you were relieved o respons-y in connctn w t

corpy on paymt o £250 you now say tt you are going to sue them I

£300 ?Yes.In t first place I was not then aware o t transactn to

wh I h referred.I did not know tt t corpys property hd bn disposd

o and tt t first and secnd mortgagees hd taken possessn.If I had

hd known when I paid t £300 what I know now t amt wd never h bn

paid.It was long after tt tt I found out t true circs o t case

that is to say tt t property hd bn taken out o t hands o t comp

f a considrble period

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33707

8

MINUTES OF EVIDENCE

Taken Before

THE SELECT COMMITTEE

on the

ILLAWARRA HARBOUR AND LAND CORPORATION ACT AMENDMENT BILL

Tuesday 13 December 1898

PRESENT :

Mr Archibald Campbell, Mr Carroll, Mr Nicholson, Mr Sleath,

W. J. Ferguson Esqre in the Chair.

Mr E. P. Simpson of the firm of Johnson Minter & Simpson and Mr W. H. Mosely attended on behalf of t promoters o t bill Illawarra Land Corporation Limited

Alfred Hugh Beresford Conroy sworn and examined :

1224 MR SIMPSON : Do you remember a conversation tt took place somewhat recently between Mr Crey, Mr De Wolf, Mr Harper and yourself with reference to the Illawarra Harbor scheme? Not with Mr De Wolf; Mr Harper, Mr Carey and myself were present.

Was it with reference to the Illawarra Harobr scheme? Yes, Mr Harper and I were coming up the street and when we were going into the Hotel Australia wemet Mr Crey coming down the steps. Mr Harper stoppedand spoke to him. He said to Mr Carey that he was going about telling

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337 Kellaway Walker

tales against the Company; saying that he had been done out of money or something. I may say that at that time I knew nothing of any transactions which had passed. It was all new to me and the conversation that I heard was only fragmentary. He spoke to Mr Carey about it and said, "You were perfectly satisfied with t arrangement at t time. You thought it a fair thing" Then I heard Mr Carey say, "Well I will have my £300". The conversation began to get a little stormy between them and Mr Harper asked what he considered unfair. He said "Having given up his shares". Of course you will understand that when I heard this I did not know anything that had taken place before, and it was entirely new to me. Mr Harper again repeated " You were perfectly satisfied at that time" Mr Carey said "Yes, that was so, but I will have tt money or something else"

6 Did he say subsequently what he meant by 'something else' or did he intimate that he would stop t bill? Just then he stopped and my attention was drawn to somebody else for a moment. I was away for a minute when I rejoined them. Mr Carey said "Well, if I don't get it I will block your bill in the Hse and I can do it there, and even if I fail there I will stop you at home. I will stop you issuing at home".

7 Did he make any reference to the 'Daily Telegraph'? He did. He said "You know I have the paper behind me and you know what I can do; so look out".

8 Did the conversation end then? No, Mr Harper got into a temper and said "This is damned blackmail" He repeated that.

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3370 Walter Howard 3

MR CANN : I understood you know nothing about the transact-

ion then? Nothing whatever.

MR SIMPSON: Are you interested in t scheme in any way whatever?

No, not beyond t fact tt I have friends interested in the

Smelting Company.

MR CANN : But they have not got any interest in the Illawarra

Company? No.

No pecuniary interest? No. This occurred about a fortnight,

ago; last Wednesday or Thursday week. I think it was in the

afternoon.

180

WILLIAM ROBERT STYLES SWORN AND EXAMINED.

1233 CHAIRMAN: Are you one of the original syndicate which held the Lake Lands Estate? Yes.

4 Do you mind telling the Committee how you became possessed of that in the first instance? A Syndicate was formed,. First of all I sold,partly with Mr Vaughn, the Ocean Colliery.

5 Were you partners? I took him as a partner. He came in on velvet. It cost him nothing.

(Did you and Mr Vaughn purchase this Ocean Colliery? I bought it first, 265 acres, and then I took up 640 acres at t back o it which consisted o Crown Lands on permit.

7 Were you and Mr Vaughn the owners o this Ocean Colliery? I formed it into a Syndicate after I opened up eight seams of coal,iron ore and kerosene shale. I put in a few years work there. I had to pay my part. I had one third interest in the concern. This Syndicate wanted to sell. They put it into my hands and I took Vaughn in at the time.

8 MR ASHTON : You and he did not own the property? There were eight shares. I had four out of eight. At that time Mr Vaughn came in.

9 On what terms ? He paid nothing,but it was intended that we should sell this property for a further sum.

40 That was he was going to manage the business? Of course along with me in a way. We sold this property to De Wolf and Armstrong. Vaughn made the sale when I was in Melbourne.

1 Did he hold a Power of Attorney from you? Yes.

187

3270 Howard Chatterton

1242

CHAIRMAN : Did you sell the Ocean Colliery to De Wolf for £25,000? Yes.

3 Was a portion of that sum paid in cash? Yes,about £11,000 altogether.

4 And was the balance taken out in syndicate shares? After the contract was made and signed and for some months after they bought the Lake Lands Estate they wanted us to take two shares each. I would not consent for a long time. They wanted me and Vaughn to take two shares each. After refusing to consent for some time I did take them. Afterwards I believe they said they had £180,000 to the credit of the Syndicate,but I believe only a few shares were sold. They have taken part o the other shares and put them in their own pockets without paying anything. They represented that the shares had been all taken up and paid for up to £180,000.

5 Was the balance of your purchase money payable by mortgage?

? Yes in instalments.

6 Has it ever been paid ? No.

7 Was there not some arrangement made between De Wolf and Vaughn, he holding your Power of Attorney? He might have done something without my consent. He turned round with them and I could not get any information for years.

8 Mr Vaughn held a Power of Attorney from you and with this Power of Attorney he disposed of the property to Mr De Wolf,— that was with your consent? Of course, my consent at the time,but after I came back from Melbourne to Sydney and had been here for a length o time t Power of Attorney was revoked.

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At the time he disposed of the property the Power of Attorney was in force ? Yes.

Did Mr De Wolf write any letters to you on this matter? Yes, several.

MR ASHTON : What were the precise terms on which the property was sold ? £25,000, £11,000 in cash, and t other was taken out in Syndicate shares.

Was that in accordance with the agreement? No.

What was t agreement? £13,000 in cash. We took Syndicate shares. £11,000 was what they were supposed to have paid in cash.

Was t agreement £13,000 in cash and £12,000 in shares in a syndicate? Yes.

How much cash did you get ? They paid £11,000 in cash. When they paid that there was £6000 to be paid besides.

What do you mean by that? Because when they were paying instalments we were paying for our shares in instalments ; ; we were paying £1000 at a time on each share : so they failed to pay the last instalment: but Mr Vaughn has made some arrangement to make up for that.

They paid you £11,000 out of the £13,000; they still owe you £2000 out of the £13,000 ? Yes.

Did they give you any security? No,they simply owe the £2000.

CHAIRMAN: Did they not give you a mortgage ? They gave it to Mr Vaughn.

Was that for the £2000 ? Yes.

Was the mortgage over the whole property? Over t freehold.

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T257

Does that mortgage stand at the present time? I do not think so. It was transferred to Mr Fink in Melbourne afterwards.

Did Mr Fink pay it off? He paid it off. He borrowed money from the Bank and the Bank got it.

Did Mr Vaughn accept the mortgage under your Power of Attorney ? No,because I revoked the Power of Attorney years before that.

£13,000 was the amount you were to receive in cash,- You received £11,000 and the other £2000 was secured by mortgage which you agreed to ? I was agreeable to take my shares, that means £6000.

Were you agreeable that the remainder of the purchase money £2000 should remain on mortgage ? No, I was all the time asking for the money.

Was it not secured by mortgage to Mr Vaughn and you agreed to it ? I did not agree to it.

He had two of the shares as well as yourself ? Yes.

The amount in dispute between Mr De Wolf and you is this sum of £2000 ? Yes, and the shares.

Do you say that you agreed to accept £12,000 in shares in addition to £13,000 cash ? I found out that the other shareholders had not paid for them the same as I did . Of course I did not accept.

MR ASHTON : You accepted them on certain conditions ? Yes

CHAIRMAN: You said you had some letters from Mr De Wolf to you on this matter; have you got them with you ? Yes, I produce them.

MR ASHTON : Is t position this, so far as t sale o t property is concerned ? You agreed to accept £13,000 in cash and £12,000 in shares ? Yes.

That undertaking was satisfied by the purchasers with the exception that they still owe you £2000 cash ? Yes, and interest, and the profits of course in the syndicate. I was supposed to get a profit from the syndicate as well. The syndicate, of which I was one, sold the property and made £100,000 profit. ~~When~~ I found they were deceiving me. They told me that all the syndicate shares ~~60~~ at £3000 each had been paid for; but I found after a length of time that only a few shares had been sold and they pocketed all of them themselves.

CHAIRMAN : All the letters which you have handed in so far are requests by De Wolf that you should do certain things which you refused to do - is there anything more definite - is there anything which you did do finally ? No, I did not sign anything they asked. I could see that they wanted to get me in and to get me out at the same time.

Did they get you out by making a call on the shares which you refused to pay? Yes.

Did you receive notice of the call? Yes, after a length of time.

Those shares were paid up to £50 and were liable to a call of £10 to be made at any time by the Board ? Of course there was no board at the time.

But they were liable to that call if the Board made it ?

On the face of them they were liable, but I was objecting all the time that there was fraud at the commencement; that those in the syndicate never paid for the shares as I did. My shares were paid up .

Were not the shares part of the purchase money ? No, we were paying for them the same as other people. Though they were paying instalments we were paying for them. We were paying for the syndicate shares in instalments.

MR CARROLL : Out of your own money ? Yes.

CHAIRMAN: You had shares paid up to £50 and they were liable to a call of £10 ? They made a £10 call.

Did you refuse to pay that and did they forfeit your shares ? Yes.

Is that the position now ? Yes.

Your ground of complaint against the syndicate is practically that they forfeited your shares and you say they had not power to do so ? Yes.

And that they have not yet paid the £2000, the balance of the purchase money ? Yes.

33707 Wood Gate

And the profits accruing thereon ? Yes.

Are those the grounds of your Equity Suit ? Yes.

MR CANN : I understand Mr Vaughn had a Power of Attorney to act for you while you were away ? Yes.

I will now read a passage to you from a conveyance between W.R. Styles and others of the 1st part, R.M. Vaughn Esq of the second part and T. A. De Wolf Esq of the third part, and I will ask you to give an explanation of the matter. The passage is as follows :

> And whereas the said Robert Matteson Vaughn has since agreed with the said purchaser for the absolute sale to him of (inter alia) the lands hereditaments and premises hereinafter described and intended to be hereby assured and the inheritance thereof in fee simple in possession free from incumbrances at the price of Twenty five Thousand Pounds NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the sum of EIGHT THOUSAND ONE HUNDRED AND SIXTY POUNDS to the said Vendors paid by the Purchaser at or before the execution of these Presents and of the sum of SIXTEEN THOUSAND EIGHT HUNDRED AND FORTY POUNDS at or before the execution of these presents paid by the said purchaser to the said Robert Matteson Vaughn (the receipt of which said several sums of Eight thousand one hundred and sixty pounds and sixteen thousand eight hundred and forty pounds making together the sum of Twenty five thousand pounds the said vendors and the said Robert Matteson Vaughn respectively do hereby acknowledge) and from the same do and each and every one of them doth hereby release the said purchaser his heirs executors and administrators T HEY the said Vendors at the request and by the direction of the said Robert Matteson Vaughn testified by his being a party to and executing these presents DO and each of them DOTH hereby grant bargain sell alien release and convey and the said Robert Matteson Vaughn doth hereby release and confirm under the said Purchaser and his heirs ALL THOSE the lands hereditaments and premises set out and particularly described in the Schedule hereto.

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Can you explain that ? That £8000 was the price of the first syndicate. I was one of them. Without them I had 640 acres at the back of the freehold. I had it from the Syndicate and I took Vaughn in to sell it and we sold it to De Wolf - at least Vaughn did. I could have sold it in Ballarat and Melbourne at the same time for the same figure and I could have got cash down.

That accounts for £8160. How do you account for £16,840. This is a receipt from Mr Vaughn for that amount ? The two together make up the £25,000. Before the deed was handed over the £8160 was paid for the 265 acres in the first syndicate. That money was not paid ~~over at~~ altogether at first.

CHAIRMAN : You say that this action of theirs has rendered you comparatively a poor man. Are you living in Queensland ? I am going backwards and forwards temporarily.

What is your business ? Mining.

Did they not pay you this sum in cash ? Some of it in cash.

Were you a poor man at that time ? No.

Are you a poor man now ? Yes, I have lost all.

If that is so how is that you can come all the way down here from Queensland and that you are going to proceed with an equity case against this company - do you find the money for all that ? Certainly.

Then you cannot be very poor ? I am comparatively.

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Are you sure your case has not been taken up by some solicitors for nothing ? No, I am sure enough of that. I do not believe that Solicitors as a rule work for nothing. They want cash in hand.

Can you give us any information about this Company other than what is involved in this Equity suit? I can explain with regard to the commencement of it until now so far as what they have been doing and what they ought to have done when they got the bill through.

Mr NICHOLSON : Do you know of your own knowledge whether the Syndicate have paid for the land which they have purchased or resumed for railway purposes ? No.

185

33707 Mr Dowd [10]

THOMAS ANDREW DE WOLF recalled and further examined :

1308 MR ASHTON : Mr Carey in giving his evidence yesterday dealing with these mortgage transactions in which Mr Fink so largely figured expressed the opinion that the Company's property ~~which was use~~ had been used for the purpose of private financing and he said the history of the dealing in the matter seemed to him to bear that complexion ;- can you give us a short and succinct state--ment of the mortgaging of those properties, t transfer from you to Mr Fink and t matter of that now notorious half-sovereign ? I think I can do so and I have already done so.

/ Will you give us a statement of the acquisition of the land from the Syndicate ? Under the agreement between the syndicate and the company the company were to pay £100,000 in cash - that is to say before they could get possession of that property they had to pay to the syndicate who were the vendors one hundred thousand pounds and shares.

42 2 What were the shares ? £500,000, 10,000 shares paid up to £50.

43 3 That was the consideration given by the Company to the vending syndicate ? Yes, the company as a matter of fact did not pay anything. They had not paid any cash at all. It was necessary to pay off further instalments on the property and the mercantile finance company who were then providing funds for the company through Mr Fink agreed to find a further sum of money. The property had never been

transferred to the Company. It was held by me until the Company paid the money. In the meantime the vendors had paid large sums of money on account of these properties. It was necessary to find more money and the Mercantile Finance Company agreed to advance a certain sum. That is to say, the vendors to the company had not completed their arrangements with the sellers ? It was either that or debts of the company. I do not know which. Money was wanted for the company; the Mercantile Finance Company then insisted that the property instead of being held in my own individual name as one of the vendors should be put into Mr Fink's name who was also one of the vendors.

MR NICHOLSON : Fink's name jointly with yours ? No, it was solely in may name originally until the company had fulfilled its obligation to pay £100,000 in cash, which they never did until we made the £10 call. In the meantime we were finding the money for the purchase of the properties . In order to obtain further funds we arranged to get this advance from the A.J.S. Bank through the Mercantile Finance Company.

MR ASHTON : What was the amount ? I think £8900.

It was then transferred to Fink ? The property was held by Fink in the same way as it was held by me as trustee until the Company had fulfilled its obligation.

Did Fink enter into any agreement or undertaking as to defining the conditions on which he held that property or was the transfer an absolute one. For instance Mr Carey suggested yesterday that that was an improper transfer to Fink by reason of the fact that he could have done anything he liked with the property

after that transfer ? I think the deeds shewed it but I am not certain. The transfer to Mr Fink was sanctioned by the shareholders.

Was that practically an absolute transfer and is Mr Carey's statement correct that after that transfer was effected Mr Fink might have done anything he pleased ? Most ~~certainly~~ certainly not ; he held it simply as I held it. The property was vested in my name previously as one of the vendors. It was only transferred to Mr Fink in exactly the same position as I held it.

Taking your own position, were you legally the absolute owner of that property, or were your powers restricted by any undertaking which you gave to your co-owners ?We had our contracts to the Company which were registered against the land. We had no right to part with or dispose of the land.

Except for an express purpose ? Yes.

MR CANN : Have you put in any of these deeds as evidence?

No.

Mr ASHTON : As I understand the matter it is somewhat in this form. I am aware that when a property has been taken home to London for sale the man who has the offer made to him requires that an absolute transfer shall be made to him in order that it may be readily disposed of and he in turn enters into a contract with the vendors proper agreeing that he shall do certain things with the property ; but the fact remains as I understand that although he might as the result of that transfer do whatever he pleased with that property, yet, under another agreement, he would be liable by law for specific performance

33707

of the contract, - was that the position here ? No. I understand that the contracts were registered as against the land and the land could not be dealt with until those contracts were satisfied.

1814 Suppose Fink had the land transferred to him as he had for half-a-sovereign and he sold it to somebody and pocketed the money, what recourse would the other members of the company or the syndicate have against Fink ? First of all I suppose they would put him in gaol.

15 What for ?— for selling property that belonged to him legally ? Which belonged to other people.

16 Did it not belong to him when it was transferred ?Certainly not.

17 What detracted from his absolute ownership legally? That is a legal point. I know the thing was done under the advice of our solicitors at the time and I cannot tell what deeds were entered into. It did not make any difference to the Company whether the property was held by me or Fink but as a matter of fact we got the consent of the Company and all the shareholders, to the transfer to Fink.

18 Would this represent the state of things; that the land was transferred to Mr Fink who entered into a contract to take over your agreement to the board that on certain things being done by the company it would be re-transferred to the company? Yes.

19 That was the restriction on Fink's right to deal with the property as he pleased ? Yes.

20 I wanted to know what legal restriction there was on Fink to prevent him doing anything whatsoever he pleased

1813

with the land ? He could not deal with it any more than I could.

MR CANN : Was there any time limit during which that restriction was to remain ? I really cannot say.

You could understand a man entering into an agreement that something should be done but surely there would be some specified time ? This property was absolutely sold to the Company and deeds were registered against the land. When I held this property in my own name I could not deal with it for my own benefit without giving the company the right to redeem that property when they paid the price they agreed to pay.

What time had the Company to pay the £100,000? I cannot remember.

MR ASHTON : Mr Carey made a statement here yesterday to the effect that there was nothing in the minutes by way of authorisation of this mortgage transaction. Here is the minute book. Do you find there any authorization of the transfer of the property from yourself to Mr Fink? Yes.

Do you produce the minute book containing a minute of the proceedings ~~authorising~~ of a special general meeting of shareholders dated 29th July 1892 authorising the transfer of the property from yourself to Mr Fink ? Yes, it is as follows :

> "Reported that in connection with the rearrangement of the liabilities upon the company's property that T.A. De Wolf, in whose name the title is, should transfer it to Mr B. J. Fink, a request from t members of the vendors syndicate to consent to the transfer of the same was read. Resolved that such consent should be given.

That does not say anything about any former obligation on your part that should devolve on Mr Fink ? I say that Mr Fink took this over with the knowledge of the shareholders and with their consent. I simply transferred to him what I had.

On the same conditions that you held it ? I could not do anything else. It was certainly on the same conditions as I held it.

MR ASHTON : Had that transfer to Fink for its untimate object an advance from the A.J.S.Bank ? Yes.

What steps were taken in order to secure that advance -do you know the exact steps by which Wallach Bros came into the proceedings ? We simply received a cheque for the money.

From whom ? I think from Wallach Bros.

You cannot give any explanation as to how Wallach Bros came into the matter except that you know that Mr Fink was a partner of Wallach Bros ? Fink was practically Wallach Bros.

It was probably more convenient on account of the business connection with Wallach Bros that it should come in that way ? The A.J. S. Bank made the advance to Wallach Bros. who were largely interested with Fink in this syndicate

MR CANN : When this advance of money was made was the property mortgaged to the party who advanced the money ? Yes a mortgage was given .

Was there not a time limit in the mortgage as to when you should pay back this money and otherwise would not the property go completely out of your hands? I cannot

tell. The property could not go out of our hands. We had the Equity of Redemption.

In ordinary mortgages there is a time limit. You must pay the mortgage within a certain time. What were the conditions attached to this mortgage ? I cannot tell you. It was left to the lawyers to settle. A man might have a mortgage on his property but the property belongs to him if he pays off the mortgage.

MR ASHTON : After this transaction with the A.J.S. Bank what was the next financial transaction;- I want to find out how Fink got out of it himself ? I do not know. Was the bank paid off ? The bank assigned this mortgage to Osborne.

What are the obligations on the property now? Only the debt to Amos, £34,000.

And the cost of the railway itself was £41,000 ? Yes, all these things have been settled up. Everything is cleared off. That is the end of all the financial transactions in connection with the mortgage and the company. A mortgage now rests on it of £34000 to Amos which was given to him I think as part payment for the construction of the railway pending the issue of our debentures.

What connection, if any, has Mr Fink with the Company now ?

None at all.

How did he cut his connection with it ? At the time of the failure of the mercantile finance company Mr Fink owed me a good deal of money and also the mercantile finance company under contracts. They were not prepared to carry on the business any longer and we made a settlement with them by which they went out of it.

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Would you have any objection to tell the committee the names of those who are interested in the company at the present time ? The object o t question is this : One of the main points in connection with this inquiry is of course the probability of something being done if this extension is granted. That largely depends on the bona fides and financial status of the persons interested in the company ? I have already given that. I gave the names of our principal shareholders - the London shareholders ; the Australian shareholders are not strong financial men.

What proportion of the shares are held in London ? The bulk of them. I think 4/5ths hardly so much perhaps.

Would it be possible to enumerate precisely the interest held by different people in the Co. ? I have not got t list of share holdings but I have a list o t principal shareholders.

Is that information not on this side? I gave all the names to the Upper House Committee that I could remember and I gave the names here of the principal men.

Do you say that 4/5ths o the shares are held in London and that the list of shareholders in London comprises men of the highest standing and of great financial strength?

Yes, there are a number of shares which we are holding to assist us in the flotation of our debentures which probably we would have to give to the debenture holders. There are people who are not very keen about advancing money on debentures unless they get an interest in the Company as well. We have a number of shares in reserve

which will be used probably to assist in getting debenture money.

The Company has an equity suit pending with Mr Styles.——

Mr Style's account of the sale of the coal property, which I think substantially agrees with yours, is that the consideration was £13,000 cash and £12,000 in shares ?

Yes.

He says that £11,000 out of the £13,000 was paid and that the balance of £2000 was left due and remains due at the present time? That is not true.

Do you maintain that the whole of the purchase money was paid? Yes - in fact there was more.

Mr MOSELY : By that do you mean that some portion of it was paid in shares ?Not of the £13,000. There was more than £13,000 because I had to take up an advance which they had got from a bank of £1000 and that did not come into the £13,000. £13,000 was paid in cash and I had to pay something extra in cash.

What is the nature of this equity suit ? Mr Styles claimed that his shares were not properly forfeited. We claim that he never paid a shilling towards the expenses of the Company, that he never contributed in any way. When we made a call he refused to pay and we forfeited his shares.

CHAIRMA N :Is he practically in the same position as Carey on that point ? No, Carey insisted upon getting rid of his liability. He paid off something on account of the call but Mr Styles never paid a shilling We have spent £78,000 in the expenses of the Company but Mr Styles has never paid anything.

Is not Mr Style's case exactly the converse of Mr Carey's;- does he not want to get shares in the Co while Mr Carey wants to get out of the Company? Yes.

MR CANN : At which particular time did you give the names of the London shareholders? I gave the principal names to this Committee.

I understand the Directors of the Smelting Company have nothing to do with the Directors of this Company? No, except that I am a director of both companies.

1344 [redacted]: To-day you stated that you had given them before the Up Hs? Yes, as far as I could remember.

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Mr Ashton: You gave here a list of those who were interested in the Illawarra Company? Yes, of the men who had found the £20,000. I have the paper outside, & I can get it if it is wanted.

6 There have been a number of suggestions made by various witnesses that the affairs of this company have been manipulated in the instance of certain individuals; h you made any profit out of the company? No, I have not made a shilling out o it. I h put money in every year f 10 years.

7 And you areactually out of pocket? I am out of pocket between £20,000 & £30,000 --- nearer £30,000 than £20,000

8 Mr Nicholson: As a matter of fact no profits have yet accrued from the venture ? No one has made a shilling -- the only man is Styles who got advances on his shares.

9 Mr Campbell: Did the Lakelands property at any time revert fm the company back to Osborne, ~~the company losing the whole of it entirely~~? An arrangement was made by wh t property should be put under Torrens Title, and when I went to England we arranged with Mr Osborne that should be done, & he gave me then 6 months to pay off his

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mortgage, which I did.

1370 It was in a state of suspension for 6 months, as it were? In the meantime they put the land under Torrens title.

) I suppose that was the time when Mr Osborne gave the Dapto showgrounds out of the estate? Yes.

✓ The company consented to that ? Yes.

3 Mr Ashton: What interest does Mr Armstrong hold in this company? He holds shares in the London company of the nominal value of £100,000.

4 Is there any liability on those shares? No.

5 The personnel of the company has very radically changd durg the last 2 or 3 years since these London men came on? Yes, very much. We consider ourselves to be in a stronger position.

6 You consider that the change in the personnel of t company betters the prospectsof the company, that is of the work being carried out to a successful conclusion? as compared with the time when you were previously before parlt? Naturally, because these men who have already put the money into the company are ~~extremely wealthy men~~ -

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very wealthy men, & are very anxious to have this work carried out. They will support us in every way in financing the business in London.

(31) What is the amount of money which these men have put in? £20,000. The interests of the Smelting Company too are very much mixed up with the interests of the harbour company. It is very necessary tt they shd have this harbour.

Q And the periodic delays which have taken place, the absolute nonfulfilment of the company to carry out its undertaking in regard to the harbour works --- do you say that tht is due to the evil times financially, which t company fell upon (though being connected with such a man as Mr Fink and the Mercantile Finance Company? For the first few years it certainly was.

A If the Mercantile Finance Co had continued they certainly would have found the money to carry out the harbour works? They were quite able to do so. When they failed, we were left to our own resources, with a heavy debt which we have had to liquidate since.

Q Mr Simpson: is it not a fact that it is also due to the Smelting Company ~~not~~ having started its operations? When we applied for the last extension of time we applied for a two years extension, but we were only granted one year's extension. We were then under the impression

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that the Smelting works had been in operation nine months. Mr Howell gave evidence before a select committee that they would be in operation in 9 months, but as a matter of fact it was over two years. When I got to a certain point with the people in London about the financing, they all said you had better wait till the smelting works gets started, the venture would go so much better then.

Mr Ashton: That is to say the cutting down of the extension frm 2 years to one year really lessened the security in the mind of those who might have found the mnney? Yes, in the first place we lost time, because the smelting works had not started -- instead of being started in nine ~~m~~ months, they were not started for two years, Then the time got very short, & when we found that we got only one year's extension, the people refused to go on. If we had got that other year, I am quite convinced that there would have been no occasion to ask for this extension.

That is to say the money would have been forthcoming? Yes, if we had got the extra year I do not think that there would be the slightest occasion to ask for an extension under this bill.

Mr Campbell

How do you account for your people out here stating definitely before the select committee that that extension of time was only being asked for in case o a contingency, such as badweather, that everything was in readiness? I was not here, I was in London at the time.

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Mr Nicholson: Since you have been down there, has it ever been your opinion that the Port Kembla harbour scheme and the Illawarra Lake scheme are rival schemes ? I used to consider that they would be to a certain extent, but I do not see that there should be very much rivalry between them now. In any case we want a harbour for the smelting works.

In any case you con can see from the situation of the lake that you ~~would~~ can never expect to have much coal shipped from there ? We do expect to ship coal from there, whether Port Kembla harbour is built or not, because we will have vessels coming with ore which will take back a cargo of coal. We shall be large buyers of coal for shipment.

For the benefit of your own particular industry? Yes.

At the same time you ~~could~~ never expect ocean going steamers to go near ~~the~~ Lake Illawarra for a load of coal? We often hope things.

Mr Campbell: Are Mr ~~Sam~~ Barton and Lieut-Col Neild the only members of this parliament who are members of your company? I think so ; I explained that. I got instructions in London to allot some shares to Mr Lyne; ~~I allotted~~ ~~was not~~, but when I arrived here I found that Mr Lyne has never accepted them, & that therefore he was not a shareholder.

Did his name appear on the London share list ? Yes, but you cannot allot shares to a man unless he accepts them; otherwise we might all get presents.

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Corrected Proofs

Please make the alterations, & corrections indicated.

W. J. F.
15. 12. 98.

1898.

(SECOND SESSION.)

LEGISLATIVE ASSEMBLY.

NEW SOUTH WALES.

MINUTES OF EVIDENCE

TAKEN BEFORE

THE SELECT COMMITTEE

ON THE

ILLAWARRA HARBOUR AND LAND CORPORATION BILL.

THURSDAY, 8 DECEMBER, 1898.

Present:—

MR. ASHTON,
MR. ARCHIBALD CAMPBELL,
MR. CARROLL,
MR. COHEN,
MR. SLEATH.
MR. WADDELL.

W. J. FERGUSON, ESQ., IN THE CHAIR.

Mr. E. P. Simpson (of Messrs. Johnston, Minter, Simpson, & Co.) appeared on behalf of the Illawarra Harbour and Land Corporation.

Robert Matteson Vaughn sworn and examined :—

R. M. Vaughn. 8 Dec., 1898.

1. *Mr. Simpson.*] What is your occupation? Civil engineer.
2. I believe that, with Mr. Styles, you were the owner of some land which formed the subject of a sale to the Illawarra Harbour and Land Corporation? Yes.
3. What interest had Mr. Styles in that land and how were you associated with him in the matter? In the first place, Mr. Styles informed me casually that he owned some land at Lake Illawarra, or in the mountains at the back of Lake Illawarra. I thought something could be done with it. I took up two blocks at the back of that coal land, with the view, at the time, of forming a company. I endeavoured to get the Government to make a harbour at Lake Illawarra, or at Kembla—I did not care which—but I was not successful. They declined to spend any money whatever there. Then I heard afterwards that a syndicate owned this land at Lake Illawarra, and I put myself into communication with them, and it resulted in my selling this land to the syndicate.
4. At what price? £8,500.
5. Was there not other land, and was not the total price £25,000? £25,000 for the whole.
6. I asked you to refer to the whole of the land? I made a mistake—it was £25,000.
7. Is this document [*produced*] a conveyance from yourself and Mr. Styles? It was from myself. Mr. Styles was not in it. I made the sale to Mr. de Wolf myself.
8. Is not the purchase money in this deed mentioned as £25,000? Yes. I put in the conveyance.
9. You mention the price as £25,000, but in addition, were not shares in the company allotted to yourself and Mr. Styles? There were four syndicate shares of £4,000 each allotted to us.
10. What did the land actually cost you? About £8,500.
11. So that the difference between £8,500 and £25,000 represented profit? Yes; ~~it was supposed to.~~
12. Did Mr. Styles participate in that profit? He did.

R. M. Vaughn. 8 Dec., 1898.

13. To what extent? Equally with myself.
14. So that Mr. Styles in reality made a handsome profit by the transaction? He did.
15. Did Mr. Styles himself put anything into the purchase? Not a shilling.
16. Can you tell me whether or not he was in a position to have done so at that time? I am sure that he was not, from this fact: That I lent him £50 before there was anything said about selling the land or joining the syndicate. I lent it to him on his promissory note, and I have it now. I subsequently lent him other sums.
17. Having nothing, he risked nothing, and made a handsome profit out of the transaction? Yes; that is the fact.
18. *Chairman.*] I believe you are a partner of Mr. Styles? In some things I was—in some coal lands at Illawarra. We took some of the coal lands up together—that is, at the back of the range.
19. I mean the property which was sold to Mr. de Wolf;—were you partners in that property? No, we were not. I bought that myself, and I am the only one responsible for dealing with it. I sold it personally to de Wolf, and for bringing the property under my notice I gave Styles two syndicate shares—the same as myself.
20. You say that both of you were partners in this land—that you took it up together? Yes; there was freehold and some leasehold land. Two blocks were taken in his name and one in my own. I purchased personally the 400 odd acres of freehold land, and transferred it to the company.
21. Was not Mr. Styles interested in that as well as yourself? Yes.
22. Did you not sell it afterwards to de Wolf with Styles' consent? I did not.
23. This document shows a sale from you to de Wolf;—must not Styles have been a part-owner, or he would not have given you power of attorney? No; Styles was a partner among the original holders—some six or seven of them—from whom I purchased it, and Styles was not in it at all. But afterwards I transferred two syndicate shares to him. That was the whole transaction from the beginning to the end. He received his shares in the company when it was formed, and I suppose he has them yet, if he has not disposed of them. He had the same number of shares as I had.
24. Did not Styles sell to de Wolf the two coal properties? No; I sold them.
25. Is that what they call the Ocean Colliery? Yes; I sold them. Styles would have to transfer his 640 acres, of course, to himself, it being in his name; but all the balance was in my name. It was my own transaction with de Wolf. I was legally responsible for anything that occurred, and Styles was not.
26. Was Styles aware of this sale between you and de Wolf? Yes.
27. Did you do it with his consent? Yes; he did not make any objection.
28. Did he know about it? Certainly; he knew every step of it.
29. *Mr. Simpson.*] Did you distribute a share of the profit on the transaction with Styles? Yes.
30. Part of it was in cash, and the other part was in shares? Yes.
31. *Chairman.*] The balance of the purchase money was by mortgage? Yes.
32. Has that ever been paid? Yes.
33. Did Styles receive it? Styles was not the mortgagee; he had nothing to do with it. He received his share of it.
34. Did he receive a share of the mortgage? He received as much as I did.
35. Were not these shares of Styles' afterwards forfeited? I do not know; I believe a call was made of £10 a share, but what was done with regard to Styles' shares I do not know. I was a director for some time; but at this time, when the call was made, I had left the company. I was not a director any more, so I could not tell. I do not know what transactions took place between Styles and the company after I was director.
36. You say the balance of the purchase money has been paid? Yes.
37. To you? And to Styles, too; he received it. I do not understand what allegations Styles has made.
38. I am not talking about any allegations he has made; I am only asking you the question; he has not been here? Styles has been fully paid his share of the transaction.
39. By you? Yes.
40. And the full amount, the balance of the purchase money, has been all paid? Yes.
41. *Mr. Cohen.*] Is this a conveyance purporting to be made by Styles and others, on the one part, and you, on the other part, and Mr. de Wolf as purchasers;—you had agreed to purchase this property from Styles and other people for £8,160? Yes.
42. You had not completed that agreement;—de Wolf, after he purchased, paid Styles and the other people £8,160? That was to save expense; that is correct.
43. That £8,160 was paid to Styles, Hughes, Cope, Gallagher, and Hitchcock? Yes; they were the original holders.
44. When was the £16,840 paid? At various dates.
45. It was paid subsequently? Yes.
46. That was paid to you? Yes.
47. Who participated in that £16,840 besides yourself? Styles received his share.
48. Did Styles receive half of this? Yes; it only amounted to £12,000.
49. There was £25,000 in all; what became of the balance? I was not expecting to be called here to give evidence when I left home, and I have not brought accounts with me; I am only speaking from memory. There were four syndicate shares of £4,000, and that would make £16,000.
50. Then you got no cash? No cash; but these shares.
51. You got £12,480 and four shares? Yes. Styles had two of those shares and £6,000.
52. *Chairman.*] Styles owned some land there before you took up the two blocks? Yes.
53. You took up two blocks, and the whole lot—Styles' and your own—were sold to the company? Yes.
54. What was the land you bought from these people? Some farming land on the face of the cliff where the coal crops out.
55. That includes the original property Styles had down there? Yes; that is the property. It was a dairy farm originally.
56. Then Styles got £8,000, and you only got £6,000? About that. I cannot state the exact amount without referring to my books.
57. The shares were £4,000 each, paid up to £1,000? Yes.

68. *Mr. Campbell.*] How much cash passed between you and Styles? I could not explain that without my books. R. M. Vaughn. 8 Dec., 1896.
69. *Mr. Simpson.*] Was it all cash excepting these shares? Yes.
60. You spoke of the company; did you mean Mr. de Wolf? The Illawarra Harbour and Land Corporation.
61. And when you speak of Mr. de Wold, do you mean that company? Yes.
62. According to your showing, Mr. Styles made a profit? Yes; a big profit too.
63. The syndicate shares were £1,000 each? £4,000 each, but paid up to £1,000.
64. *Chairman.*] Are you on the Board of Directors of this company now? No.
65. Have you any connection with it? Only as a shareholder.
66. Do you know anything about this Lake Illawarra scheme, bar being a shareholder? I know a great deal about it for the last thirty-five years. I know the district well.
67. Do you know the whole of the transactions of this company from the start? Yes.
68. In whose name is the first deed? What deed do you refer to?
69. The first transactions with this as a company at all? Transactions with me.
70. Not necessarily. You said you sold to de Wolf? I sold through Mr. Armstrong, who was a land agent at that time.
71. There was an agreement with Thompson, Armstrong, Newton, and others? They were all connected with it in some way; I cannot explain it.
72. You do not know all the transfers? No; if I knew them I would be glad to state them, but I do not.
73. *Mr. Cohen.*] Are you interested in the smelting works? No; I am interested indirectly.
74. *Chairman.*] Do you think it necessary for the Smelting Company to have this harbour in order to carry on their operations successfully? I think so.
75. Have they not carried them on so far without it? It would make a great difference to the cost of treating ores if they had the harbour with a railway running up to the smelting works.
76. Do you think the Harbour Company would make any profit out of this harbour if they had it? I can scarcely say. I do not think it would be a very large profit. I do not know much about maritime matters.
77. You do not know whether it would be of any use to them if it were constructed? It would be to the Smelting Company.
78. But that is not the company asking for it—it is the Harbour Company which is asking for it? I think a trade would be made there.
79. In what way? In the way of bringing in ores or merchandise, and sending away coal.
80. Do you not think that the Port Kembla scheme would be just as good as this one, as far as sending away coal is concerned? I do not know that my opinion would be worth much in comparing the two.
81. Do you think that if they had the Port Kembla scheme, looking at it from the Smelting Company's point of view, there would be any necessity for having the other scheme? I think there would be a necessity for opening the lake.
82. What for? For traffic.
83. I mean if the Port Kembla scheme were carried out, would not the Smelting Company have their outlet there? They have an outlet now by Wollongong or Sydney, but you must remember the cost.
84. But the Kembla scheme is different;—if it were constructed would it not be as useful to the company as the other scheme? I think not.
85. Why? Because in the Illawarra scheme they propose to make a railway, so that the ores could be unloaded from the trucks and carried right up into the works for treatment. That is only a short distance, but the other would be a long, round-about way from Port Kembla, and would of necessity be more expensive.
86. When this company was originally formed did they anticipate that they were going to make a profit out of the Illawarra harbour works? Undoubtedly.
87. From the harbour itself, I mean? Yes.
88. That was to be a source of profit? Yes.
89. But Mr. de Wolf says no? I always understood it was so. To my mind it was.
90. *Mr. Carroll.*] Do you still hold two shares in the original company? Yes.
91. Do you hold any other interest in the Lake Illawarra Company? No.
92. Have any calls been made upon them? There was a call of £10 made, but I do not know much about it.
93. Did you pay the calls? No.
94. Are your shares still good in the company? Yes.
95. Did not the original company go into liquidation or go broke? No.
96. The original company is still good? Yes. It is the only company, I think, that has held its own and paid everybody 20s. in the £ since the financial crisis.
97. *Chairman.*] You say you still hold shares on which a call has been made, and which you have not yet paid, and that the shares still hold good? Yes.
98. And that other shares upon which a call was made were forfeited for non-payment? I do not know of any.
99. Were you a director when that call was made? Yes; but I left just immediately afterwards.
100. You were a director when the call was made? Yes.
101. And the call was made on shares which you held, and which you did not pay, but they still hold good? Yes. I may mention that Mr. Styles held his shares as well.
102. *Mr. Cohen.*] How many original shares were in it? Sixty.
103. *Chairman.*] But were not Mr. Styles's shares forfeited? Not that I am aware of.
104. But you were a director? But I have explained that I left the company immediately after the call was made. I do not know what was done afterwards.
105. Who were the directors at the time the call was made? Armstrong, de Wolf, and myself. There were so many changes that I cannot tell exactly who the others were.
106. You do not know whether Styles's shares were forfeited or not? Not to my knowledge.
107. Do you know whether Carey's shares were forfeited for calls, do you? I do not know.
108. You do not know anything about any of them? No; not since I left the directorate.

R. M. Vaughn. 8 Dec., 1898.

109. *Mr. Campbell.*] Was there a call made all round on the shareholders? Yes; the call was made on all the shares.
110. Do you know the locality well? Yes.
111. Do you know the position of the Smelting Works? Yes.
112. Do you know the way by tramway that you get from the Smelting Works to the lake? Yes.
113. What is the distance from the Smelting Works by that tramway to the edge of the lake? I should think about 2 miles.
114. What is the distance across the lake, and out into the deep water of the ocean? About [illegible] miles.
115. That would be 7 miles altogether? Yes.
116. So that in reality at present the Smelting Works are situated [illegible] miles from the lake? Yes; but I presume the railway would be made across to connect the two lines, and so shorten the distance to about 1½ miles to the lake.
117. Still the Smelting Works is that distance from the lake, even if it were a harbour? They would be that distance from the water.
118. So that in any case, even assuming the harbour were made, the ore would have to be conveyed 2 miles or 1½ miles? One and a half miles.
119. What is the distance across the lake to meet the channel, and into deep water in the ocean? [illegible] miles altogether.
120. What is the distance by a railway between the Smelting Works and Port Kembla, that is by a direct line of railway that could be made? I cannot answer that question, because I never looked at it. I do not think that it would be much shorter, if any, than the present line. I think it is about 13 miles from Port Kembla.
121. No, I was assuming that the channel is made through the lake, and out into the ocean for vessels, it would be between 6 and 7 miles between the smelting works and the deep water in the ocean? Yes.
122. From your knowledge of the locality, do you not think it is just about the same distance by railway or tramway that could be made along the edge of the lake between the Smelting Works and Port Kembla? I cannot tell the distance. No doubt a line could be made there, but I do not know the distance.
123. *Mr. Carroll.*] Were your shares such that calls could be made on them, or were they fully paid up? No; calls could be made on the shares.

Thomas Andrew de Wolf sworn and examined :—

T. A. de Wolf. 8 Dec., 1898.

124. *Mr. Simpson.*] I propose to ask you to give a short history of this Illawarra Harbour and Land Corporation right from the formation of the syndicate :—this Committee will then have before them a full knowledge of all the circumstances relating to the scheme and all the events which have happened subsequently? I shall be very pleased to give any information. I told the Select Committee of the Upper House that anything they wanted to know I would tell them, but there were certain things which I considered not judicious to publish ; I did not want to have them published in the Parliamentary papers. This business was started by me in the year 1888. The Lakelands property was brought under my notice with the idea of purchase for subdivision into farms.

125. You mean the freehold estate of Mr. P. H. Osborne? Yes, of 29,920 acres. I then formed the idea of making a harbour down on the South Coast in connection with the coal trade. I decided to buy that property, and at the same time a property was submitted to me known as the Ocean Coal Property, consisting of 265 acres of freehold, and I think there were two permits attached to it belonging to Mr. Vaughn. I decided to buy this, and I paid a deposit. It is a long time ago, but I think it was £1,000 I paid on the one, and £500 on the other. However, I am not quite certain. I then went down to Melbourne, and I met Mr. Fink, of the Mercantile Finance Company, who was operating very largely on landed properties at the time, and I put the scheme before him. I had made some previous inquiries as to the feasibility of a harbour being made there. I had sent engineers down at my own expense, and was satisfied that we could make a harbour there. I put the business before Mr. Fink, and told him what I was doing. He agreed to join me in the purchase of properties, which he did. Mr. Armstrong was also connected with us in the purchase of the properties. We three then became responsible for the purchase money of these properties; that was £90,000.

126. *Chairman.*] What year was that in? In 1888, about June.

127. *Mr. Simpson.*] Will you explain how that purchase money was paid? I think it would be best to let me say how the things occurred. When I was down in Melbourne at that time I met Mr. John Newton. He was one of the owners of the Lakelands Estate, and I told him that I intended to form this syndicate, and that by making a harbour the property would become more valuable. I told him I had agreed to purchase the property, and had paid my deposit. He then said he would take a share in the syndicate. That was a syndicate of £240,000 of sixty shares of £4,000 each, of which £3,000 was paid up, and the other £1,000 was to remain uncalled for a time. Mr. Newton took his share. On my return to Sydney I found that Mr. Armstrong had sold a portion of his shares to Mr. Friend, a personal friend of his. I think the price paid for it was £1,000 on the same basis. That was all the money that was paid into this thing originally for these properties, outside of Fink, Armstrong, and de Wolf.

128. I think you have not explained that at that time Osborne had sold the property to a syndicate? Yes.

129. And you were really negotiating with the syndicate who had purchased the property from Osborne? If I mentioned Osborne's name it was a mistake. It was a syndicate with which I had no connection which had purchased the property some years previously from Osborne.

130. And who owed Osborne a certain amount on the purchase? As far as we were concerned, we took it over with a mortgage of £30,000 to Mr. P. H. Osborne. Then the members of the syndicate decided—of course, they could not carry on their business as a syndicate—that they would register themselves into a company, and at that time people's ideas of the values of properties and lands were very large. Mr. Fink, of Melbourne, was the principal shareholder in this syndicate, and he fixed the figures at the price at which we formed the company. We agreed, of course, to this. It was, perhaps, a mistake to make the capital so large, but in those times we had a great idea of the value of the property, and properties were rising in value. But nobody came into this company, nor ever put one shilling into it. We simply formed ourselves into a company; we took payment ~~of the~~ in shares, £500,000 paid up in shares with a liability of £500,000.

131.

131. *Mr. Cohen.*] What was the capital of the company then? The nominal capital was £1,600,000; £1,000,000 of shares were issued to the members of the syndicate paid up to £50 a share, the idea then being that we should take upon ourselves a further liability of £500,000. Whoever would hold those would have to take the liability as a security to the debenture holders; that is to say, whatever money we put into the properties would be security with our personal securities. T. A. de Wolf. 8 Dec., 1898.

132. *Mr. Simpson.*] Do I understand that the company took over the liabilities of the syndicate as well? They took them over as well. The company was liable to the syndicate for £100,000 which represented the value of the properties paid and the expenses, the amount due for the property and the expenses, which I will show you presently.

133. So the company really owed the syndicate £100,000? Yes; for which they were to have possession of all the land, and all the work done up to that time.

134. *Chairman.*] The syndicate at that time were yourself and Fink? And Armstrong, Friend, and Newton, and afterwards Vaughn and Stiles. That brings us up to the registration of the company. I may mention now that for all the expenditure that has been made in connection with this company, nobody connected with the company that I know of, has ever received one shilling from the sale of a share, or in any way whatever, except that Mr. Stiles borrowed money on his share. But no other person connected with the company has done anything but pay out the whole time. There have been no receipts of money in any way, that is for ten years. The company owed the syndicate £100,000. They were not in a position to pay that money although the company practically consisted of the syndicate and their friends, and the thing was allowed to run along. No calls were made on the company for some years. The whole of the expenses of the company were found either by Fink, Armstrong, or myself from time to time. Interest on mortgages, the expenses of the office, surveys, and other very heavy expenses had to be incurred. In regard to the transfer of the property, I may say that up to that time the contract for the purchase of the property was between the original vendors and myself, I buying in the first instance, and taking the risk of the purchase. The company not having been in a position to pay me off, the property still remained in my name. It was necessary then at that time to find some more money for the company. And Mr. Fink, as the Mercantile Finance Company, who were then financing the company, and finding a good deal of money for them, requested that the property should be put in Fink's name instead of my name, as I held it as trustee for the company. I agreed, and the property was transferred to Fink as trustee for the company for the sum of 10s., a nominal consideration.

135. But before you got to that, before the transfer from you to Fink, there was another transfer, was there not? No.

136. Was there not one to Champion, Armstrong, and Newton? No; they were the trustees for the syndicate. We had trustees for the syndicate, and trustees for the company.

137. There were two or three agreements one after the other—there was another one in 1890? They were only agreements. Well, during all that time we were finding that our expenses were very heavy. We had spent a great deal of money, and this money at last was being found by the Mercantile Finance Company, and they insisted that we should make a start with the harbour works, which we did. We let a contract to Brand and Dryborough, but we had the power to determine the contract. The Mercantile Company at that time were very strong, and stated that they were prepared to carry out the whole of the works. We had offers at that time to the effect that if we would give up to them a portion of our interest in the company, they would find the whole of the money. It was some time early in 1894, that the Mercantile Finance Company suspended payment, and they left the company then with a considerable amount of indebtedness, and with this contract to Brand and Dryborough on hand; and they were unable to pay anything. Everybody knows, I think, the awful smash up that occurred at that time, and the company that was supposed to be worth millions, was absolutely unable to pay anything at all. We were, therefore, left in that position of having to carry on the thing ourselves.

138. You got to the point of the transfer from yourself to Fink, do you know anything of a transfer from Fink to Wallach Bros? It was a little previous to that.

139. You got to 1894, but this was before 1894? Fink arranged with Wallach Bros., who were really Fink himself, to advance certain moneys for expenses and so on. He gave them a lien on the property.

140. That was done the same day as the transfer to Fink? About that time.

141. Then there was a conveyance in 1894 to the A.J.S. Bank? It was through the Joint Stock Bank that Fink obtained this money from Wallach Bros.

142. *Mr. Simpson.*] You might explain how the estate got back to the company? I decided then to go to England, as I found the Mercantile Finance Company had gone smash, and to raise money in England to put the company in a sound position, and bring in fresh blood. I arranged with Mr. Osborne who was anxious to get the land put under Torrens' title that he should give me, I think, six months to pay off the mortgages and the property would return to the company. It never had been in the company's name up to that time. Mr. Osborne, who is a personal friend of mine, said he would give me I think it was six months. I went to England, and I remitted promptly portion of the mortgage money, and finally remitted him the balance, and the property was clear of all encumbrances.

143. The conveyance was made from the Bank to Osborne? Yes.

144. For £300? Well, that was only the equity.

145. When you went to England, that was the position? There was a heavy mortgage on the property, and for a nominal sum the A.J.S. Bank transferred the security which Fink had given to Wallach Bros.

146. And then the mortgage of discharge came back in the company's name? In the company's name. In fact that was the first time it had ever got into the company's name.

147. You have not mentioned the actual purchase money which passed between the purchasers, that is to say the syndicate, and the syndicate who bought from Mr. Osborne;—what was the total amount of the purchase money? I purchased the Lakelands property for £65,000. That money has all been paid. In addition to that, there has been a very large amount of money paid in Bank charges, interest, legal charges, and other expenses. The whole of that £65,000 has been paid in cash, and the deeds are here to show that that has been paid, and paid in cash. As to the other property, the Ocean Coal property, the deeds show that we paid £25,000, but out of that Vaughn and Stiles received £12,000 in syndicate shares the same as we received. So that made £13,000 in cash, which I paid to Vaughn, and £65,000 which I paid for the Lake-lands Estate. That is £78,000 I have paid off in hard cash besides expenses.

T. A. de Wolf. 8 Dec., 1898.

148. At this stage, Mr. Chairman, I propose to put in an abstract of the deeds which relate to these transactions, and which show the considerations. The deeds themselves are here, but as they are original documents, I hope the Committee will be content with the abstract. Abstract of deeds put in as follows :—

Abstract of the Title of the Illawarra Harbour and Land Corporation (Ltd.) to land at Dapto, known as the Lakelands Estate.

11 September, 1888.

By indenture of conveyance of this date, made between Edward Percy Simpson and James Thomas Atchison of the first part, the Illawarra Lakeland Company (Ltd.) of the second part, and Thos. Andrew de Wolf of the third part.

Reciting mortgage to P. H. Osborne, dated 12th May, 1888, registered 707, Book 341, in the sum of £35,000; and reciting payment of the sum of £5,000 of the principal of the said mortgage on the 1st May, 1887.

And reciting that E. P. Simpson and A. J. Atchison were trustees for the Illawarra Lakeland Company (Ltd.); and reciting agreement for sale for the sum of £35,000, subject to the said mortgage of P. H. Osborne.

It was witnessed that in consideration of the sum of £35,000 paid, &c., the receipt, &c. They, the said E. P. Simpson and J. T. Atchison did grant, bargain, sell, release, and convey unto the said T. A. de Wolf and his heirs.

All the land described in the schedule thereto, together with all houses, &c., and all the estate.

To have and to hold the same with the appurtenances unto, and to the use of the said T. A. de Wolf, his heirs and assigns for ever subject to the said indenture of mortgage.

Usual covenants from vendors.

Schedule.

All the Lakelands Estate as therein described containing 2,920 acres or thereabouts; duly executed and attested; receipt for consideration moneys signed and witnessed; registered No. 725, Book 3909.

By indenture of mortgage of this date made between the said T. A. de Wolf of the one part, and the Illawarra Lakeland Company (Ltd.) of the other part.

Reciting the payment of £1,000.

It was witnessed that in consideration of the sum of £25,000 paid, &c., the receipt, &c., he, the said T. A. de Wolf did grant, bargain, sell, alien, release, and convey unto the said mortgagee and its assigns.

All the land described in the lastly abstracted indenture; together with all houses, &c., and all the estate.

To have and to hold the same with the appurtenances unto, and to the use of the said mortgagee, subject to redemption as therein mentioned.

Proviso for redemption: Usual mortgage covenants.

Duly executed and attested; receipt for consideration money signed and witnessed; registered No. 725, Book 309.

27 August, 1888.

By indenture of reconveyance of this date, endorsed on the hereinbefore abstracted indenture of mortgage, all the lands mentioned therein were reconveyed unto, and to the use of the said T. A. de Wolf, his heirs, and assigns, for ever.

Duly executed and attested; receipt for consideration money signed and witnessed; registered.

29 July, 1892.

By indenture of conveyance of this date, made between the said T. A. de Wolf of the one part and Benjamin Josman Fink of the other part.

Reciting sundry dealings between the said T. A. de Wolf and A. Armstrong, and the mortgages.

It was witnessed that in consideration of 10s. by the said B. J. Fink paid, &c., the receipt, &c., he, the said T. A. de Wolf, did grant, bargain, sell, alien, release, and convey unto the said B. J. Fink and his heirs, all the lands described in the hereinbefore abstracted indenture, together with all houses, &c.; and all the estate, &c.

29 July, 1892.

By indenture of mortgage of this date, made between the said B. J. Fink of the one part, and Wallach Bros., therein called mortgagees, of the other part, reciting that a certain promissory note had been made by Messrs. T. A. de Wolf and A. Armstrong, dated on the 9th April, 1890, in the sum of £8,920, due four months after date in favour of the said B. J. Fink, and by him endorsed to Wallach Bros., and by them discounted at the A. J. S. Bank at the request of the said B. J. Fink, and on his undertaking to give a mortgage over the Lakelands property to secure the payment of the same; and reciting that the said promissory note had not been paid, and with discounts, now amounted to £12,663 10s. 11d.

It was witnessed that in consideration of the said sum of £12,663 10s. 11d., and of £5,160 paid, &c., the receipt, &c., he, the said B. J. Fink, did grant, bargain, sell, alien, release, and convey unto the said Wallach Bros., and all their assigns, all the land described in the hereinbefore abstracted indentures, together with all houses, &c.; and all the estate, &c.

To have and to hold the same with the appurtenances unto, and to the use of the said Wallach Bros. and their assigns, subject to the proviso for redemption therein contained.

Usual mortgage covenants, powers of sale in case of default, &c.

Duly executed and attested; receipt for consideration money signed and witnessed; registered 5th August, 1892, No. 777, Book 495.

29 July, 1892.

By indenture of mortgage of this date, made between the said Wallach Bros. (Ltd.) of the one part, and the A. J. S. Bank of the other part: Reciting that the said Bank had commenced proceedings against the said T. A. de Wolf and A. Armstrong, in respect of the said promissory note, but had agreed to stay the same at the request of the said Wallach Bros.; and also to advance a sum of £5,160, to be paid to P. H. Osborne, in reduction of the principal and interest due under the hereinbefore recited mortgage of the 12th May, 1886.

It was witnessed that the said Wallach Bros. (Ltd.), did in consideration of the premise, assign unto the said A. J. S. Bank, all that the principal sum of £17,823 10s. 6d., and all interest, &c.; and it was further witnessed that in consideration, &c., the said Wallach Bros. (Ltd.), did grant, bargain, sell, alien, release, and confirm the said A. J. S. Bank and its assigns: All the land described in the hereinbefore abstracted indentures, together with all houses, &c.; and all the estate, &c.

To have and to hold the same with the appurtenances unto, and to the use of the said bank and its assigns, subject to the proviso for redemption therein contained.

Usual mortgage covenants, with full powers of sale in case of default, &c.

Duly executed and attested; receipt for consideration money signed and witnessed; registered, 5th August, 1892; No. 778, Book 495.

4 April, 1894.

By indenture of conveyance of this date made between the said A.J.S. Bank of the first part, Francis Adams of the second part, the A.J.S. Bank (Ltd.) of the third part, and Henry Osborne of the fourth part.

Reciting conveyance of the 1st May, 1886, from P. H. Osborne of the first part, Jas. Thos. Atchison of the second part, Ed. Percy Simpson of the third part, J. T. Atchison of the fourth part, and Sydney A. Want (therein called trustee) of the fourth part.

And reciting mortgage dated the 12th May, 1886, the said E. P. Simpson and J. T. Atchison of the one part and the P. H. Osborne of the other part, and reciting conveyance dated 11th September, 1888, between the said E. P. Simpson and J. T. Atchison of the first part, the Illawarra Lakeland Company (Ltd.) of the second part, and the said T. A. de Wolf of the third part. Any reciting mortgage dated 11th September, 1888, the said T. A. de Wolf of the first part and the Illawarra Lakeland Company (Ltd.), of the other part. And reciting discharge of the said mortgage, dated 27th August, 1889. And reciting conveyance hereinbefore abstracted, dated 29th July, 1892. And reciting mortgage hereinbefore abstracted, dated July, 1892. And reciting mortgage hereinbefore abstracted, dated 29th July, 1892. (Wallach Bros., Ltd. to the A.J.S. Bank.)

And reciting order of the Supreme Court in Equity, dated the 15th June, 1893, for winding up the said A.J.S. Bank, and the appointment of the said F. Adams to be the Official Liquidator thereof. And reciting an agreement made between the said F. Adams, as Official Liquidator of the said A.J.S. Bank, of the first part, the said A.J.S. Bank of the second part, and the A.J.S. Bank (Ltd.) of the third part, that all the assets of the A.J.S. Bank should become in Equity vested in the A.J.S. Bank (Ltd.).

And

And reciting that a demand had been made upon B. J. Fink, personally, on the 29th August, 1893. And reciting that a demand had been made upon Wallach Bros. (Ltd.) on the 21st August, 1893. And reciting that the principal sum and interest was now done and owing. And reciting agreement between the said A.J.S. Bank (Ltd.) and H. Osborne, for the sale to him of the equity of redemption for £300, subject to the mortgage of 12th May, 1886.

It was witnessed that in pursuance, &c., and in consideration of the sum of £300 paid cash, the receipt, &c. The A.J.S. Bank, by direction of F. Adams, as Official Liquidator, and at the request of the A.J.S. Bank (Ltd.), did grant, bargain, sell an alien, release, and convey, and the said A.J.S. Bank (Ltd.) did grant and confirm unto the said H. Osborne and his heirs all the land described in the hereinbefore abstracted indenture, together with all houses, &c., and all the estate, &c. To have and to hold the same with the appurtences unto and to the use of the said H. Osborne, his heirs, and assigns for ever, subject to the thereinbefore recited indenture of mortgage of 12th May, 1886; covenants by the A.J.S. Bank (Ltd.) and F. Adams, that they had not encumbered.

Duly executed and attested; receipt for consideration money signed and witnessed; registered, 18th April, 1894; No. 73, Book 535.

T. A. de Wolf. 8 Dec., 1898.

The property was brought under the provision of a Real Property Act, and certificated title issued to H. Osborne, 9 April, 1894. No. 1,159, fol. 101. The following endorsements appear on this certificate of title:—14th July, 1894, mortgage H. Osborne to P. H. Osborne; 3rd July, 1895, transfer H. Osborne to the Camden Syndicate of 500 acres; 3rd July, 1895, transfer H. Osborne to the Illawarra Harbour and Land Corporation, 2,410 acres; 3rd July, 1895, transfer H. Osborne to P. H. Osborne of 10 acres, promised to the Dapto Agricultural Society.

Certificate of title to the Illawarra Harbour and Land Corporation (Ltd.) of 2,410 acres as transferees from H. 3 July, 1895. Osborne, vol. 1,117, fol. 87. Endorsements thereon:—2nd July, 1895, mortgage, the Illawarra Harbour and Land Corporation to P. H. Osborne; 28th March, 1896, discharge of above mortgage; 27th December, 1895, mortgage to R. A. Moss; 28th March, 1896, discharge of above mortgage.

Certificate of a title to the Illawarra Harbour and Land Corporation (Ltd.), 2,399 acres 1 rood 39 perches. Endorse- 4 June, 1896. ments thereon:—18th December, 1896, caveat; 27th May, 1897, withdrawal of caveat; 2nd July, 1895, mortgage to P. H. Osborne; 23rd December, 1896, discharge of above mortgage; 27th December, 1895, mortgage to R. Amos; 23rd December, 1896, discharge of above mortgage; 23rd December, 1896, mortgage to R. Amos; 18th October, 1896, transfer of above mortgage from Amos to Union Bank (Ltd.); 8th June, 1898, mortgage to the Smelting Company of Australia (Ltd.) and to the Camden Exploration Company (Ltd.).

Note that the promissory note referred to in the hereinbefore abstracted indentures of 29th July, 1892, was duly taken up and paid by Messrs. de Wolf and Armstrong on 18th April, 1896.

149. *Chairman.*] Well, you went to England? Yes.

150. For the company? For the company. I [redacted] remitted them sufficient money to relieve the company from all responsibilities at that time. They owned the properties without any encumbrance whatever. After that we decided to construct a railway.

151. *Mr. Simpson.*] Before you go on to that, was the contract cancelled which was originally let, on the strength of the Mercantile Finance Co. finding the money? Yes; we cancelled that, and paid the directors. While I was in England we arranged with Robert Amos to construct this railway in anticipation of our floating debentures. I refer now to our audited balance-sheet of the company, a copy of which I can put in if necessary. I would like to emphasise this—that we have expended on harbour construction £3,503 15s. [redacted] these accounts have from time to time been audited; I think it is by Christie and Murray, the company's auditors here. They have had vouchers during these years for all the different forms of expenditure.

152. Is that Mr. Christie the municipal auditor? I think so. I think he has always been the auditor of the company. We expended on the railway £41,008 5s. 1d., and we have paid £10,000 to the Government.

153. That is as a deposit? As a deposit in connection with this harbour scheme. We have paid out in legal expenses £4,279 18s. 10d. That would cover stamp duties and other expenses of that kind We have paid on debentures—London charges, £3,101 6s. 9d.; surveys, £516; general expenses, engineering, salaries, &c., for the ten years, £13,485. These amounts, including the actual cash we have paid for our land, amount to £154,350. In addition to that, our interest and bank charges have amounted to £49,229. £78,000 in actual cash I put for the land, with no share business about it. The total of those two sums amounts to £203,579. That is the position of the company.

154. *Chairman.*] Those are the expenses of the company? That is the cash expenditure in connection with the syndicate and the company.

155. From the purchase of the land right down to now? Yes.

156. *Mr. Campbell.*] Does that include the branch line to the smelting works? No.

157. *Mr. Simpson.*] Now the Committee would like to know the circumstances relating to the formation in London, of the two companies? When I arrived in London and met financial people there they absolutely refused to lend any money whatever to a company solely managed in Sydney, and, on the advice of my friends in London, I registered this company in London, with a London directory.

158. You cannot get a quotation for shares in the market unless it is so? They want to have some control over the debenture money. They are tired of lending debenture moneys to companies out here. They have their trustees appointed in London, who have the money absolutely under their control.

159. *Mr. Sleath.*] Was it an entirely new company that you floated in London, or were you simply establishing the head office in London? Well, you know the Sydney company, of course, is the head company, because it holds the concession and it holds the land. No cash passed between them, and no sales of shares were made whatever until afterwards, when I got some of my friends to take up preference shares in the company; but the company was registered in London, to enable us to issue debentures to finance the Sydney company; and to do that the Sydney shareholders received shares in the London company. No money passed in any way. The only money which passed was £1,000, which it cost me to register the company.

160. *Chairman.*] Practically, the London company was made up of friends of yours you had given shares to? They were men who paid their cash.

161. *Mr Simpson.*] To what extent did the shareholders in the London company pay actual cash for their shares? They paid £20,000. I will be glad to give you, if you like, the names of some of the men who are preference shareholders there, because it has been stated that we have no men of standing. It cannot be denied that we started this company with great hopes and expectations, and trusted a great deal to Melbourne at the time we formed the company, but we were left on our own resources when the Mercantile Finance Co. and all the Melbourne people failed, and we have had to carry the burden on our own shoulders; but we have done so, and we are in a perfectly sound position. The whole of our indebtedness

is

T. A. de Wolf. 8 Dec., 1898.

is represented by a portion of the cost of the railway. We owe nothing on our lands; we have them all free; we have our colliery free, and our railways are bringing us in now, although we are only using a portion of the line. a nice revenue, which is growing every year. These are the names of some of the shareholders who have found the £20,000 of preference shares:—Mr. Keswick, of Jardin-Mathieson, & Co.; Mr. Arthur Wilson, of [redacted] Wilson & Co. of Hull; Mr. Walter Saville, of Shaw, Saville, & Co.; Mr. John Fleming, of Robertson, Fleming, & Co.; the Smelting Company of Australia; the Camden Exploration Company; the [redacted] Syndicate; Mr. George Inglis; Mr. J. H. Haynes; and Mr. George Bush. These are all men of very high standing in London.

162. *Chairman.*] Did these men buy their shares? They bought them.

163. The whole of them? The whole of them. Yes. I made an issue of £20,000 preference shares to be sold at par.

164. *Mr. Simpson.*] And the cash so contributed for these shares was remitted to this company, and applied by this company in liquidating its debts? Yes.

165. *Mr. Sleath.*] I have not quite got the hang of this London company yet;—were these 20,000 shares issued in London—did they constitute the whole of the London company? Oh, no; the London company took over 9,970 shares, paid up to £60 each.

166. The company sold 9,970 shares, and they received in return for that the same number of shares in the London company? Yes.

167. What were they paid up to, and what was the actual cash paid? £10 shares, paid up to £10.

168. *Mr. Simpson.*] They became fully paid up when the cash was paid? Yes.

169. *Chairman.*] And there are 9,970 shares issued there? No; the shares issued are £600,000. There are 598,270 £ shares issued in London paid up to that. They took over £598,200 £ shares in the Sydney company; an equivalent amount, except £70 in shares, which were taken by the seven subscribers of £10 each who had to take shares.

170. How many shares are there altogether now in the London company? 59,827 and 2,000 preference shares.

171. And the Sydney company? It is a different nominal amount, paid to £60. The others are £10 shares, but the sterling amount is the same, with the exception of the preference shares which have been [redacted].

172. There are 10,000 shares in the Sydney company? There were 10,000 shares. Thirty shares are kept here, because, according to the law, you must have about thirty shares to keep your company alive.

173. So, practically, you only transferred these shares to London? To the London register; that is all.

174. It is only like forming a London office for your company? That is all.

175. It is not practically another company? It is the same.

176. It was a company of 10,000 shares, and you transferred 9,970 to London? Yes.

177. Just with a difference in the amount of face value? Yes. At the same time, this company has £75,000 of preference shares to issue, of which they have issued £20,000; so they still have £55,000 of preference shares to issue in case we want any money.

178. *Mr. Sleath.*] And that is what I have never been able to understand:—as a matter of fact, the London company was simply formed for the purpose of taking over a portion of the shares of the Sydney company, just to enable you to register in London? And to obtain our debenture money.

179. *Mr. Ashton.*] Due to the fact that the Act precluded the alienation of your rights? We could not transfer the right to an English company.

180. All you could do was to transfer shares? Yes.

181. *Mr. Cohen.*] You had to form another company, practically? To get on the London register. We had no idea of doing this until we met with the refusal of the people to lend debenture money.

182. *Mr. Sleath.*] To all intents and purposes they are one and the same company? Yes.

183. Each holding shares, only that thirty shares of the Sydney company have been kept here to practically keep the company alive;—had it not been necessary to do that, no doubt you would have transferred the lot? We would have transferred the lot.

184. And made a new issue? Yes; and the old company would have been wiped out. The business of the company here now is not, as a matter of fact, controlled by any directors in Sydney. It is controlled by the London Board.

185. The directors here are merely nominal directors? That is all.

186. *Chairman.*] And who are the representatives in Sydney? There are Mr. Armstrong, Mr. Neild, and Mr. Chippendall.

187. *Mr. Sleath.*] Who represents the London company here—those gentlemen too? Yes; for the present. We have practically done nothing. We have paid off our debts, and have got ourselves into a position to offer security for the issue of debentures. When that is done the London company take charge of the expenditure of the money, and of course the money is placed in the hands of trustees in London, who see to the proper administration of it.

188. *Mr. Campbell.*] The difference between the £60 shares in this country and the £10 shares in England, is that £50 is considered paid up in this Colony, without any cash at all, and £10 makes it £60? I do not quite understand the question.

189. I understood you to explain it this way: In this country you reckon that £50 is paid up and £10 in cash; that made £60; well, there has been no cash paid up for the £50, it is only considered paid;—it is the £10 added to the £50 that makes the £60, that makes the corresponding £10 in England? The Sydney company have a nominal amount of £598,000 paid up.

190. But I am speaking about the amount of shares—the £60 and the £10 shares;—you say the English shares are £10 each; £10 added to the £50 makes its £60;—so it is practically that £10 without the £50 in England? Oh, no.

191. *Mr. Sleath.*] The shares were increased in number when the London company was formed? Yes.

192. Instead of having 10,000 shares, you really have 100,000, and the difference is that each share held in Sydney represents ten of the shares held in London? As a matter of fact, the position shortly is this: If this work is gone on with the company here must let its works, and be responsible for them. Now, under this arrangement, they have power to call on the London company to find £400,000.

193. *Mr. Simpson.*] It is practically calling on the same shareholders? Yes. This company here, if it incurs debts, has the power to call on the London company up to £400,000 on its uncalled share capital. This has been well thought out as security for the debenture holders.

194.

194. Some doubt has arisen as to whether the deposit in this matter has been paid in cash to the Crown? All I know is that we sent it out in cash. T. A. de Wolf. 8 Dec., 1898.
195. Are you a director of the Smelting Company? Yes.
196. When the site for the Smelting Company was selected, was it selected having regard to the fact that this harbour would probably be constructed? Certainly. They had all the plans placed before them, and they had copies of our Bill.
197. Then, can I take it that the Smelting Company would never have been located in the present position if they thought the harbour scheme would not be carried through? It certainly would not. I was instrumental in forming the Smelting Company, and I can certainly say that we would never have dreamed of putting up the works if it had not been so.
198. *Chairman.*] The Smelting Company was an off-shoot from this syndicate? No; it was always perfectly independent.
199. But after the syndicate purchased this land, you sold portion of it to the Smelting Company? Yes.
200. What price did they give for it, if it is a fair question? £20,000; but I can hardly say that, because it was not sold direct to the Smelting Company. There were a great many other things that ~~went in~~ were included a lot of other things that I put in. We put down the land nominally at £20,000.
201. Were you a director of the Smelting Company at the time of the sale? No. We did not sell to the Smelting Company, we sold to the Camden Exploration Company.
202. Were you a director of that company? Well, it was part of the formation of the company.
203. Was it the Camden Exploration Company; how does it come into this;—was it a separate company? A separate company. I formed this company when I went to London. It was formed for many purposes. We bought mines in this Colony and worked them.
204 They are on the London directory of this lake scheme? Yes; they are shareholders. They are a finance company, with a capital of £200,000.
205. Did not this Camden syndicate buy some land from you people? They bought 1,500 acres.
206. This is the land that you disposed of to Fink, and that he disposed of to Osborne? It is the same land, which always belonged to the company, ~~but which had to be put into different hands for financing.~~
207. The Camden company was before the Smelting Company? Yes.
208. How much did they pay for it? We put down £20,000; but there were other things that were connected with it.
208. *Mr. Simpson.*] Were they not a number of patent rights? Yes.
209. *Chairman.*] The ~~1,500~~ acres was part of this original land? Yes.
210. Well, that really belonged to the Illawarra scheme, did it not? Yes.
211. And you were a director of the Illawarra scheme? Yes.
212. And you sold it to the Camden syndicate? Yes; the Illawarra Harbour Company, of course, receiving the purchase-money.
213. And you, as director of the Illawarra company, allowed that company to pay £2,000 for land which they had already paid you for? I do not quite understand.
214. This company had paid you for the land, had they not;—you were one of the original vendors to the Illawarra Harbour Company? Yes.
215. Then you sold it to the Camden syndicate? Sold 500 acres of it—yes, on account of the Illawarra Harbour Company, not on my own account.
216. *Mr. Cohen.*] But you did not receive any of that yourself? No.
217. *Mr. Sleath.*] Then the Smelting Company bought from the Camden Exploration Company? They bought 300 acres of land.
218. Do you know what they gave for that? There was no particular price for that. There were a number of things sold to them. A number of other things were included in the one purchase.
219. *Mr. Carroll.*] What were the other things? ~~They~~ were patent rights; but I really do not think I should be asked to tell. Anything about my own business I do not mind telling, but I do not think I should be asked to tell other business.
220. *Mr. Sleath.*] 500 acres were sold to the Camden company, for which they nominally paid £20,000; did they pay that £20,000 in cash? They did.
221. There were 300 acres sold by the Camden company to the Smelting Company? Yes.
222. Now, if there were a million and one things included in a sale of that sort, the 300 acres of land would certainly be put down as representing a certain portion of the money to be paid for the whole. I do not want anything outside the land; only the land? Well, I really cannot tell you. I would tell you, but I really cannot call to mind whether that was included in a certain series. In fact, I am pretty sure it was. There was a sale to the Smelting Company of a series of things, including agreements and other things, for a lump sum. As far as I can remember, it was one lump sum for the lot.
223. *Mr. Simpson.*] The colliery was included? The lease of the Ocean Colliery, agreements for purchase of coal, the Lewis Ponds Mines and several other mines, and some rights to one of the islands in the Mediterranean.
224. *Mr. Sleath.*] Did they pay for those 300 acres in cash, or in shares? They paid for them in shares. As far as the Illawarra company is concerned, I made an out-and-out sale of certain things. I should have received the cash myself, but I said, "I want money for the Illawarra Harbour, so put down the land at £20,000." I gave the Illawarra Harbour Company the benefit of the deal. All the money I got they got. I took shares for the other things I sold. We know that £20,000 for this land is a very big price. The Illawarra company did not actually receive that amount, but because I have been largely interested in this company, I said, "I will sell you so much; I want £20,000 cash, and that shall go to the Illawarra Company. I will take shares in your company for the other things that you will get from me," and that was done.
225. *Chairman.*] When you went home to England this land was mortgaged to Osborne? Yes.
226. You financed the mortgage in London, and paid him back? Yes, for the company.
227. Do you know whether Amos the contractor paid this mortgage? No, he did not.
228. Did your people pay it? Yes; to Osborne. This balance-sheet shows that the only mortgage that Mr. Amos has is for £34,402 15s.
229. What was that for? That was for the railway, which cost us £41,000.

T. A. de Wolf. 230. *Mr. Sleath.*] So you paid for the railway principally with debentures? No; we owe Amos £34,000; that is all we owe.

8 Dec., 1898. 231. Then he held debentures for that? No; he holds a charge on the property.

232. *Chairman.*] Is not the whole of that property mortgaged to Amos to secure his advance? The railway and one of the properties are.

233. And is not that assigned to the Union Bank? We only know Amos in the matter.

234. Well, he holds the first mortgage? Yes; but you must understand that that represents £7,000 less than the cost of the railway.

235. Still his mortgage is over it all? Yes; it is only a nominal thing.

236. *Mr. Cohen.*] You bought the property from Mr. Vaughn for £25,000? Yes.

237. You paid £8,160 to Styles and three other people? We paid £13,000 cash as far as I know According to the deeds, as far as I have seen them, the original purchase money for this land was £5,0[illegible].

238. Here is a conveyance from Styles and three other people of the one part, Robert Vaughn of the other part, and yourself of another part. That recites an agreement between these people to sell to Vaughn certain property for £8,160, and it is contracted by you to purchase for £25,000. You pay £8,160 of that down, and instead of Vaughn paying to these people, you take over Vaughn's interest and pay it to these four people, and they receive that money? I do not know how it was done. I know I paid £13,000.

239. I understood Mr. Vaughn to say that he had got from you £12,840 cash; that the four shares were £4,000 cash, of which £1,000 was paid up? No; he must have meant £1,000 liability.

240. The £12,000 paid up on the shares, plus the £13,000, made the £25,000? Yes. Mr. Mosely has deeds showing that originally they bought that land for £5,000, and they stuck us for £13,000 cash.

241. You paid £8,160 at the time of the conveyance? I do not know how it was paid, but I know we paid £13,000. If I am asked any question about Styles I want it understood that they bought this land for a small sum of money—I understand £400 cash with the mortgage. They represented they owned this land, and I agreed to buy it for £13,000 cash and £12,000 in syndicate shares. Out of that they made a profit of £8,000 cash and 12,000 syndicate shares.

242. *Chairman.*] Was the guarantee put up by the Harbour Company or the Smelting Company? Which guarantee?

243. Which is placed at the Bank? The London Company arranged with the Smelting Company and the Camden Company to guarantee an overdraft of £10,000, which was done.

244. Does the Smelting Company hold any other interests in this Harbour Company bar that? Yes; they own 30,000 shares.

245. Does the Camden Syndicate hold any shares in it? Yes; I could not tell you exactly how much, but I think they have £2,000.

246. *Mr. Sleath.*] How were they paid for? They took a certain amount of preference shares, and I gave a bonus of ordinary shares.

247. *Chairman.*] Did not the Smelting Company advance the money to build the railway? They built their own branch railway. There is a small branch line which does not come under our Act.

248. Did they not advance this £20,000 to pay off the mortgage to Osborne? No.

249. Have not the Smelting Company got a second mortgage on this estate? Only for the £10,000. We owe nothing whatever except the amount to Amos and the £10,000 which we have [illegible] the Government.

250. They have a second mortgage for the £10,000, and Amos has a first mortgage over the whole of it? No; only over Lakelands.

251. That was the original estate? We have our coal property as well, which we paid Styles and Vaughn for.

252. But as to Lakelands Estate, Amos practically holds the first mortgage? He has a mortgage for £32,000, and our expenditure on the railway has been £41,000.

253. The Smelting Company has a second mortgage for this £10,000? Yes.

254. What use is their second mortgage if the harbour is not constructed? We think our land is good, and that our railway is good. If the harbour is not constructed I suppose we will sell the land [illegible].

255. *Mr. Simpson.*] The land they have a security over, subject to Amos' mortgage, the land which was originally purchased for £65,000, the land which was purchased from Styles for £[illegible], and also the railway that cost £[illegible]? Yes.

256. *Chairman.*] Practically, Amos owns the lot? Oh, no. I told Mr. Amos only a little while ago that if he liked to have his money paid off, and did not want to carry on the contract, I would pay him off at a fortnight's notice, but he would not take it.

257. *Mr. Simpson.*] At the present time I suppose there are a very large number of hands employed in the Smelting Company? Yes, a large number.

258. Running to over a 100? I think nearly 300.

259. Is there any contract now existing between the Smelting Company and the Broken Hill Company with reference to Broken Hill ores? Yes; we have a contract with the Broken Hill Junction Company for 16,500 tons a year of concentrates. That is, or was till lately, the whole of their output. I am Chairman of the Broken Hill Junction Company, and I made the contract myself.

260. One company made the contract with the other? Yes. The Smelting Company is taking 300 tons a week of their concentrates.

261. For what term? Twelve months.

262. *Mr. Carroll.*] When will it be up? I think somewhere about the beginning of next year.

263. *Mr. Simpson.*] Have these ores to come to Sydney? They are brought to Sydney from Port Pirie.

264. And then by train to Illawarra? Yes.

265. If this harbour scheme were constructed, what saving would that effect to the Smelting Company? The charges now are equivalent to from 8s. to 10s. per ton of the ore. I could explain that perhaps [illegible]. It costs approximately about 4s. per ton of ore, and then 10s. per ton of lead to get it back from the works to the ship. The ores go over 60 per cent. of lead, so the charge is equivalent to about 8s. or 10s. per ton.

266. That is to say, you are handicapped to the extent of 8s. or 10s.? If we had direct shipment we would save that. On all lead ores there is a very [illegible] profit.

267. Are negotiations pending between the Smelting Company and any organisation in Noumea with reference to the transmission of ores from Noumea to the Smelting Company; if so, will you kindly explain those negotiations? It is with London companies carrying on business in Noumea.
268. What kind of ores? Copper ores and nickel ores. My reason for coming out to Australia was that we had negotiations with these companies in London as to the treatment of their ores in Australia. At the present time they are shipping these ores to Europe, and the freight is about 35s. per ton. On inquiry we found they could get these ores down here for some 7s. or 8s. per ton, and in consequence of negotiations entered between the Smelting Company and the international companies in London I came out, and I have been to New Caledonia with Mr. Wineberg, the General Manager of the Smelting Company, to investigate their properties. The London companies are perfectly satisfied with our properties. They have had them reported on, and the facilities we have for treating their ores. When I left Noumea about a fortnight ago we had made arrangements up to a certain point, which we will have to determine in London, and the general manager is leaving Noumea by the next French boat to join me here, and to go to England to conclude our negotiations. I have a cable from him this week stating that he leaves by the next French boat.
269. *Mr. Sleath.*] But no contract has been entered into? No; that was said in mistake. I noticed that in the House the other night. No contract has been entered into, but we consider that the business will be settled. I may state definitely that one of the conditions made is that we have the power to make this harbour. I am not stating that with any idea of inducing the Committee to consider the thing any better, but as a matter of absolute fact. Mr. Higginson will be here in a fortnight's time, and will go on with me to England. When I left for Australia I had a cable to say the Bill had passed the second reading in the Upper House, and we all considered we would get our rights to an extension.
270. *Mr. Carroll.*] You are Chairman of the Broken Hill Junction Company? In London.
271. And you arranged that they would get this great quantity of ore to smelt? I arranged for it, but the contract was concluded in Adelaide by the Head Board.
272. Will you say that you are smelting that 300 tons a week at a profit? That is a matter of the business of the Smelting Company, which I do not think I am at liberty to disclose.
273. *Mr. Simpson.*] I think it is hardly fair to ask Mr. de Wolf for details with regard to the cost of working these ores, because there are other companies which are carrying on similar operations, and it would give them a clue to the details of the working of this company.
274. *Mr. Carroll.*] You are one of the directors, and this is a big contract that you have got;—you are just as much interested in the smelting works as you are in the Illawarra works, or in other companies, and you do not say whether you are smelting it at a profit or at a loss? Well, I have a pretty good idea.
275. You will not say—you do not care to answer? Not as far as the Smelting Company is concerned.
276. Have you sublet any of that 16,000 tons of ore? We have lately sold 4,000 tons.
277. To whom? Well, that is a question I should not like to answer. I do not think you should ask any questions connected with the business of the Smelting Company. I am not here as a director of the Smelting Company.
278. *Mr. Simpson.*] What amount of money has the Smelting Company expended on the work? Something over £200,000, besides, of course, a large working capital.
279. But as far as plant on the ground is concerned? About £200,000.
280. *Mr. Ashton.*] Would you mind saying what the determining considerations were with this Smelting Company in the choice of a site at Lake Illawarra? There were two points—one was the cheapness of coal, and the other was that they expected to get water-carriage for low-grade ores from the different colonies.
281. That was contingent on the construction of the harbour? Yes.
282. And if the harbour were not to be made, any other site inland would have suited the company as well, so long as the site was close to the sea by rail as at present? I could hardly say that, but those were the two material points, the cheapness of coal, and the advantage of having water-carriage for low-grade ores.
283. *Mr. Waddell.*] Water-carriage right to the point where the smelting would take place? Yes; the competition of these ores with Europe and with South Australian smelting works is very keen, and the profits are gauged by a very small margin per ton.
284. *Chairman.*] But in order to carry out smelting of that kind it is necessary to have lead ores? Yes; you must have lead.
285. *Mr. Cohen.*] Is there not sufficient lead in the ores themselves? The New South Wales ores are very deficient in lead.
286. *Mr. Campbell.*] Being a director of the Smelting Company you could explain how it was that when the Company was selecting a site which would be convenient for water-carriage they did not have it immediately beside the lake? They own the land there. The site was chosen by Mr. Howell when he came there, and it was open to him to put his works anywhere.
287. It is some distance from Tilawarra Point? There are a great many considerations in choosing a site, and one is elevation. They chose the most elevated site.
288. *Chairman.*] Did you recommend making the contract for the Junction ore? Yes.
289. I suppose you do not know anything about this Junction ore at all;—I suppose Mr. Weinburg would be the man to tell us? I am a large shareholder in the company.
290. Do you think it would pay to buy Junction ore? Well, there is nothing much in it at present.
291. *Mr. Simpson.*] I suppose it is used for fluxing with other ores? They use it for running down gold ores, but these are technical questions about which Mr. Weinberg can give information.
292. *Chairman.*] It has been represented that the harbour should be constructed for the benefit of the Smelting Company, but the Smelting Company is not asking for it? I think I can safely say, as a director of the Smelting Company, that if they do not have a harbour they will not spend any more money there.
293. But the only ores you have been getting are the Junction ores? But there are many other ores we can get if we have direct water-carriage.
294. *Mr. Waddell.*] If you do get a harbour, will the works be enlarged? I have no doubt of it.
295. *Chairman.*] You only rely on this harbour for the carriage of ore? And the shipment of bullion, lead and copper, and the general enlargement of trade. The whole London Board are convinced that with a harbour made there we shall increase these works to three or four times their present capacity.

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296. When Mr. Howell says that it does not much matter to the Smelting Company whether they have a harbour or not, how do you reconcile your statement with his? There are many statements of Mr. Howell which I would not like to explain.
297. Mr. Howell said that before the Select Committee? I have not seen the evidence, but it is possible he may have said so.
298. That is the evidence Mr. Howell gave us at the time that he started these works;—he was the original manager of the Smelting Company's Works? Yes; I employed him to come out.
299. Well, he said before the Select Committee that it would make no difference to the Smelting Company whether they had the harbour or not? I do not remember any evidence such as that.
300. At the time you asked for the extension of time for the completion of this work, it was stated that you had ample time to complete it with this latest twelve months' extension? We asked for two years. I was in London, and all the information I got was that we were cut down to one year, and I considered that a great stumbling block in getting to work.
301. *Mr. Sleath.*] But your request was that you did not want any extension of time to complete the work, but that the only reason you asked for that extension was the fear of damage by storm or a visitation of Providence? Well, those were the reasons given out here. I suppose the people out here did not quite understand the reasons which actuated the people at Home, but as a matter of fact, the shortness of time did interfere with us very materially in starting the works. And there was another thing which interfered with us, and that was that at that time the Smelting Company had been expected to start their operations long before they did. There was a long delay in starting the operations of the Smelting Company, and there was actually no trade. It is only since the Smelting Company has been in operation that we have built up a trade.
302. But those were the representations put before the House here, and those were the representations upon which the extension was granted. So you see the House could not be held responsible if the people here who acted for you made really false representations? Well, I know they expected we would have plenty of time, but when we came to make arrangements for money, exception was taken to the shortness of time we had for completing the work.
303. *The Chairman.*] Mr. Henderson in his report says: "The railway is to be completed by 13th December next";—do you think the condition will be complied with? Most certainly.
304. Mr. Henderson in his evidence says:

The last work is to be completed by the 30th November, 1897.

Is there any earlier date for the completion of any other part of the work? Yes, the railway is to be completed by the 13th December next.

Do you think it likely that that condition will be complied with? Most certainly.

Will the works be completed within the time you ask? Yes; baring accidents, such as a spell of rough weather.

But in your opinion there is nothing but bad weather that will prevent the completion of the work by the 13th December? Nothing.

I believe we could complete the works, but you cannot induce financial people to take these risks. They say if the works are not completed within the time, the Government can take everything
305. Yes, but this was on the 13th November, 1897. Now you are asking for two years longer. You said if you had that extension the works would be completed by that time? No doubt if we had raised the money, then the works might have been completed within the time. But we explained that owing in the first place to the smelting works not having been started, and there being no trade to show people in England that there would be a revenue, and then again because of the shortness of time, we were unable to conclude our negotiations for raising money.
306. Well, you see it was on the evidence of this Select Committee that you got that extension of time, and the evidence shows that if you had that extension for the twelve months the works would certainly be completed; now you are no further ahead than you were then? Oh, yes; we have a trade there now. We have our smelting works in full swing.
307. I mean as far as the construction of the harbour is concerned? Since that time we have done two things: we have completed our railway, which has taken some time, and we have also put up £10,000 deposit. By putting up that deposit we have shown our intention to proceed with these works. I have no doubt we will get the money we require, but if we fail we forfeit our £10,000, and I do not see that anybody is much the worse. That is the view I take of it.
308. In your earlier evidence you said, that, practically, the Smelting Company put up the money? But we owe it; we have to pay it.
309. But this harbour is practically for their benefit, and not for yours? We hope not.
310. Do you expect to make any profit out of it as a company? We have a large area of land. We went into this business in order to make this land valuable by starting industries. We have several industries we wish to start there. We hope to build up a township there. As far as the harbour is concerned, I would not give 2d. for it. If anybody else will make the harbour we will give the right. We do not wish to make it. We only want to develop the district. If we can find employment for a large number of men, we expect to cut up our land into township lots and sell them. We will make a town there if we can. We have certainly been a long time over it, but we have put our own money into it and we have not had money out of anybody else. We have put up our deposit and we are still willing to make this harbour.
311. When you say "we" you mean the harbour people? Yes. In America if we went to the Government with a proposal of this kind they would give us a subsidy, but we have never asked the Government here for a subsidy.
312. *Mr. Ashton.*] When the last twelve months' extension was granted, and the statement was made by Mr. Henderson that the work would be completed within twelve months, I suppose if the money had been forthcoming the work would have been done? Yes.
313. But the financial people considered the time did not afford them sufficient security, and consequently they did not subscribe the money? The first objection that was raised was that the Smelting Company had not started working.
314. That is to say, the twelve months' extension did not afford them sufficient security? That is so.
315. And you position now is that if you get another two years it will afford them sufficient security and the money will be forthcoming? I have no doubt about it.
316. That is really the position on which you ground your application for extension and your explanation of the non-completion of the works during the last twelve months' extension? Yes. 317.

317. *Mr. Sleath.*] Some time in 1888 the four gentlemen composing the syndicate purchased this Lakelands Estate of 2,940 acres? Yes.
318. You paid £35,000 for it? Yes, subject to a mortgage of £30,000.
319. You bought it from P. H. Osborne? No, we did not buy it from P. H. Osborne; we bought from the Lakelands syndicate subject to a mortgage.
320. Were any of you interested? No.
321. Was that £35,000 paid in cash? It was paid during the twelve months, part cash, part in six months, and part in twelve months.
322. Was that £30,000 paid by you and your partners? Yes.
323. Not raised by shares? No; no shares have ever been sold.
324. And afterwards the mortgage was paid off? Yes.
325. Then in the same year you floated it into the Illawarra Harbour and Land Syndicate? Yes.
326. With a capital of £240,000? Yes.
327. When you floated it into this syndicate did you increase the number of shareholders? No; it was floated from the original syndicate shareholders. They called it £240,000 with £180,000 paid-up.
328. Nominally it was the same men that held it? Yes.
329. But did you not increase the number of shareholders? Only nominally; no money passed.
330. Was that the time when Mr. Barton became a shareholder? No.
331. What about Mr. Stiles and Mr. Newton? They had syndicate shares, and these syndicate shares were turned into shares of the company with a liability. 12,000 shares was the profit made by Vaughan and Stiles on the sale of the land.
332. So their interest in the syndicate was shares to the value of £12,000. Yes, four shares of £3,000 each.
333. Besides cash? Yes, they had £13,000 in actual cash.
334. With £12,000 value in shares? Four shares of £4,000 paid to £3,000, with a liability of £1,000.
335. Then, still in the same year, 1888, did the syndicate sell to the Illawarra Harbour and Land Corporation? Yes.
336. And the Illawarra Harbour and Land Corporation increased the nominal capital to £600,000? Yes.
337. Did any fresh shareholders come in then? No cash shareholders came in.
338. Was it cut up in this way—10,000 shares at £50 each? £100 each, paid to £50.
339. And £100,000 cash? Yes, that representing the cost of the properties.
340. So, you the original syndicate, that was really selling to this company were to receive £100,000 cash, and what share interest? Shares paid-up to £500,000, with a liability of £500,000.
341. So, for the property that you had given £90,000 for, you were then getting £100,000 cash and £500,000 worth of shares? Yes; as a matter of fact we never did get the cash.
342. That was what you were supposed to get? Yes.
343. If you transferred that property to Fink as trustee for the company to hand over, presumably, to the company, whenever the company was prepared to meet its obligations to the syndicate, how comes it that Fink, as trustee, mortgages this property, for which he was trustee, for nearly £9,000? At that time the company owed £100,000 on the property, and this sum of £9,000 was very much less, including the previous charges on the property, than the amount of £100,000.
344. That is so; but it seems to me strange that Mr. Fink, trading, presumably, under the name of Wallach Brothers, could mortgage this property for which he is only trustee for somewhere about £9,000? At that time, the company could not get possession of the property until they had paid £100,000. At that time they had paid nothing, and Fink was quite within his rights in raising money on it, so long as he did not exceed £100,0000.
345. Fink endorsed this bill that he made in his own favour? Yes.
346. And Fink discounted it? Yes.
347. And gave some mortgaged land, is that so? Yes, I believe so.
348. That was somewhere in 1892; if we come to 1894, did the bank then sell the land to Osborne for £300? They sold the equity.
349. And did Osborne redeem the land? Osborne was the mortgagee. I subsequently redeemed the land. He was always mortgagee for the £30,000.
350. In reality the £35,000 was paid in cash, but the other £30,000 still remained as a mortgage, is that so? Yes, the mortgage had two or three years to run.
351. The mortgagee had still the mortgage over that £30,000, and he bought the equity for £300, so in 1894 he became the owner of the land again? Well, he was the mortgagee in possession.
352. Osborne held the first mortgage, the bank held a second mortgage, and they sold the second mortgage to Osborne for £300, then he became the final mortgagee of the lot? Well, he was only the mortgagee still. I think I am right in stating that the company agreed to that security being given to the bank.
353. Could you tell me when Mr. Carey joined the company;—have you the share register, first of the syndicate and then of this company? There was no share register of the syndicate; the syndicate was not registered.
354. There was only nominally the four of you? Yes.
355. Have you the share register of the Illawarra Land and Harbour Corporation? I think it is here. (*Articles of association produced.*)
356. If Mr. Carey signed the articles of association he must have joined the syndicate? These are the articles of the company. He was one of the first directors.
357. Did he join on the formation of the company? On the formation of the company. The company was registered on the 29th October, 1888.
358. What share interest did he hold, do you remember? Thirty shares.
359. With a face value of £100, paid up to £50? That is so.
360. Did he put in the £50 a share? He never paid a shilling.
361. Did he give any consideration for his shares? Nothing.
362. Was he holding these shares entirely in his own right, or in the interest of anyone else? Entirely in his own right.

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363. I notice in these articles there is a gentleman of the name of Frederick Orr;—did he join the company at the same time as Mr. Carey? Yes, he was one of the original shareholders.
364. What interest did he hold? He had 140 shares.
365. £100 shares paid up to £50, with a liability of £50 per share? Yes. These did not belong to him; they were my shares.
366. He was holding them for you? For me.
367. I want to see the share register of the company when it was formed;—how many shareholders were there? I think you will find it in this list. (*Produced.*)
368. Newton is down here for twenty-six shares, did he pay any money into the company? He was a syndicate shareholder.
369. He got shares from the first small syndicate;—there were four of you when you made it into a larger syndicate, and Newton came in and got shares then? Yes.
370. Was Cubitt in the same position? He was a partner of Mr. Newton's.
371. Wood? No; I think he was secretary, he had a few shares given to him.
372. "J. R. Carey, contractor, George-street, thirty shares";—did he join the company then? He signed the articles there, I think.
373. Did he pay any money? No.
374. What consideration did he give for his shares? He did not pay anything for them, he was made a present of them.
375. *Mr. Simpson.*] Was that in order to get him to take a seat on the board? I suppose it must have been to qualify him.
376. *Mr. Sleath.*] "The Hon. Edmund Barton, thirty shares." Did he pay anything for them? No: Mr. Barton did not pay any cash, but he agreed to be a director and take no fees. According to the articles of association the fees were £500 per year, and it was agreed that the directors would take their fees in shares.
377. Was this book written up at the time? Certainly, that is the registered document, the signed articles of the association which must be signed at the time of the registration of the company.
378. And was Mr. Barton then a member of the Legislative Council? He was a member of one House, I do not know which one. The date on the certificate to the articles of association is 29th October, 1888. He is down in this book as a member of the Legislative Council.
379. Did Mr. Barton have charge of the first Bill? No; ~~I think not~~. It was Mr. Sutherland, who had been a Minister, and who died shortly afterwards. Mr. Chapman put the Bill through.
380. Did Mr. Sutherland have any shares? No; Mr. Chapman took the matter up for Mr. Sutherland. He was a son-in-law of Mr. Sutherland's, and, when Mr. Sutherland was taken ill, he carried the Bill through for us.
381. Did Mr. Chapman have any shares? No; he never had any interest.
382. "C. A. M. Billyard, thirty shares." Did he pay anything for these? No.
383. "John Black, Melbourne." Did he pay cash? No.
384. Did these gentlemen hold these entirely on their own? Some of these people had shares given to them in some cross business transactions. I do not know what they were exactly. It was simply asked that these people should have shares alloted to them.
385. As to the whole of these shares that appear on the share list, no actual cash was paid to the company for them? Not to the company.
386. Therefore when this company was floated with a capital of £600,000 the 500,000 shares were really distributed amongst the members of the syndicate? The syndicate and their friends, but those shares carried a corresponding liability. It would not be the same as getting fully paid-up shares, because a man who takes a heavy liability like that takes a big risk.
387. That being so, and as it was not intended that any money should be paid into the company, where was it expected the £100,000 should come from that you were to get in cash? From the working of the company. We intended to leave it for some time. We thought we would get to work and that our land would become valuable. It was the time of the land boom, and we expected to cut up our land and sell it at once, but we were a little bit mistaken about it. The land boom burst, and we could not do anything with the land.
388. Vaughan holds 140 shares;—does he hold them in his own right? He got them from his syndicate shares.
389. Moseley, 140 shares;—does he hold them in his own right or for any one else? He holds them for me.
390. Harper, seventy shares;—are they in his own right? No; I think he holds them for me.
391. Stiles, 140 shares;—does he hold them in his own right? He got them from his syndicate shares.
392. John M'Allister Howdon, 150 shares;—did he hold those in his own right? He was a partner of Fink's. Fink had a large number of men in Melbourne who were interested with him in his syndicate shares.

Friend

FRIDAY, 9 *DECEMBER*, 1898.

Present:—

MR. ASHTON.
MR. CARROLL,
MR. SLEATH,
MR. CANN.
MR. WADDELL,
MR. ARCHIBALD CAMPBELL,
MR. NICHOLSON,

and N. N. Moseley Esq

W. J. FERGUSON, ESQ., IN THE CHAIR.

E. P. Simpson, Esq., Solicitor, appeared on behalf of the Illawarra Harbour and Land Corporation.

Ernest Ludwig Adolph Weinberg, called in, sworn and examined:—

E. L. A. Weinberg. 8 Dec., 1898.

393. *Mr. Simpson.*] You are general manager of the Smelting Company? I am.
394. Will you tell us the amount of money the Smelting Company have expended upon their works, and which they have in their operations at the present time? Roughly speaking about £300,000.
395. Including land, the improvements on the land, ores purchased and in transit? Yes.
396. What number of men do they employ in their works? About 200 now.

397.

16

E. L. A. Weinberg. 9 Dec., 1898.

397. Will you tell the Committee whether the works would have been erected upon their present site if this harbour scheme had not been contemplated? I do not think so. I understood that was the principal reason inducing the company to build the works where they are.
398. The construction of the harbour will be an important element in the future prosperity of the company? Certainly.
399. I understand that the company have now a contract for ore from Broken Hill? Yes.
400. To what extent? We have a twelve months' contract with the Junction company for 15,600 tons.
401. How does that ore now come to your works? It is landed at Darling Harbour, trans-shipped to railway cars there, and comes down to our works by the line.
402. Supposing the harbour were constructed what saving would it effect for the company upon a contract of that kind? The ores vary; the Broken Hill concentrates are heavy lead; they contain from 60 to 65 per cent. of lead. We pay first of all 3s. 4½d. for railage. Then we pay 11d. for wharfage charges, checking, and supervision of loading. Then we have to ship the lead back again; upon the assumption that there is about 65 of lead in the ore we pay freight on a little over half. The railway freight to Sydney is now 10s. per ton on the lead. If we had a harbour I daresay we should effect a saving of about 8s. a ton.
403. So that upon this one contract alone of about 16,000 tons there would be a saving in round figures of £6,500? Yes.
404. I believe some negotiations are in progress with reference to the treatment of ore from New Caledonia? Yes. I have just returned from Noumea.
405. The construction of the harbour would form an important feature in that scheme? A very important one indeed.
406. Is it possible that that scheme might fall through in the event of the harbour not being constructed? I am afraid it would.
407. Are the company contemplating an extension of their works? Yes, some extensions are in hand now, we are building additional roasting furnaces which will be in operation in the middle of January. These furnaces will give employment to about forty-two more men.
408. Is it possible that the construction of this harbour would lead to a further extension? Yes, I am almost sure it would.
409. *Mr. Nicholson.*] Have you special rates from the Railway Commissioners for the conveyance of your ores? We do not pay the rates except upon contract ore in large quantities. Our clients pay the rates upon small parcels of ores which come to the works. We all enjoy the same privilege—that is one half-penny per ton per mile. That is the rate paid by everyone who ships ore by rail.
410. How do you reconcile that with the statement of the late manager that he had made such arrangements with the Railway Commissioners that he did not care whether the harbour were built or not? I do not think Mr. Howell realised the true position of affairs when he made that statement. The works were not then in operation. That statement was made by Mr. Howell, as far as I know, before they had purchased 1 lb. of ore at the works.
411. *Mr. Ashton.*] The fact is this—that the ores which come to your works, either from another part of the Colony or another country, could be landed at the smelting works at Illawarra cheaper if they could come all the way by sea instead of being landed in Sydney and then brought round to your works by rail? Yes.
412. In regard to the prospective Noumea contract, what you fear is that if you could not bring the ore all the way by sea you could not give enough for it to enable you to compete successfully? Yes. You must remember this, that the ore from New Caledonia will not be bagged. All the Broken Hill ore is bagged in order to prevent loss. The bulk of the New Caledonian ore is shipped in bulk, and you can understand that if this ore has to go to Darling Harbour and to be trans-shipped there, especially in a dry season like this, and then railed in other trucks down to Lake Illawarra there would be an enormous loss of weight in transit. I do not think our clients could stand it.
413. The gist of your evidence is that you could land the ore cheaper if it came all the way by sea than if the journey were broken and the ore trans-shipped at Sydney? Yes.
414. *Chairman.*] You hold a power of attorney for the company? Yes.
415. The company have so far made no contract with New Caledonia? Not yet, but Mr. Higginson will be over in about a fortnight's time to confer with me further on the subject.
416. What are the names of the persons who are urging on this contract with the smelting company for treatment of nickel ore? I am the person principally interested in it as the representative of the Smelting Company.
417. But on the other side? The company's represented by Mr. Higginson are the International companies, which are an off-shoot from the London Globe Finance Company. I suppose you know that they are greatly interested in some of the West Australian mines.
418. Have you ever had experience in the treatment of nickel ores? No practical experience.
419. At present you have no plant adapted for the treatment of those ores? No; but their treatment is so simple that any metallurgist with fair knowledge and some experience can treat them.
420. Do you, as a metallurgist, think that this contract would pay your company? Yes.
421. Are not the ores very silicious? Yes.
422. Would you refine the nickel at Dapto if you started work there? I could not say. It would depend entirely upon the development of the trade whether it would pay us to refine nickel. The refining of nickel matt is not a very great problem.
423. You do not know the percentage of nickel in the ore? Yes, it varies from 6 to 7 per cent. The present contract with Europe for the New Caledonian nickel ore is based upon 7 per cent. They pay at present a freight of 31s. 6d. to 32s. 6d. from New Caledonia.
424. What would be the freight here? I should say that if we could bring the ores over direct in suitable steamers carrying from 2,000 to 3,000 tons of ore we could charter those steamers to bring the ore over for about 6s. a ton.
425. What is the value of nickel ore of the grade you have named in London? At present they are paying to the producers in New Caledonia 75 centimes per kilo. The purchaser has to pay the freight. As to the value in London, I should have to calculate it.
426. You still consider that ore of that grade from New Caledonia could be smelted at Dapto at a profit to you and to the producers? Certainly, at a very great profit indeed.

427.

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427. *Mr. Ashton.*] The difference in freight as between Australia and Europe would give you a very great advantage? Yes; at the present time they pay to get 7 per cent. nickel ore home 31s. 6d. If they can get the same grade of ore over here for 6s., you can understand what an enormous saving there would be even if we concentrated here to a 50 per cent. nickel matt.
428. *Chairman.*] But your smelting charges at Dapto would be higher than at home? Not very much.
429. The balance-sheets from all the smelting works of Australia show that its costs more here. Take the one item of labour alone, there is a great difference there, then, also, as regards quantity, there is a difference? The statement you make applies principally to ores which contain heavy metal, lead ore and heavy copper ores. We have no market for these metals. We have to depend upon the home market for them, and also for the nickel; but you have to bear in mind that 7 per cent. nickel does not represent a large bulk, even if we run it only into 50 per cent. nickel matt.
430. But your contention is that the difference between the freight from New Caledonia to Dapto, and that from New Caledonia to the old country, would give you a profit? Yes.
431. As against that, you would have the extra charges for smelting and the subsequent carriage of the nickel to the Old Country for a market? Yes.
432. *Mr Simpson.*] It is contemplated, is it not, that the ships which bring over nickel-ore to the smelting works would have a return freight in coal, which would be suitable for the treatment of some of the ore at New Caledonia? Yes. We should not charter any boats, unless they were provided with water-tanks for water ballast.
433. *Chairman.*] There will be a return freight of coal to New Caledonia? Yes. They pay at present on 7 ~~per cent~~. nickel ore—that is to get it home—£11 4s. If it came over here we should pay £2 9s. Take 7 tons of nickel ore, we could turn it into 1 ton of nickel matt. To get that home we should have to pay 25s. There would be the difference, therefore, between £3 14s. and £11 4s., namely, £7 10s., to cover profit and working charges. We do not pay any more than other people would pay for the nickel, and they must make a profit on the price paid.
434. You are presuming that the stuff will be carried at the price for which it is now carried? Yes. The freight I have named would be that arranged for a big contract.
435. How many tons of ore could you treat at the works? 4,000 tons a month to start with.
436. But you have no appliances there? That is of no consequence. If we got a contract, I would undertake to put up in six months a plant which would treat 4,000 tons monthly.
437. You calculate that you will get a shipping company to contract to bring the ore over for 6s. or 7s. a ton? I am certain of it.
438. You spoke just now of steamers carrying 2,000 or 3,000 tons, could a steamer of that size get into the harbour? I think so if there were 20 ft. of water.
439. You know that the Bill only asks for 15 ft.? Yes; I took exception to that. Fifteen feet would not do. They are going to provide more.
440. With a depth of 15 ft. of water, and with the silting up which would be likely to take place, you could not rely upon getting in boats of the size you have named? Unless that could be done it would be of no use building the harbour there, but I do not see any difficulty in it.
441. You have a contract, you say, with the Junction company? Yes.
442. It has been in existence for some time? Yes.
443. It is for lead concentrates? Yes.
444. Lead is a necessity in smelting operations? Yes.
445. Whether it pays you to smelt or not, you would have to have lead? Not always; you can use copper.
446. For silver-smelting? For silver-smelting.
447. Did you ever do any silver smelting without a lead flux? Yes; I have done silver smelting with copper.
448. In bulk? Yes.
449. Does it pay you as well as lead? It depends entirely on the circumstances.
450. Is it not always the practice to have lead ore if it is possible to get it? I have been connected with work in which they never had 1 lb. of lead ore, and they did an enormous business in silver, copper, and gold.
451. Do you smelt the whole of the Junction contract to which you have referred? No; we resold 4,000 tons, pending the erection of twelve furnaces. That work is in hand now.
452. That is the reason you disposed of part of the contract? Yes.
453. With suitable roasting furnaces, would it still pay you to buy Junction concentrates? Yes.
454. At the price it now costs you to smelt? Yes.
455. Would you buy lead concentrates from Broken Hill if you could get them from Tasmania at the same price? I am not prepared to answer that question. I do not think you should expect me to expose our whole business.
456 But if you could get carbonates of lead from Tasmania at the same price, would you not take them? It is a matter of freight. The whole smelting business in Australia depends entirely upon freight.
457. If you could get carbonates of lead from Tasmania at the same price, would you still buy Junction concentrates? It is rather doubtful.
458. Does the ore most profitable for smelting come from Broken Hill? No, I do not think it does.
459. Where does it come from chiefly? From other sources.
460. Would you mention some? We buy all over the Australian colonies.
461. But you must know where your principal supplies come from now? From New South Wales and Queensland. Some parcels come from Tasmania.
462. Where do you get your limestone and ironstone from? New South Wales.
463. If a harbour were opened at Lake Illawarra would you be able to get them any cheaper? I think very likely that we should.
464. Where do you anticipate getting them from? I must decline to answer that question. You must see that there are certain matters in connection with our business about which I could not speak.
465. Would a harbour be of any use to you in getting limestone or ironstone? Yes.
466. Surely you can say where you think you could get them from? I know that we could get from Tasmania better ironstone than we are using at present.

466.

467. What about the limestone? I could not say. I have not investigated the matter thoroughly yet.
468. You would have to pay harbour dues, remember? That is quite true.
469. Making allowance for harbour dues, freight, and all that sort of thing, do you think that if a harbour were opened you would be able to get your flux any cheaper? I think we could.
470. You think you could get it more cheaply from Tasmania? Ironstone, but not limestone.
471. Would it be as good as the stuff you are getting now in Australia? We are getting excellent limestone but the ironstone might be better.
472. How much do you use here yearly, roughly speaking? With the prospects that are before us for next year, for instance, we should use, speaking roughly, from 15,000 to 16,000 tons of limestone, and from 10,000 to 12,000 tons of ironstone.
473. Would your coke come in through the harbour? No.
474. Would your coal come in that way? No.
475. How much coal do you use yearly, roughly speaking? We shall be using during next year, unless larger contracts come in, about 15,000 tons. We use from 15,000 to 17,000 tons of coke.
476. None of that would come through the harbour? No; it would all come by rail.
477. How much ore do you smelt yearly, speaking roughly? With our present contracts and supplies, going from 70,000 to 80,000 tons.
478. How much ore, besides the Junction contract ore, would come to your works through the harbour if it were there now? A good deal of our ore comes along the coast. I should say, speaking roughly, that about half of the ore would come coastways.
479. Over half of what you are smelting now? Yes.
480. Where would it come from? From Queensland and West Australia.
481. Out of the ore you are already treating, how much would come by rail? I could not define the exact quantity unless I went into the different localities.
482. You are arguing that if your works are to be carried on successfully it is necessary you should have a harbour;—I want to know how much ore you would get through the harbour? More than half.
483. Where would you get it from? We buy all over the Australian Colonies.
484. That is a very general statement;—where would you get the bulk of the ore likely to come through this harbour? We get some from Broken Hill, Tasmania, Queensland, and West Australia.
485. What ore from Queensland have you been smelting? We have been smelting the Ravenswood ore.
486. *Mr Sleath.*] What sort of ore is that? Refractory gold ore. We get a good deal of copper ore from Queensland also.
487. From what mines? From the North at the back of Cairns, and also some from the Mount Perry district.
488. They would not be large quantities? No; they are small parcels, but in the year they count up.
489. Have your company any mines of their own? Only one at present. Webb's mine, at Emmaville.
490. The White Rock is a separate company? Yes.
491. Do you receive any ore from Lewis Ponds? No.
492. You do not expect any? No.
493. How much do you get weekly from Webb's mine? About 30 tons a week
494. Both Webb's mine and Lewis Ponds belong to the Smelting Company? Yes. At Webb's we are going to put up a plant capable of crushing about 100 tons a day.
495. Do you get any quantity of ore from the Camden Exploration Company? No; not at present.
496. Do you know any of the mines owned by them? I know some of them by name; but I have never visited them.
497. You will remember that Mr. Armstrong said that your principal supply of smelting material came from the Camden Exploration Company? Yes. May I point out that Mr. Armstrong possibly meant from mines in which the Camden syndicate are interested. For instance, the Camden Syndicate is greatly interested in the Junction mine.
498. Mr. de Wolf is interested in the Junction mine, but he is not the Camden Syndicate? Still I know that the Camden Syndicate hold a large interest in the Junction mine.
499. Have a sulphuric acid plant at Dapto? Yes.
500. Have you established a coke industry there? No; we buy our coke.
501. How long has the sulphuric acid plant been put up? It is just completed. Some little things are still wanting.
502. Mr. de Wolf said you had established a coke industry down there; that was his evidence before the Select Committee? We have no coke industry there. No doubt we are the largest consumers of coke, as far as that is concerned.
503. The Illawarra Harbour and Railway Company is a distinct company from the Illawarra Harbour and Land Corporation? Yes.
504. There is no connection between them except that arising from monetary assistance? There interests are identical as far as the harbour is concerned; that is all.
505. Did not the Smelting Company pay money to avoid Mr. Osborne foreclosing upon his mortgage? I could not tell you. I am not well versed in the initial operations of the concern. I only took charge of the works during the year.
506. If that railway line had been foreclosed upon and anyone had got hold of it, your operations would have been practically at a standstill? I do not know; but I do not think the mortgagee could step in and prevent our using the line.
507. Supposing he did do so, it would of course have put your company in a bad way? Yes.
508. Who owns the land over which the railway passes? It belongs to the Illawarra Harbour and Land Corporation.
509. Do you know the area of land owned by the Corporation? I could not tell you the exact acreage.
510. Could the Corporation sell land without your company's permission? I could not say.
511. You are an engineer;—could you tell us how much money has been expended upon the harbour works? I have never seen them. When I say that I do not mean it to be infered that I have a lack of interest in the matter. The fact is that I am a very busy man, and if I were to look at the works it would mean going down to the mouth of the lake and making a careful examination.

E. L. A. Weinberg.
9 Dec., 1898.

E. L. A. Weinberg. 4 Dec., 1895.

512. Who paid for the railway line which connects with the Illawarra Harbour and Land Corporation's land? I could not make a positive statement on the subject; but as far I know the Smelting Company advanced the money.
513. They paid for the line? I think so. I can tell you what our interest is, but I do not know anything about the earlier transactions. I know from my books and balance-sheets the interest we have in the Illawarra Harbour and Land Corporation, as far as pounds shillings and pence are concerned, but otherwise I am not acquainted with the earlier history of the concern.
514. *Mr. Simpson.*] What interest in money value have the Smelting Company in the Illawarra Harbour and Land Corporation? £25,000, made up of £10,000 in cash, £5,000 of guarantee in connection with the Camden Syndicate, and the paid-up £10 shares. We received 1,000 ordinary shares, and 1,000 preferential shares, and we gave a guarantee with the Camden Syndicate for the deposit with the Treasury of the £10,000.
515. Did the Smelting Company pay £20,000 to Mr. Osborne to get rid of his mortgage? I could not say. I know there was a cash transaction. We gave them £10,000; in what way that has been applied by the Illawarra Harbour and Land Corporation, I could not say.
516. Was not the first mortgage held by Mr. Amos, railway contractor? I cannot say. All these things are in the hands of the company's solicitor. When I have to look into the matter I get out the papers, but I am not versed in the earlier transactions of the concern. I really have had no time to look into these things.
517. As to the depth of water in the channel, you think 15 feet would be of no use? No.
518. No sailing vessels would come in? Not unless they were towed.
519. You will have to use steamers? Yes. In regard to the harbour matter, our contention is simply this: We are of opinion that with a harbour we can establish a large trade. That is our principal contention. If we do not get a harbour the smelting works will remain as they are. They will never be any larger.
520. But the whole of the ore you say that would come by sea would be practically the Junction ore? No; we should receive ore from Queensland and West Australia.
521. Of the ore you are already treating the bulk is Junction ore? Yes; but you can understand that if we had the harbour it would give us a very big pull indeed. You have been connected to a certain extent with mining as far as I know, and you know that the profits of smelting works are very small—in fact, the figures are often on the wrong side. Now-a-days if a smelting company makes a few shillings of profit they do very well. In heavy lead ores our profit is not counted by pounds, but by a few shillings.
522. *Mr. Simpson.*] That would point to the necessity for a large volume of business? Yes.
523. *Chairman.*] The only ore of that which you are now treating which would come through the harbour would be the Junction ore? That would be the principal ore, but we should receive other ore coastways.
524. *Mr. Ashton.*] You have stated that more than half the quantity of ore you treat comes seawards? Yes.
525. That would be about 40,000 tons a year? Yes.
526. Of which about 16,000 tons would be Junction ore? Yes.
527. Leaving a balance of from 18 to 24,000 tons to come also seawards? Yes. At present it comes to Darling Harbour, and has to be railed across from Sydney.
528. It would reach you through a harbour if one was there? Yes.
529. *Chairman.*] Outside of the quantity you receive from the Junction Mine, you say that from 18,000 to 24,000 tons would reach your works through the harbour? Yes.
530. *Mr. Sleath.*] How would the ore from Mount Perry reach you if you had a harbour? That comes in very small parcels now.
531. And it always will? You cannot tell. There is a new district being opened at Canindie. I know the district fairly well.
532. But the district has been opened up for many years? Yes.
533. I take it that if you had a dozen harbours the small parcels of ore you receive from Mount Perry would not reach you through any one of them, because it would not pay large steamers to come there with the ore? Quite so.
534. In what quantities does Mount Perry ore reach you at the present time? In parcels of from 10 to 29 tons.
535. If you had a harbour at Lake Illawarra you would not have steamers bringing there such smal parcels of ore as that? Not unless there were intercolonial boats making special trips, or boats taking coal away from the district.
536. But boats would not go to Lake Illawarra for coal, would they? I could not tell exactly.
537. The parcels of Ravenswood ore would be about the same in quantity as Mount Perry ore? No; we receive larger parcels from Ravenswood.
538. The West Australian ore would also arrive in about the same parcels? I do not think so. We have received larger parcels from Western Australia.
539. What has been the largest? We received 500 tons at one time.
540. *Mr. Waddell.*] I suppose you expect your trade to grow as your works become better known over Australia? Yes.
541. *Mr. Sleath.*] But with small exceptions even if there were a harbour at Lake Illawarra a lot of the stuff you treat would still come to Sydney and reach you by rail? It would depend entirely upon the development of the trade. Speaking of to-day you are quite right. A great deal of the ore comes in small parcels, and even if there were a harbour there some of those parcels would not reach us through it; but with the development of trade the channel and quantity supplied will change.
542. *Mr. Ashton.*] Putting your case in a nutshell, if you could save 8s. it would pay you;—that would be the difference in cost, according to your former evidence? That was a calculation upon lead-ore with the lead freight back.
543. Do lead ores form a large proportion of the ores you treat? Yes.
544. Suppose you spread the saving over the whole of the ores you treat, what would it amount to on the average—I mean the saving effected by taking sea-borne ores straight to Lake Illawarra? It would depend upon the amount of back freight you had to get rid of. Unless I went into figures it would be hard for me to make an estimate of that kind, but I should say that the saving would be between 3s. and 5s.

545.

545 Your case is this: that if you can save the cost of transhipment and the railage from Darling Harbour to your works, there would be the possibility of great developments in your company's operations? Yes. E. L. A. Weinberg. 9 Dec., 1898.

546. *Mr. Archibald Campbell.*] What you mean is that the ships by which you obtain ore, instead of going to Darling Harbour, would go to the Lake? Yes.

547. If you got those ships within 5 or 6 miles of your works, would it not answer the same purpose? We have a railway system there now, and, as far as I know, the wharfs will be in close proximity to our works.

548. Assuming that instead of your vessels going to Darling Harbour they went to Talawera Point, what would be the distance to your works? Not quite 2 miles. I think it is the same distance from Talawera Point as from the works to Dapto Station.

549. But it would mean two handlings, the same as at Darling Harbour? It would be a different handling altogether. I have already pointed out that the great bulk of the ore we expect to treat at Dapto will be shipped to us. It will not be bagged ore, and there is a difference between the carrying of such ore from Sydney to the works instead of only a distance of 2 miles.

550. But in either case there would be trainage? Yes.

551. And there would be two handlings? That is absolutely necessary in any case, because you would have to distribute your ore.

552. The reason I put these questions is that it was to be inferred from your evidence that the ore would be tipped out of the ship into your smelters? That is a matter for after consideration. If our people said they wanted special landing facilities for the ore, I suppose the Corporation would be quite willing to give them those facilities. At present the idea is to bring the ore right into the works in trucks.

553. If you had shipping facilities 6 miles from your works, instead of at Darling Harbour, would that be of great advantage to you? It would be of advantage if there were a railway connection.

554. If a ship came to you from New Caledonia and were within 6 miles of your works, how much of the 8s. of saving of which you have spoken would be retained, I am speaking now of the difference between a point 6 miles from your works and Darling Harbour? It would depend upon how much we would have to pay for railage over the 6 miles.

555. Assuming that the railway were your own? There would be a distinct saving in that case. The Government has a limit, and, even if we conveyed the ore only 5 or 6 miles, we should have to pay the same to the Government as if it were conveyed 15 miles.

556. *Mr. Simpson.*] The railage rates you have fixed with the Illawarra Harbour and Land Corporation are considerably below the Government rates? Yes; I can make that statement with confidence, because some time ago we approached the Government to take over the haulage from the Dapto Station to the smelting works, but they quoted me a figure I could not entertain.

557. *Mr. Archibald Campbell.*] Let me put an illustrative case: Suppose there were a ship lying at Port Kembla with 6,000 tons of nickel ore from New Caledonia, and suppose that nickel ore came into your works, which would be 6 miles away, what would the profit be taking the average? I could not say.

558. It would affect the 8s. of saving which you have already quoted very much? Yes.

559. Is there any restriction to the effect that your company cannot contract with the Government railways, or with any other lines than those running through the Harbour and Land Corporation's property? Yes.

560. *Chairman.*] Your operations at Dapto, you say, would be increased, providing you had there a harbour by which you could receive ore from West Australia, Queensland, Tasmania, and other places? Yes; I think we could expect an increase of trade, but our principal object now is to get the New Caledonian trade for our works.

561. You have no contract signed yet? No.

562. You are only in negotiation? Yes.

563. The negotiations have been in progress for twelve months or more? They are dependent a good deal upon the opinion I may form as to the possibilities of such a trade. I could only form that opinion from paying a visit to New Caledonia. I did not know of the proposed combination with the Caledonian business until shortly before Mr. de Wolf came out from England, when I was instructed by the Home Board to make a full report upon the Caledonian matter.

564. Has your report been before the board? No; I returned from New Caledonia only a fortnight ago.

565. Have you any reasonable expectation that they will go on with the contract, judging from your report? I think so.

566. Do you think the other parties would be willing to go on with it at your price? As the matter is not yet settled, I am not at liberty to express an opinion. The question is *sub judice*.

567. Your principal contention is, that this harbour is going to benefit your works, and the only reasonable ground for that contention is that this contract will be entered into? No. During the time I have had charge of the Smelting Company's affairs, I have not pushed our trade. I have directed my attention to the provision of facilities; but I am certain that if we got the harbour, and got the benefit of the few shillings of saving which we would derive from it so far as the ore is concerned, we should be in a position to extend our Broken Hill trade. I should try to do so.

568. You admit that the harbour cannot possibly be of any benefit to you so far as small parcels of ore are concerned? No; the benefit will arise from big parcels.

569. You have no reasonable hope of trade through the harbour except that arising from your trade with New Caledonia? I would not like to say that. If our trade were to be confined to the New Caledonia trade we might as well shut up now.

570. The West Australian ores will be treated at Freemantle in a short time? The Freemantle smelting works are shut down.

571. But they are not constructed? They started and were shut down.

572. So far as your West Australian trade is concerned is it likely that your clients will pay freight all the way to Lake Illawarra when they have smelting works at Freemantle? You under estimate the advantage we have in the shape of cheap fuel. You are aware that the western smelters have to pay a fairly high price for fuel, and that gives us an enormous pull over them. Our steamers from Freemantle would bring ore here for a few shillings.

573. Because they have back loading? Yes.

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574. But do you not see that the ships which bring coal to Fremantle will have back loading in the shape of bullion? But not sufficient.
575. *Mr. Simpson.*] There is more coal than bullion? Yes.
576. *Mr. Waddell.*] On the average how many tons of coke does it take to smelt a ton of ore? In coke smelting in large furnaces we use roughly about 4 tons of ore to 1 ton of coke.
577. With 1 ton of coke you can reduce 4 tons of ore? Yes.
578. Is that all the fuel you use? Some ores have to be roasted, and a certain amount of coal is used in roasting preparatory to smelting.
579. *Mr. Cann.*] With your method of roasting, could you give the Committee any idea of the quantity of coal used as compared with the ore roasted;—what quantity of coal, for instance, would you use to roast a ton of ore? It is impossible to say exactly. We have a new furnace building which we estimate to consume 1¼ ton in the roasting of 5 or 6 tons of ore, but we have furnaces which put much more ore through in proportion to the fuel consumed.
580. An estimate giving 3 or 4 tons of coal for the reduction of 1 ton of ore you would regard as an absurd estimate? Yes.
581. *Chairman.*] Your position, narrowed down, is this: that the only advantage the harbour would be to your company would be the facilitating of the transit of big quantities of ore? Yes.
582. If you had fifteen or twenty harbours small parcels of 20 or 30 tons would still reach you through Sydney? Yes.
583. Your contract with the Junction Company expires next year? Yes, next May.
584. It has not paid you to treat the ore? I am not prepared to say that.
585. The only other source from which you anticipate getting ore is New Caledonia;—you have not yet completed a contract with the mines there, and you do not know whether your terms will be accepted? The probability is that they will be.
586. Suppose your terms are not accepted, and the Illawarra harbour is constructed, what trading advantages will it give you as far as you can see now? It will give us a very great advantage; we have never yet pushed our business.
587. There are other smelting companies with whom you have to compete; these companies are just now getting into full swing;—when your works were mooted they were not in existence? Quite so.
588. You get your coke in the Colony? Yes.
589. Could you get better coke in Germany than you could get here? No.
590. Then how do you account for the Broken Hill mines using German coke? I will tell you the reason. The coke that is made here as far as ash is concerned is not considered a good coke. The ash contents of all our southern coke may be put down at an average of 15 per cent. German and English coke is supposed to contain 7 per cent. You pay freight on 8 per cent., and you put 8 per cent. of material in your furnaces which requires so many units of carbon to be fluxed off again. If you are using coke for smelting purposes it pays you to buy the best coke you can get. It is a matter of freight. I suppose the persons to whom you refer at Broken Hill can practically bring out coke for the same amount which it would cost them for Newcastle coke.
591. *Mr. Sleath.*] You do not make coke yourselves? No.
592. Coke made in the colonies is generally very small? The coke we are getting now is, I consider, a fair furnace coke. It is a coke which stands a good burn.
593. *Mr Carroll.*] Have you made any sulphuric acid yet? No.
594. *Mr. Sleath.*] How far are your works from where this harbour will be when completed? I think about 2 miles.
595. What would be the difference in cost between carting the ore 2 miles and 6 miles? In the case of the Government line there will be no difference, because both distances would be within the 15-mile limit.
596. But supposing you were using your own line? It depends entirely in the capital invested in the line, but the difference in the two distances would not amount to much.
597. Up to the present time you have no line constructed from your works to where the harbour will be? There is a line down to the place where the harbour will be already.
598. The ore you are expecting from New Caledonia will arrive in full shipments? Yes.
599. You would require a fair depth of water in the harbour to allow the ships to come in? That is right.
600. You have already explained that you have not been able to notice the harbour works? That is right.
601. Have your company considered the time which must elapse before the works can be constructed? Yes.
602. So that if you enter into this nickel contract you will have to arrange for the ore to be taken to your works by some means other than through the harbour? Yes; at the beginning very likely we should.
603. And for a number of years? Not for a number of years.
604. I mean judging from the rate at which the work has hitherto proceeded? I hope they will proceed a little quicker. Our friends in New Caledonia are bound down to Europe for another year. The nickel would not come here right away.
605. Then it might be another year before your nickel contract started? Yes, they are tied to European smelters for about a year.
606. As to the money your company has paid for their interest in the Illawarra Harbour and Land Corporation, your company bought 1,000 preferential shares at £10? Yes, and we hold 1,000 ordinary shares.
607. You have paid to the company £10,000 in cash? Yes, that is all we have in the concern.
608. In return for that you got 1,000 preferential shares and 1,000 ordinary shares all fully paid-up? Yes. On our taking up 1,000 preferential shares they gave us 1,000 ordinary shares. That was part of the bargain.
609. Does your company hold a mortgage for the £5,000 guaranteed? Yes, we have security.
610. The amount you have named is the only money you have had to advance? Yes.
611. *Mr. Carroll.*] Have your company entered into negotiations for an extension of their Broken Hill contract upon the same conditions? I have entered into negotiations for an extension of the contract under conditions more favourable to the company.
612. At present nothing is settled? Nothing.

613. One-third of the contract is sublet to a Melbourne firm? Yes; we are not prepared to renew the contract with the Junction people at the same figure. It is almost certain that they will fall in with my ideas. I had nothing to do with the making of the contract in the first instance; 4,000 tons were resold, because we ourselves had not roasting facilities for the ore. You all know that freights have set in very high, and if we had to pay a premium on re-selling it has been brought about simply by the conditions of freight.

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614. If the Government constructed a harbour at Port Kembla you would regard it as being better than no harbour at all? Yes; provided we obtained railway facilities.

615. Carriage would come to a little more, but the harbour would be of great advantage to you? Yes.

Mr. archibald Campbell

MONDAY, DECEMBER 12, 1898.

Present:—

Mr. ASHTON,
Mr. CANN,
Mr. CARROLL,
Mr. COHEN,
Mr. SLEATH,
Mr. WADDELL.

W. J. FERGUSON, Esq., IN THE CHAIR.

Mr. E. P. Simpson and Mr. Mosely, appeared for the Illawarra Harbour and Land Corporation.

Thomas Andrew de Wolf recalled and further examined :—

616. *Mr. Sleath.*] On the share register appears the name of the Hon. Edmund Barton as the holder of thirty shares? Yes.
617. I think you stated that he never paid anything for those shares, and that he received them in consideration for going on the Board, or something of that sort? In lieu of directors fees. According to the articles a sum was set on one side to be paid in cash, and the directors decided they would accept payment in shares.
618. Is Mr. Barton still on the registered share list? He is on the London register.
619. For how many shares? £3,000.
620. I think you said that in January, 1894, there was a call made on the original thirty shares? Yes.
621. A call of £10 per share? Yes.
622. Did he pay that call? No. I am not certain whether he transferred his shares before that or not. He paid no call on them.
623. If he had transferred his shares previously, his name would not have appeared on the London register? Yes, because it was arranged that on transferring these shares they were to have the same number of shares in the London company.
624. Whether the call was paid or not? Yes. Well in this case it was arranged, and in several others.
625. Did Mr. Carey also hold shares to the same amount? Yes.
626. When the call was made, did he pay the call? No; he paid a portion of it—£250.
627. Is he still a shareholder in the company? No; he refused at that time to take the liability. As I explained before there were very heavy liabilities on the company at the time he refused to share his shares with the liability he requested me to take a transfer of the shares.
628. What is the liability on the £3,000 worth of shares of Mr. Barton in London? No liability.
629. So that if Mr. Carey had taken the same interest in the London company as Mr. Barton, there would have been no liability? No; I may explain that at that time the debts of the company were heavy, and it was a question whether I would be successful in my efforts in London to finance the company. If I had not been the company would have had to be wound up, and people would have had to pay up.
630. *Mr. Simpson*] Had the Smelting Company been formed at that time? No.
631. *Mr. Sleath.*] Were there 10,000 shares in the company when the call was made? Yes.
632. And a call of £10 per share was made? Yes.
633. How many shares paid up that call? All the shares that remained were paid up.
634. That would mean, then, that £100,000 was paid? I explained before that the company owed £100,000, representing the amount due to the syndicate for the purchase of the properties.
635. So that when the call of £10 was made, is it a fact that a good deal of that call was paid up merely as a question of bookkeeping? Yes; to settle the debts of the company. There were cross entries.
636. For instance, the syndicate representing a number of shares in the company, and having £100,000 due to them by the company, they simply squared the two things by cross entries? Yes. It was rather a complicated account, because there were accounts between the syndicate and the original purchasers of the land.
637. So that the calls on Barton's shares, for instance, would be paid in that way? Yes; I took a transfer of the shares and I paid up the call.
638. Then were they transferred back to Mr. Barton? The shares in the London company were allotted to him.
639. Did he pay anything for them? No.
640. When did Mr. Neild first become a shareholder? I cannot vouch for the exact time. The date of the acceptance of the shares in the London company was in 1896.
641. Do you know when he first came on to the list of shareholders in the Sydney company;—when did he first become a shareholder in the original syndicate, or whatever it was? I have no knowledge. I received instructions from Mr. Armstrong when I was in London to allot 100 shares to Mr. Neild. That took place when I was away for four or five years.
642. But Mr. Neild is still a shareholder in the Sydney company;—do you know when Mr. Neild became a shareholder in the Sydney company? Yes; the date of the transfer of one share is the 28th July, 1897.
643. Previous to your being instructed by Mr. Armstrong in 1896, when you were in London, you knew nothing of Mr. Neild in connection with the company? Not in connection with the company.

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644. We had a good deal of information about Styles and Vaughn's transactions the other day;—you explained to the committee that you bought this Ocean Colliery Company from Styles and Vaughn, who were partners? I bought it from Vaughn.
645. For £25,000? Yes.
646. Did you understand at that time that Styles was a partner? No; I only knew Vaughn in the transaction.
647. £12,000 of that was paid in cash? £13,000.
648. And £12,000 in fully paid-up shares? No; the shares had £1,000 liability. There were four syndicate shares, £3,000 paid-up and £1,000 liability.
649. So you did not know anything of the business between Vaughn and Styles? I ascertained afterwards that they were jointly interested, but all my dealings were with Mr. Vaughn with the exception that I was asked to put two of the syndicate shares in the name of Styles, which was done.
650. *Mr Cann.*] At whose request? Vaughn's.
651. *Mr Sleath.*] In July, 1894, were Styles' shares forfeited? Yes.
652. Did he pay the call? He never paid a shilling from the commencement to the expense of the company.
653. So that, in 1894, his shares were forfeited? Yes. Most of his shares had passed out of his possession entirely at that time. He had borrowed money on them from the Mercantile Finance Company, who were also large shareholders. He borrowed money from Mr. Dyring, a storekeeper up country, and also from a money-lender here, named, I think, Phillips.
654. So that his interest in the shares was not what it might appear? No. Actions had been taken by these people to force him to pay this money back. That was some two years prior to the forfeiture of his shares.
655. Were all his shares forfeited? Yes.
656. What did the company do with those forfeited shares? They were open to anyone to take up who would pay the balance of the call.
657. As a matter of fact you took up Styles' shares? Yes.
658. We were told something about the probable amount of money which you had expended for the purchase of the property; I would like to go over the figures very briefly again? There was £35,000 payment for the property, then £30,000, and £13,000.
659. Was that the total cash payment made for the property? Yes; for the purchase of the property, besides expenses. The total payment in cash for that purpose was £78,000. That does not include any legal or other expenses incurred.
660. The money that the company has received has been how much;—was not £20,000 from London the first amount? Yes, and £20,000.
661. And of course this £10,000 deposit is a liability? Yes.
662. You have received £40,000 in the company;—what are your liabilities, and I am not talking about the £10,000 deposit? I will give you the exact amount. This is the last balance-sheet dated 28th February, 1898. There is £34,402 due to Amos
663. As against that you have spent, in railway construction, practically, £40,000? £41,465.
664. And in harbour works? £3,503, that is within a few pounds of £45,000.
665. In 1889 your first Bill went through? In December, 1890.
666. That is practically eight years ago? Yes.
667. During the whole of those eight years you have only expended in harbour works £3,503? Yes.
668. Did you give any instructions to Mr. Neild in October, 1895, when the previous extension was asked for? No.
669. Who would have represented the company then and given instructions? Mr. Armstrong.
670. Do you think that two years would be of any use to construct these works? Yes.
671. Do you think it would be possible to complete anything like harbour works there? Do you mean 15 feet?
672. Yes, even 15 feet? Yes; but our engineer here can give you these particulars better that I can. I can only give you what he tells me. I understand that it is a cheap and easy business to make a depth of 15 feet, but we shall probably try to make it deeper. We must make it deeper afterwards.
673. A good deal of the Smelting Company's affairs have crept into this evidence. Do you know how far the smelting works will be from the harbour when constructed? A very short distance.
674. I think Mr. Weinberg in his evidence on Friday said it would be 2 miles? It is just about 2 miles from where the ores would be unloaded; it is a trifle under.
675. Of course all the same handling of the ores must take place, as if the distance was 20 miles? It has to be handled.
676. So that the difference between the cost would be simply the cost of the haulage as between 2 miles and 20 miles? There are many other things. The difference of haulage, I suppose would be that.
677. *Mr. Cann.*] What amount of money do you anticipate it will take to complete all these works as you intend to do them? About £150,000. We have a contract let to Amos—the balance amounts to £150,000.
678. What are your prospects of being able to raise that amount of money? I have not the slightest doubt that we shall get the money at once, as soon as I get to England.
679. Are you negotiating, pending the passing of this Bill? Yes. When I left England we had matters pretty well settled, unless something unforseen happened. People will not bind themselves for twelve months to take up any business, but unless something unforseen happens, these people are prepared to find the money.
680. *Mr. Cohen.*] Do you feel fairly confident yourself that the money will be available? I sent £10,000 from London on my responsibility, and I would not have sent it out unless I felt that I could carry out the business. We have nothing to sell. All we have to do is to make the harbour, and make the land available.
681. *Mr Sleath.*] It was stated over and over again that the capital of this company is £1,600,000? That was a nominal amount for which the company was registered originally. The original Sydney company was registered for that.
682. You will see that Mr. Neild over and over again repeats that? That is the registered capital. We might have registered for £10,000,000: it would not have made the company any different; only we should have had to pay more stamp duty.

683. There would be no actual difference in the capital of the company if it were put down at £1,600,000 or £600,000? No. T. A. de Wolf. 12 Dec., 1898.
684. What is the total indebtedness of the company at present? £45,000, including the £10,000 deposit.
685. What is the balance due from the company to the syndicate? That is all settled.
686. That £100,000 is practically settled? Yes, in the way I have explained. We made the call, and settled it.
687. So that there is no money due to the syndicate now? No; the £10,000 lodged comes back to us.
688. It is only a cross entry? Our total liability is £35,000, which is a great deal less than the cost of our railway.
689. *Chairman.*] Do you mean the liabilities of your present company? Both companies; there are no liabilities in London.
690. You mean the liabilities of the Illawara Harbour and Land Corporation, and you do not include the Smelting Company? No; the Smelting Company is quite a different matter.
691. *Mr. Sleath.*] So that the London company took shares for their £20,000 cash? Yes.
692. So that is no liability? No.
693. If any firms were to undertake underwriting this, what would they want out of it? They get the usual commission.
694. Of 100 per cent? No, not with us; we do not do business in that way.
695. *Chairman.*] Is it not often done by taking shares? Yes.
696. For instance, if they do not get the cash, you give them double the amount in shares? We very often give 2½ per cent. in cash and a commission in shares.
697. *Mr. Sleath.*] You actually did give them 100 per cent. They took up 20,000 shares, and you gave them another 20,000? We gave them a certain amount in shares.
698. Did you not give them £20,000 in shares? We are quite prepared to make the thing palatable to the English investor. He usually wants to have some interest in the company as well. We are quite prepared to do all that is necessary to see that we have the money this time, and make no mistake about it.
699. *Chairman.*] When Mr. Carey, Mr. Styles, and Mr. Newton were shareholders, I suppose they knew the whole of the transaction up to the disposal of part of your property to the Smelting Company? They had ceased to be shareholders before I went to England.
700. *Mr. Sleath.*] The call knocked them out? No, it was not the call; it was the fear of the liabilities.
701. *Mr. Simpson.*] Was it not on account of the Mercantile Finance Company? I arranged for a time to pay off the liabilities, but other people would not take the risk.
702. *Chairman.*] Did they know of the disposal of the property to Fink by you? Yes; that was ratified by the company.
703. Did these shareholders know it? Yes; they had notice of it.
704. Then Styles and Newton must have been shareholders up to the time of the formation of the Smelting Company? No; the transfer of the property to Fink occurred some years before; it was a nominal one.
705. They were shareholders at the time, and knew it? Yes, and subsequently.
706. Were they shareholders at the time you formed this company? Yes, they were the first shareholders.
707. At the time you formed the Smelting Company? No, they were out long before that.
708. The call on the shares put them out? As far as Carey and Newton were concerned, they refused to accept any further liability, they were liable for £40 a share, and they refused to hold them. Styles never paid one shilling.
709. Still they had their shares, and you disposed of the property to Fink? That was years before. I did not dispose of the property to Fink. It was in my name; I was only one shareholder. Mr. Fink or the Mercantile Finance Corporation would not agree to become security for further advances from the bank unless the property were put in their name instead of mine. They simply held it as trustees.
710. They were shareholders at that time? Yes.
711. When the call was made, practically Fink owned the property? No.
712. Was it not handed over to him? No; he took the same position as I did. I was trustee before.
713. *Mr. Sleath.*] When did Mr. Lyne become a shareholder? I cannot tell you. I got instructions from Mr. Armstrong to allot some shares to Mr. Lyne, but I understand that Mr. Lyne never accepted them.
714. *Chairman.*] Your transferred this property from your name to Fink's, and the same day Fink discounted this bill? Yes; he got an advance.
715. To Wallach Brothers? Yes.
716. You say he discounted this bill when the property was transferred from your name to his, and he discounted it to Wallach Brothers? He got the money from the Bank.
717. They signed the mortgage to the A.J.S. Bank? Yes. I think when I gave my story of the company I explained all that as clearly as I possibly could. I pointed out that the company owed the syndicate a large sum of money, which they had not paid off, and Mr. Fink was quite within his rights in obtaining further advances for the company from the Bank, and giving security.
718. You and Mr. Armstrong own practically the whole of those 10,000 shares? No.
719. How many? We hold a pretty good number. I explained that we hold them to assist us in financing in London.
720. You do not know the exact number of the 10,000 shares in your name? I can tell you how many in my name.
721. *Mr. Sleath.*] Do you hold shares that are really not in your name? Yes.
722. *Chairman.*] How much do you calculate these harbour works will cost you? Mr. Harper can give you the exact figures of the contract. We have let a contract to Amos, and £35,000 of that has been spent. The railway has been finished.
723. The £150,000 would be outside the £34,000? Yes; we estimate the amount of the harbour and railway at £300,000. These are all done by schedule rates, and we may have to increase or decrease the amount. More stone may be required in the breakwaters and walls. The people in London estimate that we would require on the contracts about £250,000, to pay interest during construction, and so on.
724. *Mr. Sleath.*] Have you any estimate of the trade likely to be done when the harbour works are completed? No; we are satisfied that the Smelting Company's business will be sufficient to pay us interest on the cost.

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T. A. de Wolf. 12 Dec., 1893.

725. *Mr. Carroll.*] What is the cost of the railway in Amos's contract? The cost of the railway was altogether £41,008.
726. Has Mr. Amos been paid? He still holds £34,000.
727. And he holds a mortgage over the railway? Yes, and Lakelands Estate. This amount of Amos's is less a good deal than the cost of the railway. I sent out £6,000 worth of rails from London.
728. *Mr. Cohen.*] Did I understand you to say that you were prepared to pay off Amos at once if he wants it? I offered it to him, but he does not want it. If we do not get our Bill through, we will pay him off at once.
729. *Mr. Carroll.*] Have you any money in the bank—I mean the Illawarra Harbour and Land Corporation? We have a revenue of about £4,000 a year coming in. As we get the money in we pay our expenses, and we pay off Mr. Amos. We pay him off a little now and then.
730. Has the Illawarra Harbour and Land Company held monthly or quarterly meetings lately? No; they have not had a meeting for some little time. I have been away for some time.
731. Is it a fact that they have been two years without holding a meeting? I do not think so.
732. Have they been very nearly two years? I do not think so. Do you mean a meeting of shareholders?
733. No, a meeting of any sort? Yes; there have been meetings. The former secretary has gone to London—he could give the information.
734. Who can give us the information that the secretary ought to give? We can produce our minute-book. There is very little business to do.
735. *Mr. Simpson.*] Would not the meetings in London be sufficient to meet the requirements of the law? Yes.
736. *Mr. Carroll.*] Are all the shares held in London except thirty? Yes.
737. *Mr. Sleath.*] Are those thirty shares different from the shares in London? Yes, they are original shares.
738. Is one share of those thirty 1,600,000th part of the company? It is a 10,000th part; it is a £100 share paid up to £60. Nobody would care to hold a share of that description with £40 liability.
739. *Mr. Carroll.*] Are you aware that the Government have now passed a Bill with a view to constructing a harbour at Port Kembla? Yes.
740. What effect will that have on your scheme? We are quite independent, I think.
741. Will it not have a bad effect on the public at Home who may go in for speculation? I do not think so, because we have a trade of our own. I do not think we will be very much afraid of competition.
742. What trade have you got? We have the trade of the Smelting Company.
743. It is stated to be very little? We would not have put these works there unless we expected to do a very much larger business than we do now.
744. You have no contract with New Caledonia? No, we will not, unless we have a harbour made. If we have a harbour made, I think it is absolutely certain we will have that contract, and a very large one.
745. You do not wish to state whether the contract with Broken Hill is payable or not? I could not answer that question. We have European and Australian smelters competing with us, and if we said that we were making money, we might be charged more.
746. What is the reason for letting one-third of the contract to a Melbourne company? I do not know the business of the Smelting Company; but I do know that the reason for that was that we were short of roasting appliances, which we are now putting up—there are twelve roasting furnaces.
747. You said that you were going to have other works there;—have you any works for sulphuric acid? Yes.
748. Have you made any? No; sulphuric acid is a by-product, and would probably be used for superphosphate, but we cannot afford to bring that down to Sydney by the Illawarra line. You cannot make a chemical industry there without water-carriage.
749. It was stated eight years ago that if you got the Bill, the first work you would construct would be the harbour; how is it that that has been hung up so long? I have explained that.
750. How is it that you were able to start the Illawarra Smelting Works and not the harbour? It is a different thing entirely. I used my efforts with my friends to get them to put up the works, in order to create a trade for the harbour. I am largely interested in the harbour, and it was my business to try to establish a trade there. People might say that they would go into the Smelting Company when they would not go into the Harbour Company. They might put in £500,000 in that company, when they would not go into a harbour company.
751. *Chairman.*] You say the company has an income of £4,000 a year;—what is that from? From agistment and rentals and traffic on the railways.
752. How many acres of land now belong to the company? Originally there were 2,900 acres; 500 acres have been taken off, leaving 2,410 acres.
753. What do you think that is worth? I think it is worth a lot of money. If the harbour is made it will be worth very much.
754. What is the ordinary value of it now? For 2,900 acres I paid £65,000 ten years ago. We have 4 miles of water-frontage to the lake. We went into the thing intending to make the land valuable, and at the same time put up big works.
755. Would the harbour increase the value of this land considerably? Naturally it would—the harbour and works.
756. *Mr. Simpson.*] Have not the smelting works also increased the value of the land? Yes.
757. Do you think the Smelting Company's works would give a value to agricultural land? Yes; if you employ a lot of men about there the land becomes more valuable.
758. *Mr.* .] Have you sold any of the land in small blocks? Yes; but not much.
759. What price have you been getting for it? About £1 a foot.
760. About £300 an acre? Yes.
761. *Chairman.*] This company owes you practically £100,000? No, nothing.
762. They did not pay you any cash? The debts were owing, and we owed the debts. We had to write them off. Money was owing to us.
763. It was a system of book-keeping? The money was owing to us, and should have been paid.
764. *Mr. Carroll.*] Do you say there is no secretary now? Yes, there is a secretary, but he only joined during the last three weeks.

765. Who is the secretary? Neild.
766. Is he a relative of Mr. Neild? Yes.
767. *Mr. Simpson.*] Was Mr. Jarvis the secretary for a number of years? Yes, for five or six years.
768 *Mr. Carroll.*] It is reported that the sleepers in the railway line are rotting, and that the Government refuse to allow their engines to work on it;—is that true? Certainly not. I cannot help reports being spread about.

T. A. de Wolf.
12 Dec., 1898.

Walter Andrew Harper sworn and examined:—

769. *Chairman.*] Did you give evidence before the Committee in 1895? No; I was away.
770. *Mr. Simpson.*] I understand that under the Act the Government have power to appoint a consulting engineer? Yes.
771. In pursuance of that power, did they appoint Mr. Darley? Yes; as soon as the plans of the scheme were prepared, it was considered important that Mr. Darley should approve of them at that stage, because after the works were going on he might come and alter them. So we submitted the plans to him before entering into any contract.
772. What was done by Mr. Darley? He made a very small alteration in the entrance to the works. The width of the channel was altered 100 feet, or something of that sort.
773. With that exception, were the plans approved of by him as consulting engineer? Yes. There was a little difference in the construction of the breakwaters—a difference in the height and width of them, and also in the channel.
774. Are there any engineering difficulties in the way? No. I produce a plan which accompanied the Port Kembla evidence, as it was approved of by Mr. Darley. It is the official plan of the Illawarra entrance.
775. *Mr. Sleath.*] What was the width before? 200 feet at the entrance.
776. And you changed that to 430 feet? Yes.
777. *Mr. Simpson.*] Was your firm engineers for the Illawarra Corporation, and did they prepare the plans in connection with the scheme? Yes. I think the Committee will see by these plans that now that the tie-bank has been constructed there is practically a southern breakwater from Windang Island to the mainland, so that the breakwaters are really under the lee of the island.
778. *Mr. Cohen.*] Will that protection facilitate operations under the contract? Yes. It is made of light rubble, and is constructed to convey the stone to the breakwater, but it has stood very well, although the stones are only about 1 foot in diameter.
779. *Mr. Simpson.*] How long will it take to complete the harbour? The contract provides that it shall be done within two years.
780. Is that the present contract with Amos? Yes; it depends a great deal on the dredging power. Under the contract, the contractor will have to supply dredges, but I think the company will also supply a dredge of their own.
781 Have they the option of doing that? They have the refusal of a very large steam-pump belonging to Dr. Hay of Coolangatta. If they buy that, it would complete the work very much quicker. The contractor puts himself under a penalty to complete the work in two years.
782. You have no doubt that if two years' extension were given, it could be completed? No; itis very light work—it will only take £140,000 to complete it.
783. Is there much blasting to be done? No; none except to get stone out of the quarry. Soundings and borings have been taken by the contractors. We provided a clause in the contract that although the depths were given by us the contractor had to bore himself, and had to take the responsibility.
784. Has he done that? Yes.
785. Is there little or no blasting to do in connection with the excavation? There is no blasting at all in connection with the harbour works. There is at the quarry. There is nothing of that kind in connection with scouring out—it is sand-pump work; it is exactly similar to the the Gippsland Lakes entrance, with the exception that we have this island. At the Gippsland Lakes it has been a perfect success with timber and breakwaters, and it is exposed to the whole Pacific Ocean; there is no shelter.
786. *Mr. Sleath.*] Can you tell us the length of the southern breakwater? The breakwater, as shown on the plan, is really divided into two. The latter portions of the breakwater are called training-banks from the tiebank towards the lake, and from there to the sea, breakwaters. The length of the southern training-wall is 1,050 feet.
787. And the breakwater? 1,815 feet.
788. I suppose the breakwaters are to be of stone;—what depth will you have to go to get something like a bottom, or will you put them on the shifting sand? The sand is quite solid, but the channel will be dredged—say to 20 feet. It will be lined with stone to that depth. The stone will be allowed to find its own bottom; it may sink to 15 or 20 feet; we have to put in what ever stone is necessary. My experience is that it sinks 5 or 6 feet, and beds itself in the sand. It is exactly like the Suez Canal—through the Bitter Lakes, where they have lined it with pitching. It has not gone below the bottom level of the canal. The stones are sunk a foot or two in the sand.
789. What is the size of the training-wall? Ten feet on the top with a batter of 1¼ to 1.
790. Will the breakwater be larger than the training-wall? The southern breakwater is very large. The width at the top is 15 feet; at high-water mark, 51 feet; at low-water mark, 66 feet, with a batter of 1½ to 1 with 10-ton blocks.
791. What about the northern breakwater and training-wall? It is practically the same, it is a little shorter.
792. The distance from the mouth of the breakwater to the finish of the training-wall would be 3,465 feet? Yes.
793. What is the length of the canal channel? A little over 3 miles.
794. Do you intend to have a training-wall up both sides? No; it would be simply deepened just like an ordinary canal.
795. Do you think that will stand? Yes. Very much wider slopes are provided than are necessary. The Suez Canal slopes stand at 1 in 1. We provide 1 in 5, so that it is almost like a saucer.
796. This channel is only 100 feet wide? That is at the bottom.

W. A. Harper.

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797. *Mr. Cohen.*] What is the height of the tide there? There is scarcely any in the lake. There would be about 2 feet when the work is completed.
798. *Mr. Sleath.*] What will be the width at the top of this dredging? If you carry the slopes to water-level the width will be 330 feet.
799. With a batter of 5 to 1? There are 115 feet on each side of the central piece at 23 feet. I am taking that depth because I think it is really intended to take it to that depth. In the northern breakwater there is 139,000 tons—that is, the whole thing. In the southern breakwater there is 153,000 tons. The total cost is £52,924.
800. That does not include the training-walls and the channel? No. The cost of the total dredging, 3,600,000 yards, is £81,000—a lump sum contract. The contractor is responsible for dredging that, and at the completion of his maintenance time he hands over the channel at the theoretical slope.
801. Do the training-walls come under that estimate? No. There are 167,000 tons in the training-walls, and the cost approximately is £18,000.
802. As the engineer, and having made yourself thoroughly conversant with the whole surroundings, have you considered the possibility of silting up when the breakwaters are completed? Yes, fully. The last part of the breakwater, for about 50 yards from the end, is on solid rock. There is no sand shifting at the ends of the breakwater. Before any silting up could possibly occur it would be necessary for the whole of the area of the bight to reclaim to the eastern cape of Winding Island. That would take centuries. Before any sand could get round at all it would be necessary to do that.
803. But from the other side? There is no trend from there. The whole force is from the south, and the only sand which comes is in a heavy southerly. There is a little drift along the shore, but the breakwater is sufficiently large to keep all that; and there are fascine banks running parallel for half a mile south of the breakwaters, to trap any little travelling dry sand. The banks come to a very small sum. They are only to hold dredgings. They only amount to about £2,000 altogether.
804. What is the depth of water at high and low water marks at the eastern end of the breakwater? Twenty-six feet at low water.
805. With a hard rocky bottom? Yes.
806. What would be the corresponding depth between the breakwater and the training-walls? At the present time it varies according to the state of the lake. Sometimes there is a deep channel there, and sometimes there is no channel at all. Until these walls were built there was nothing to guide the channel or maintain it in any direction.
807. *Mr. Cann.*] When you make an opening into the channel, will not the level of the lake go down to dead low water? It will be dredged.
808. Will you not alter the level of the lake? No; when it is dammed up the lake rises sometimes several feet, but it never goes below low-water mark. All our calculations are to low-water mark.
809. *Mr. Sleath.*] What depth do you intend to dredge it right through from the eastern end? Twenty feet at low water.
810. *Mr. Cohen.*] Do you say that there will be a rise of about 2 feet? Less than 2 feet.
811. But there must be a rise of 4 or 5 feet outside? Yes; 5 feet at the entrance.
812. *Mr. Simpson.*] Has Mr. Darley seen these plans? Yes.
813. *Mr. Sleath.*] You say the width of the channel will be 430 feet;—do you see that Mr. Darley says that the width ought not to be less than 500 feet? He has altered his view since the plan was made. That is his document. I do not agree with him on that, and I should not give way any further. My opinion was that it might have been less. I am backed up in that by Sir John Coode, but at the same time I did not wish to fight on details with him, and I gave way to the extent of 430 feet, which we agreed upon.
814. He says that the entrance to the Amsterdam Ship Canal, a parallel case, is 800 feet wide, and that it is not so exposed? You can get plenty of instances the other way. It all depends on the current. I am certain that is ample.
815. Do you know the width of the entrance to the Tyne? No; but it is a very wide entrance, and then there is the river Tyne.
816. Mr. Darley gives the entrance to the Tyne at 1,100 feet, and the Tees 2,000 feet? You cannot compare these works. This is a lake; it is all still water, and the only scour we have is the tidal range. If we make them too wide we shall have too little scour, and if we make them too narrow we shall have too much.
817. *Mr. Cann.*] If you have a lot of wet weather, will you not have a great deal of scour? Not very much.
818. *Mr. Sleath.*] Do you know any work of this kind in the world with as narrow an entrance? I do not know any one exactly similar, but the plans that Sir John Coode made for Lake Macquarie provide for an entrance of 200 feet. That is the nearest case to this that I can imagine. On that point the Committee should be quite satisfied, because anything we do there will be done under Mr. Darley. If he insists on the width being greater the company will have to do it.
819. You say that Sir John Coode recommended an entrance of 200 feet to Lake Macquarie;—do you know that Mr. Moriarty increased that width very much? I think he widened it to 500 feet.
820. To 1,300 feet? I knew he altered it.
821. How long have you been engineer for this company? Since its inception, about eight years ago.
822. Have you done much work in connection with the harbour? No; only the tie-bank. We constructed the railways on shore.
823. Supposing this extension is granted, have you any arrangements made as engineer for the company to proceed with the work? We called for tenders for the harbour, and let a contract for that to Mr. Amos. He will carry it out. There will have to be certain alterations in his contract with regard to the depth. His contract is for £140,000 approximately; it was £200,000 including the railway.
824. How long is it since this contract has been entered upon? About three years.
825. So that three years ago you were exactly in the same position to proceed with the work as you are now? I do not think so.
826. I mean the contract was made the same as it is now? Yes.
827. What has been expended on harbour construction in the three years? About £4,000—between £3,000 and £4,000.

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828. We had a witness here the other day who said he could not observe any harbour works? Then he has not been there. The tie-bank is shown in that plan as complete. One of the witnesses in the Upper House said he had ridden across the lake.
829. *Chairman.*] What did you say was the total cost of this work? £140,000.
830. Is that without the railway? Yes.
831. In 1898, in giving evidence before the other Committee, you put it down as what? £170,000.
832. No, without the railway you said it would cost £250,000? That was our original estimate. We modified that very considerably as regards the works themselves, and prices have gone down very considerably.
833. Then, in September, 1898, a couple of months ago, you said it would cost £200,000? I said the contract was let for £200,000, and £40,000 of railway was done, which left it at £150,000.
834. No, in 1889 the harbour itself, without the railway, was estimated to cost £250,000; now, in 1898, at page 17, you put down the cost at £200,000? That is not quite right. The actual facts are that the contract for the harbour works and railways was let for £200,000, of which £40,000 has been spent on railways, leaving £160,000 for the harbour.
835. In your evidence in 1889 you put it down at £250,000 without the railway? It has never been altered; it was £200,000 including the railway.
836. *Mr. Simpson.*] Was that before the contract was let? Yes.
837. *Chairman.*] In 1889 you put it down at £250,000 without the railway; a couple of months ago, in September, 1898, you put down the cost at £200,000? We let the contract for £50,000 less than the estimates. That would have been more correct if it had said inclusive of the railway.
838. Do you think that if we wait for another two years it will come down to £80,000? No; where we come down between our contract and the estimate is in the work itself. Our ideas were very large as to the size of the work. We modified those and reduced the contract to £200,000.
839. *Mr. Cohen.*] Does that contract hold good? Yes; I think it is a fair contract.
840. *Mr. Sleath.*] Have you gone into the question as to the probabilities of the work paying, or are you merely as an engineer carrying out the work? Our official capacity is only that of engineers, but I am quite satisfied about its paying. I am so satisfied with the company that I have a very large share in it.
841. Is it not sometimes customary, in a case of this sort, for a practical engineer to give a report? I am satisfied myself that the Smelting Company's trade alone will pay interest on the debentures, and I do not care for anything else but the debentures.
842. *Chairman.*] Do you know the total amount of stuff that the company is dealing with at present? No. I know that they expect to deal with a very large quantity when the harbour is made, but I do not think my evidence on that point would be as good as Mr. Weinberg's.
843. You hold that opinion, but still it is only an opinion? The amount required to pay interest on £200,000 at 5 per cent. is £10,000. It is clear that the dues from the Smelting Company alone will come to that—that is, treating 200,000 tons a year.
844. That is for over-sea stuff? Yes.
845. You think the Smelting Company can treat 200,000 tons a year at their present works? Certainly not; but I am satisfied that if this Bill is granted, the New Caledonia business alone will be sufficient, even supposing they do not make larger contracts with Broken Hill, to pay interest on the whole affair.
846. But the New Caledonia contract is in the air; for instance, they could not make it for at least twelve months? Yes; they have large stacks of copper ore already.
847. Do you not know that the New Caledonia company is under contract with some English companies to take their stuff, which does not expire for twelve months? Not for copper—only for nickel.
848. *Mr. Sleath.*] But there is no proposed contract for copper with New Caledonia? Yes.
849. Mr. Weinberg does not say so? My evidence is only hearsay.
850. *Chairman.*] Is Mr. Henderson a member of your firm? Yes.
851. I suppose you have drawn all of these plans in your office? The one before the Committee is Mr. Darley's; the rest were done by us.
852. Do you think there is any danger of this harbour silting up after being constructed on this plan? Not the slightest. There is no movement in the lake; it is dead water.
853. Will it be after the channel is made? Yes, except between the walls.
854. Do you mean to say that with the sweep of the Pacific Ocean into this channel you will have no silting? Where the channel is confined within stone walls, if there was any silting it would take it away; but there is no reason to suppose that there will be any sand difficulty. I am perfectly clear on that point.
855. Do you think the harbour works on that plan can be constructed for the sum you mention? Yes, easily.
856. *Mr. Sleath.*] You say that this work would be constructed easily in two years? Yes.
857. To the depth specified? Yes.
858 You seem to differ somewhat from Mr. Henderson; would you be surprised to learn that he does not think it would be? I do not know that he ever gave that evidence.
859. Would you be surprised if he gave this evidence:—The company could not go to the public in London and get money now for carrying out a 20 feet channel in two years, because the time is too short? That is quite right. What he means is this: If you apply to a man for debenture money, he is not going to take contractor's risks, that the work will be done to a day in two years; it would be unfair to ask him. You must have at least a fair margin of time. A contractor will take the risk of doing a work within a certain time under a penalty of £500 a week, but if a debenture-holder lends his money, and the work is not done, he loses the lot. All that we have had to deal with in the other evidence is the 15 feet channel. That would be completed in two years.
860. Are you a large shareholder of this company? I have no shares in the Sydney company; I have in the London company.
861. Mr. Harper appears as a director of the London company? Yes, I am a director.
862. You are still a director? Yes.
863. I suppose you know the Sydney and the London company are practically the same? I do not know that.
864. Is it not all money raised to carry on the same work? The London company is undoubtedly the financing body of the Sydney company.

W. A. Harper. 865. You are a director of the London company, and you ought to know;—is it not a fact that the Sydney company has practically ceased to exist? No; it cannot have ceased to exist.

12 Dec., 1898. 866. I do not mean legally, but practically;—how many shares are held by the Sydney company? I cannot tell you.

867. Do you know how many are held by the London company? Yes; nearly all the shares.

868. Do you know how many the London company have got out of the original 10,000? I cannot say.

869. Would you be surprised to learn that they took up 9,970? No; because I know they have nearly all.

870. If they have 9,970 out of 10,000, is it not a fact that they are practically the company? They are the largest shareholders undoubtedly. It is rather an academic question. I can tell you that there are some first-class people in the London company, I will not be a director when the works start.

871. Did you undertake the survey and preparation of plans for this work at the request of the Illawarra Corporation? Yes.

872. Did they make a contract with you to do it? No; they simply employed us professionally in the ordinary way. They pay us a fee on the work as carried out.

873. Supposing the work is not carried out, how do you stand for fees then? We do not get any.

874. Do they pay you in shares or in cash? In cash.

875. That is, if it is gone on with? In any case.

876. Did you buy the shares which appear in your name in London? No.

877. Were they given to you for some consideration? I do not think I should go into that. I devoted considerable time in London to this business, and Mr. de Wolf gave me the shares himself personally. I did not ask him for them; they have nothing to do with my firm or business.

878. *Mr. Simpson.*] I presume your firm have been paid cash for their plans? The work has been carried out by my partners, and their payment has been the ordinary engineering commission.

879. And paid in cash? Yes.

880. *Mr. Sleath.*] Your interest as a shareholder is purely a personal interest, and it has nothing to do with the firm? Yes.

881. There is something in connection with Amos's contract that I want to ask. Mr. Amos says that the contract was verbally accepted. I suppose there is nothing really binding between you? There is a proper contract prepared by Allen and Allen, acting for Mr. Amos.

882. The reason why I asked the question was because Mr. Amos in his evidence said that there was only a verbal contract? I can explain that. The original contract was a binding contract, but subsequently there have been some alterations in the work. When those alterations were made he submitted a tender That will have to be embodied in a contract when the work starts. The first contract has been modified.

883. No. In the evidence it is stated that he produced the tender dated 22nd April, 1897. He was asked if it had been accepted, and he said it had been verbally accepted? I am not going to commit myself as to whether it is or not. As soon as we start the works we will have that contract embodied in a legal form.

884. But Mr. Amos may not be prepared to proceed? Yes, he is.

885. But you have nothing here binding him? We do not care much. The contract has been let, but there has been an alteration, and he submitted a fresh tender. There is no object in the company doing anything more with that tender until the work is started. Then it will be put in the contract that the solicitors will prepare.

886. *Chairman.*] That is made an affair contingent on this scheme being accepted by Parliament? Yes; we are morally bound to Amos. He has done the work well; he has got the contract; and the delay has not been his fault.

887. I mean there is nothing binding whatever. He cannot hold you responsible; you cannot hold him responsible; but you are morally bound to him? I think he can hold the company responsible; and if they do not conclude the contract with him they will have to pay a penalty.

888. You think that if the company does not finally arrange the contract they will have to pay a penalty? Yes.

889. *Mr. Moseley.*] At the bottom of page 27 you will see Question 637, "But there has been another contract—the terms and conditions are identical"? Yes.

890. *Mr. Sleath.*] But does it not say in that question that the company will have to pay 90 per cent. monthly on the work done? The contract is binding. If the corporation do not carry out that contract they have to pay Mr. Amos a certain penalty. I do not remember what it is. The schedule of prices which is embodied in the contract has been subsequently amended. That second schedule has not been embodied in the second contract.

891. *Mr Cann*] Was that contingent on the giving of notice to go on with the work? Yes; or paying the penalty.

892. There is this reservation that you have to give notice to go on with the work—then he is liable, and you are liable if the notice has been given? Yes.

893. Then there is nothing in existence until that notice has been given? Yes.

894. *Mr. Sleath.*] Mr. Amos, in giving his evidence, was asked by Mr. Trickett, "You say that within two years of getting notice to proceed you will have the work done in accordance with the Principal Act"? He answered, "Yes, to a depth of 15 feet." Then he explains that Mr. Armstrong, the managing director, made a verbal contract? I think that is pretty nearly correct.

895. *Mr. Cohen*] Were the detail plans submitted to Mr. Darley? Yes, every detail.

896. And he signed his approval? He returned the plans with this modification of the breakwater. We then adopted it, and resubmitted it.

897. Did he sign it? He never signed our plans; we got his report approving of it.

Freid

Andrew Armstrong called in, sworn, and examined :—

A. Armstrong. 12 Dec, 1893.

898. *Mr. Simpson.*] What is your connection with the Illawarra Harbour Land Corporation? I am Managing Director of the Illawarra Harbour and Land Corporation in the Colony.

899. *Mr. Sleath.*] You are Managing Director of the Sydney company? Yes.

900. Who are your co-directors? At present, Mr. A. B. Chippendall and Lieutenant-Colonel Neild.

901. How long has Mr. Chippendall been upon the Board? About three years, I think; I could not give you the exact date.

902.

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902. How long has Lieutenant-Colonel Neild been upon the Board? About two years.
903. When did Mr. Chippendall first become interested in the Company as a shareholder? He had some shares in the Illawarra and Land Corporation in the Colony before the London company was formed. He now holds one share in the local company.
904. How many in the London company? £500 worth.
905. How did Mr. Chippendall become a shareholder in the first place? He is my brother-in-law, and I gave him shares immediately the company was formed—in its early days. I divide many of my interests among several of my relatives and my children.
906. So that Mr. Chippendall did not pay anything into the company for his share interest? Nothing whatever.
907. When did Lieutenant-Colonel Neild first become interested in the company as a shareholder? By direct allotment by the London company after it was formed. Lieutenant-Colonel Neild was promised by me an interest in the syndicate when it was formed. I think in 1888. In pursuance of that promise, under my direction in London, certain shares were allotted to him after the formation of the company there. All the Colonial shares had heavy liabilities, and Lieutenant-Colonel Neild being a friend when the company was formed in London, I directed the allotment to him of a certain number of shares without liability. The shares were allotted to him without his knowledge, leaving it to him to accept them or not, as he pleased. He accepted them. The company was formed in November, 1895, but we had no knowledge of the formation of the company until February, 1896, and it was about May, 1896, before Lieutenant-Colonel Neild had any knowledge of any shares being allotted to him.
908. When did Lieutenant-Colonel Neild become a shareholder in the Sydney company? I had merely told him on the conclusion of some old things in which we were interested that I would put him into the company. He never had anything more tangible than that until the shares were allotted to him in May, 1896.
909. So that, although you had made this promise to him, he had no legal interest until May, 1896? That is so.
910. You remember that sometime in 1895 you were asking for an extension of your original right under the Act? Yes. We got a second Bill through in October, 1895.
911. Was Mr. Neild then in charge of that Bill? Yes.
912. Had he any interest in the company then? Nothing more than the promise I had given him long, long before that, that I would put him into something in consideration of the various losses we had had together.
913. *Mr. Ashton.*] He did not know that that promise applied to this particular company;—he did not know it at that time? I do not think he could have known it. His share had taken no tangible form. He was not, directly or indirectly, a shareholder.
914. Your statement is, that he did not know he was a shareholder? Quite so.
915. *Mr. Sleath.*] You say that he did not know that at the date you applied for your second Bill? I do not think he could possibly have known it.
916. *Mr. Ashton.*] He did not know that you were going to fulfil your promise by giving him shares in this particular company? No. He did not know anything about the fulfilment of my promise until I advised him that certain shares were allotted to him in the London company. That was about the end of February, and it was early in May, 1896, I think, when the shares were allotted. We had no knowledge at all that the company would be formed until late in December, 1895.
917. *Mr. Sleath.*] When did Mr. Neild become possessed of his shares in the Sydney company? I cannot fix the date exactly, but I should think it would be about April, 1896.
918. Do you remember giving evidence on the 11th October of this year before the Select Committee of the Legislative Council? Yes.
919. Do you remember stating that Mr. J. C. Neild had been interested in the company from the very start? Yes.
920. Can you explain now to this Committee, in your own way, the difference between the two statements;—you say to-day that up to April, 1896, Mr. Neild had no interest in the company? He was a registered shareholder at a certain date, and I recognised him as a shareholder at another date. I distinctly told him that I would put him into the first large thing I formed, and in my own mind he was a shareholder. On looking at the date, since I gave the evidence to which you have referred, I find that nothing occurred to put him in the position of a tangible or legal shareholder until May, 1896.
921. Do you not think, then, that the evidence you gave before the Select Committee of the Legislative Council is somewhat misleading? It may be misleading, but I think you will agree with me that it was in accord with my own mind in the matter—nothing more than that. I gave the evidence without the slightest intention to mislead.
922. But on reading the evidence now, does it not appear to you that it is slightly misleading? It is calculated to mislead, and I should regret very much having misled any select committee of Parliament. What I had in my mind was the distinct understanding that I would put him into something I mentioned to him in the early days, that when I was forming a large thing I would not forget our old losses together.
923. You have had a large experience in the formation of companies? Fairly large.
924. In those matters, is there not always the possibility of a change of directors from a variety of causes? Of course, the directors may resign or may retire in rotation.
925. So that if you wanted to put anyone into a particular concern you would put him down in the registered list of shareholders? That is rather a wide question. I do not wish to shirk any question, but I scarcely understand the full meaning of what you ask.
926. Suppose you were going to give me an interest in a company, you would put me down on the share register and transfer certain shares to me? As a rule, companies are formed by seven persons uniting and agreeing to the formation of a company. There must be seven. They generally put themselves down for one share and arrange the details afterwards. The directorate is afterwards formed according to circumstances. In some cases those forming the company are not competent to form the directorate, and in that case the directorate is formed of other persons.
927. What I mean is this: If you are going to give anyone an interest for a consideration—it does not matter what—it is done, as a rule, immediately after the company has been formed? It can be done at any time. We can transfer the shares to any particular person, but it is generally done as you suggest.

A. Armstrong. 12 Dec., 1898.

928. Mr. Neild is supposed to have obtained his share in settlement of many little transactions, as you put it? Yes; but they were transactions which left nothing binding against myself.
929. Let me refer you to your evidence before the Select Committee of the Legislative Council; in reply to question 809, referring to Mr. Neild's interest in the concern, you said, "I agreed to put him into it, and I did put him into it in about the year of our starting the concern";—do you remember saying that? I said something like it, I perfectly remember. I have explained, as far as I can possibly explain up to the present, my meaning in giving that evidence. It was only in reality a continuation of the same line of evidence.
930. What you mean to say then is that you gave Mr. Neild an interest in 1888, and that he did not include that interest in his asset at the time of his insolvency? I was asked a number of questions at the meeting of the Select Committee of the Legislative Council which had reference more or less to Mr. Neild's insolvency, and portions of the answers were excised by the direction of the Chairman from the official record. Portions of my answers were purposely withheld.
931. *Mr. Ashton.*] Is that your explanation of this misleading statement? To a very great extent.
932. What you mean is that you fenced the questions? I do not mean that, but I was asked questions which were entirely beyond my position as managing director of the company. The matters were entirely beyond my control. Or knowledge.
933. You admit that the answers you gave to questions asked you in the previous inquiry were calculated to mislead? Yes.
934. Is the reason you gave the answers which have been quoted in the particular form in which they appear that you wanted to shield Mr. Neild? No.
935. Let me refer you again to your answer to question 809;—the question was, "Was this arrangement between you and Mr. Neild giving him his interest in the concern in writing"? The answer was "I do not think it was." That is to say you were not sure whether it was in writing or not. Now you say that Mr. Neild did not know anything about it until [redacted] 1896? Exactly. I was not sure at that date whether the arrangement was in writing or not.
936. Had you any doubt in your mind whether Mr. Neild knew anything about the matter before 1896? I know that he was aware that I had told him that I would put him into the first big thing I was in.
937. The company might be so good that you might not deem fit to put him in? All all events that is all the knowledge he ever had. Yet in my mind I looked upon him as a shareholder in the company, and from the start my evidence I think conveys that impression.
938. He was a shareholder in your mind only? Exactly.
939. *Mr. Cohen.*] When you put Mr. Neild into the company did you not tell him that you would put him into a certain company, naming it? I think not. I wrote to him at the end of February, 1896, informing him that, following upon my old promise to him, I had recommended the allotment of certain shares to him in the London company.
940. You did not mention to him the name of the original company he was in? No. I said I think that it would be a company he could be put into without liability.
941. You say now that in 1896 you told Mr. Neild that, in consequence of your promise, you were giving him certain shares in this company? No; I told him that as far back as 1890, I think.
942. You told him then that you would put him into something? Yes.
943. And in 1896 you told him that you had recommended the allotment to him of 1,000 shares in a company formed in London to continue the operations of a company which had been formed in Sydney? Yes.
944. In May, 1896, Mr. Neild knew the exact interest he held in this company? Yes.
945. He knew the company and everything about it? Yes.
946. Prior to that year he was ignorant, you think, of what he was in? That is exactly what I mean to convey.
947. *Mr. Ashton.*] On page 31, in reply to question 747, referring to Mr. Chippendall's interest, you were asked, "How were the shares acquired"? and you said, "I do not know that I could tell you"; you were afterwards asked how Lieut.-Colonel Neild's shares were acquired, and you answered, "In the same way";—can you throw any light upon those two answers? I do not think they are at all anomalous. Mr. Chippendall was my brother-in-law, and I promised him a small portion of one of my syndicate shares.
948. Then, according to your answer now, you did know how Mr. Neild's shares were acquired? I knew that there was an allotment of shares to Mr. Neild by the London company. As far as I can recollect the question was put to me in such a form in the first instance that it could not be easily answered.
949. Could you not have very simply answered the question "How were the shares acquired"? That is explained fully in the answers which followed. The questions which were put at first developed other questions.
950. What I want to get at is the development of the answers? My answer as to Mr. Chippendall was that I had given him an interest in a portion of my syndicate share.
951. There is nothing in the evidence to show how Mr. Chippendall acquired his interest; in fact there is your direct statement that you do not know that you could tell the Committee? That question is developed in succeeding questions.
952. You say now that Mr. Chippendall had a small portion of your syndicate share; but listen to your answer to question 748:—The question is, "You do not know how?" and the answer you gave was "I know that he had a very small interest in the formation of the first syndicate and in the allotment or settlement of shares afterwards in the colonial company—all was transferred to Mr. De Wolf for the purpose of enabling him to finance in London." Mr. Chippendall got certain shares by virtue of a certain interest. The point is how did he acquire that interest; what was the basis of his share allotment. In answer to question 747 you said that you did not know that you could tell; then in the succeeding question with regard to Mr. Neild's interest you said that it was acquired in the same way as Mr. Chippendall's? Yes.
953. *Mr. Cohen.*] As Mr. Ashton has pointed out, you said in the first instance that you could tell how the shares were acquired; when you were asked questions upon this point to-day you said that he was your brother-in-law, and that he was given a small interest in your syndicate share;—from the form in which

which your answer was previously given when you said, "I know that he had a very small interest in the formation of the first syndicate," no one would assume that it was part of your interest? I admit that the answer to Question 748 is to some extent misleading.

951. *Mr. Ashton.*] You confess that, before the Select Committee of the Legislative Council, you said you were ignorant of how Mr. Chippendall acquired his shares, when you knew that you had given them to him? I think it is hardly fair to put it in that way.

955. Can you put any other construction upon it? The answers afterwards developed show that Mr. Chippendall came in as holding part of my interest.

956. I do not think the answers show that he held part of your interest? No questions were put to me by the Committee which permitted of my making the explanation in precise terms that Mr. Chippendall held part of my interest.

957. Why did you not tell the Committee at once that Mr. Chippendall held part of your interest instead of saying that you did not know that you could tell them how he acquired his shares? I had no intention of misleading the Committee.

958. *Mr. Cohen.*] Another point is this—you were asked how Mr. Neild acquired his shares, and you said in the same way as Mr. Chippendall? Yes.

959. Then are we to assume that Mr. Neild also had a small interest in the concern from the first? No.

960. *Mr. Ashton.*] There is nothing in the evidence which you gave before the Select Committee of the Legislative Council to show that Mr. Chippendall's share was a part of your interest? I did not feel at all clear that the question as put to me left me an opportunity of stating so. I certainly had no desire to suppress the fact that Mr. Chippendall acquired his shares through my syndicate interest.

961. *Mr. Carroll.*] Is Dr. Storer a resident of this Colony? No.

962. He has twenty shares, I understand? Yes.

963. *Mr. Cohen.*] Let me refer you to Question 804. In reference to Mr. Neild's interest you were asked—"How did he acquire that interest?" and you answered, "I really cannot tell you; but I may say at once that even if I could remember, I should decline to answer the question. Mr. Neild and I had many private and friendly transactions. We were in adjoining offices years and years ago. As a matter of fact, I do not remember the exact particulars. Even if I did, I would not go into them";—how do you reconcile that answer with your statement to-day? I can only continue my explanation by saying that this answer was given to badgering questions concerning Mr. Neild's insolvency. A great deal of the evidence has been purposely excised. What you see does not give a fair resumé of the questions as actually put.

964. Take your answer to Question 806; you were asked: "Was that arrangement, whereby Mr. Neild took an interest to the extent of £1,000, by virtue of the arrangement made between you and him in 1888?"; your answer was, "Yes; by virtue of interest or rights in the company springing out of his transactions with me in 1888";—now, you say he did not know anything about the matter until 1896? Excepting my verbal promise in 1888 or 1890.

965. Referring to no particular company? Quite so.

966. *Mr. Sleath.*] Mr. Neild did not know that he had any interest at all in this company, or in any particular company, until May, 1896? No.

967. *Mr. Ashton.*] You must admit that the answers you have given to-day, side by side with the answers you have given to a previous Committee, are unsatisfactory; the explanation is, I take it, that you did have an arrangement with Mr. Neild in 1888 in regard to an interest in this company, and that Mr. Neild, probably because he looked upon the thing as nebulous, did not include the interest in his list of assets at the time of his insolvency? No arrangement was made then. I have endeavoured to explain to you that that arrangement was made entirely in my own mind. I intended to put Mr. Neild into the first big thing. The matter was entirely in my own mind.

968. *Mr. Waddell.*] You could scarcely call that an arrangement? There is no other arrangement, and, as I have said, Mr. Neild had no knowledge of it until 1896.

969. You adhere positively to that? Yes. When these questions were asked, I did not know that I had written to him at all on the subject; but I have searched my letter-book, and I find that I wrote to him in May, 1896, informing him that he had been allotted a thousand shares in the company formed in London.

970. *Mr. Ashton.*] His first interest was in the company duly registered in London? Yes.

971. He did not hold any interest in the syndicate before he held these shares in the London company? No; there was nothing beyond my promise.

972. Then your statement that he had a small interest in the formation of the first syndicate refers only to the arrangement to which you have referred as being your own mind? There was merely the indefinite promise that I would put him into something. It is quite possible that in some way or other I may have mentioned this matter to him when I first began to form the syndicate in 1888.

973. *Mr. Cohen.*] Was it in 1888 or 1890 that you wrote to Mr. Neild that in pursuance of your former promise he had been allotted shares in this company? No; I wrote nothing to him on the subject until 1896.

974. *Mr. Sleath.*] How did Mr. Neild acquire his shares in the Sydney company? By being a large shareholder in the London company. Requiring a director, I suggested the matter to him, and I told him that he would have to be a shareholder in the Colonial company. He acquired one share by purchase. I am not cognisant of the circumstances. It is possible that he bought it for a trifle.

975. Will you refer to your answer to Question 811 on page 34. You have sworn that Mr. Neild acquired his share in the Sydney company by purchasing from someone, and that you had no knowledge of the transaction. In reply to Question 811, you said, "The share in the Sydney company means that he had a share in the company which was settled by the allotment in the London company. One of the shares he still holds here"? Yes.

976. Now will you refer to the following question and answer—"Has he held it long? Ever since the date of the allotment to him under the old arrangement in 1888, to which I have referred"? Yes, that is quite consistent with what I now say.

977. But you say now, that after acquiring these shares in the London company, he afterwards, outside of those shares altogether, and quite independently of you, acquired another share in the Sydney company;—will you explain the inconsistency? That is clearly an error.

A. Armstrong 979. *Mr. Cohen.*] Which is the error—your former statement, or your explanation to-day? I do not think it is fair to put me in this position.

12 Dec., 1898. 980. *Mr. Ashton.*] But the Committee ought to know, surely, which statement is true? The evidence is contradictory. I clearly made an error in giving my evidence before the Select Committee of the Legislative Council.

981. The printed evidence you say is wrong? Yes.

982. *Mr. Sleath.*] You say that it is absolutely wrong? I am sure that Mr. Neild's interest in the local company was not acquired until long after he had held 1,000 shares in the London company. He obtained his share by transfer outside of my transaction altogether, simply in order that he might be elected to a seat on the Board.

983. You say now that your answers to questions 811 and 812 in the Legislative Council's Select Committee were absolutely wrong? Yes.

984. Question 813 is as follows:—"Is it a *bonâ fide* claim which he has in this company?"—and you answered, "It is a *bonâ fide* claim against me, settled by my putting him into the earlier syndicate"? That related to my promise; there was only my promise.

985. Did you promise to put him into the earlier syndicate? I promised to put him into the first good thing I had. I believe I advised him in 1899 that I had put him into the company. If I had said that by way of answer it probably arose from the belief in my mind that I had made the promise to him. That is what I had in my mind when I gave the answer to question 813.

986. You said in reply to question 813 that you had put him into the earlier syndicate; now I want you to answer this question: did you or did you not put him into that syndicate? I only put him into it by my promise.

987. Did you put him into that syndicate, or did you not? I did not.

988. Although, on the 11th October, you swore that you did? My statements are a continuation of the same evidence.

989. *Mr. Cohen.*] You say now that you never put him into the earlier syndicate? Except as I have already explained, that there was my promise to him that he should be put into the first big thing I had.

990. *Mr. Archibald Campbell.*] Did you read the printed copy of the evidence taken before the Select Committee of the Legislative Council before it took its present form—the form in which it appears before this Committee? Yes; many alterations were required in consequence of portions being excised having reference to Mr. Neild's insolvency. The Committee determined that these portions should be excised, and the context was not clear.

991. You passed the evidence in the form in which it now appears? I presume so.

992. *Mr. Cohen.*] Were you present in the House a few nights ago when Mr. Neild explained how he became possessed of these shares? I was.

993. You heard his statement? Yes.

994. You heard Mr. Neild make a statement similar to that which you are making to us now? Yes.

995. That was subsequent to your giving the evidence from which quotations have been made? Yes.

996. *Mr. Sleath.*] We do not want to have any other Select Committee inquiring into your answers; I want you to clearly understand this question, therefore, before you answer it: how long have you been in Mr. Neild's company since the discussion in the House upon this question a fortnight ago? Three or four times for a few minutes.

997. For a few minutes only? Perhaps for an hour on one occasion.

998. Did you discuss this question at all? Certainly not.

999. You never mentioned it? No.

1000. You are positive about that? Quite positive.

1001. You quite understand that you are on your oath, and that your oath here is just as sacred and binding as it would be in any court of the Colony; I will give you an opportunity to correct your evidence if you choose to do so;—will you positively swear that you never in any way mentioned the affairs of this company to Mr. Neild on the three or four occasions you mentioned when you were speaking to him? We may have mentioned the affairs of the company, but to no point referring to his interest or to his share. I had occasion to meet him in reference to the affairs of the company.

1002. Did you not say just now that you had never mentioned the matter? Not matters arising out of my evidence.

1003. My question applied to the affairs of the company since the discussion in the House; you have, then, discussed with Mr. Neild some of the company's affairs? Yes.

1004. The question of the extension of time? No; most certainly not.

1005. You have not mentioned to him the probability or otherwise of the Bill passing the House? No; neither directly nor indirectly.

1006. Had you any reason for not doing so? I thought it was not proper to do so.

1007. Why? There was no occasion to do so. I thought it was not right under the circumstances to make any allusion to any subject of the kind.

1008. *Mr. Ashton.*] Would you have seen any impropriety in doing so? I should have thought it improper, in view of the fact that Mr. Neild was a member of the Select Committee.

1009. *Mr. Sleath.*] Have you had any conversation with Mr. Neild since the day when he practically resigned his seat from this Committee; you remember the day to which I refer? I do not think I had. If I had it was only for a few moments behind the Chair. I have not seen him otherwise.

1010. Is your memory fairly good? Yes.

1011. Did you not meet Mr. Neild in the passage here? I saw him there.

1012. Were you not conversing with him in the passage? No; I had no talk with him at all, either directly or indirectly, upon any matter connected with this inquiry.

1013. Is it not a fact that you are a strong personal friend of Mr. Neild? Yes; we have known one another for many, many years.

1014. You are very friendly? Yes.

1015. You are both interested in the passing of the Bill which has been referred to this Committee? I am interested in it. I do not know what interest Mr. Neild may feel in it.

1016. You know that he is a shareholder in both companies? Yes.

1017. Both of you being interested in both companies, and you being close personal friends, you swear that the affairs of the company were never mentioned between you on the three or four occasions to which you refer? We never mentioned the matter the Committee is now inquiring into. A. Armstrong. 12 Dec., 1898.
1018. The Committee is now inquiring into the Bill;—did you not mention the Bill to him? We have never discussed the Bill since his speech in the House.
1019. *Mr. Waadell.*] Although you have seen him several times? Yes.
1020. *Mr. Ashton.*] You say you revised the evidence you gave before the Select Committee of the Legistative Council? Yes.
1021. And the evidence as printed is as you revised it? Yes.
1022. You admit that in many particulars the evidence you gave before the Select Committee of the Legislative Council was incorrect? Yes.
1323. What has led you to alter your evidence? On what particular points?
1024. On the points on which you admit it to be incorrect? I fully believed that I had written to Mr. Neild to the effect that he should have an interest in the company. I quite believed that when I gave my former evidence.
1025. Why do you hold a different opinion now? I have since looked at my letter-book, and I find that I first wrote to Mr. Neild on the subject in 1896.
1026. Is your change of view or alteration of statement in this particular due to the fact that you heard Mr. Neild give a different version of the affair in the House? I do not think his statement influenced me a single bit. I simply looked up my correspondence.
1027. Why did you do that; you had revised your evidence; what suggested any doubt to your mind that you had given correct evidence;—what led you to suppose that you had given misleading or untrue evidence? Principally the statements which were made in the House.
1028. You said just now that it was not Mr. Neild's statement that induced you to alter your own statement? It was the statements generally in the House which led to this Bill going before the present Committee that induced me to look at the correspondence.
1029. That is to say, it was owing to the proceedings in the House that you made further investigation and found out that your former evidence was incorrect? That there were slight errors in my previous evidence.
1030. Was not the only statement which could have thrown any doubt upon the accuracy of your previous evidence made by Mr. Nield himself—that is to say, he gave a different version of the affair than that which you yourself gave before the Select Committee of the Legislative Council? I think he did.
1031. Is the version you have given to-day substantially in accord with the version given by Mr. Neild? That I could not say. I only heard it once.
1032. Will you admit that the version given by Mr. Neild in the House was a very different one from that given by you before the Select Committee of the Legislative Council as to the acquisition of Mr. Neild's interest? Yes; there were certain inaccuracies in the evidence. I think they were very unimportant, but they were inaccuracies.
1033. Mr. Neild, speaking in the Legislative Assembly on the 1st December, said, "Mr. Armstrong, over and over again, said to me—as long ago at least as 1884, I suppose—'Well Neild you have lost your money through my proposals, and I will take care that when I have something good you shall stand in with me, and it shall not cost you anything'; that was, it seems to me, a straightforward act, and it was stated by Mr. Armstrong to me often enough that I was to have an interest in this Illawarra matter";—is that a correct statement? I do not think it is. I do not remember telling Mr. Neild that.
1034. He also says, 'Year after year passed by, and sometimes it would be mentioned when we met, but, as I say, it was chiefly forgotten";—is that correct? I have no recollection of mentioning the matter to him between 1890 and 1896.
1035. In what year did Mr. de Wolf go to London? In 1894.
1036. When was the London company formed? In November, 1895.
1037. *Mr. Archibald Campbell*] A month after your Extending Bill was granted? Yes.
1038. *Mr. Cohen.*] When was the scrip forwarded to Mr. Neild? About May or June, 1896. You refer, I presume, to the scrip in the London company?
1039. Mr. Neild also stated in the House on the 1st December, "After Mr. de Wolf went to London and the London company was formed, I received one day from London, without any previous intimation, a notification to this effect: that 100 shares of the nominal value of £10 each in the company in London had been transferred into my name, and that the scrip could be obtained at the office of the Sydney company";—is that correct? Yes.
1040. He also said, "I say that the promise was made as far back as 1884, probably earlier, and I suppose it was towards the end of 1894 that the scrip was forwarded to me"? That is a mistake. There was no scrip in the London company until about January, 1896.
1 41. *Mr. Ashton.*] You stated before the Select Committee of the Legislative Council, you may remember, that Mr. Neild had an interest in the thing from the commencement? Yes.
1042. I asked you here to-day how you came to make that statement, and your reply was that you had an impression that you had intimated to Mr. Neild, prior to 1896, that you had given him an interest in the company, but that on looking up your letter-book you found that it was not so? I found that the first letter I wrote to him on the subject was dated May, 1896.
1043. When you gave your evidence before the Legislative Council you thought otherwise? I thought I had intimated to him that I had given him a portion of my syndicate interest in the company, but I can find nothing to support the opinion I then had.
1044. Then, Mr. Neild also stated in the House that at various times subsequent to 1888 you did mention to him that you had put him into the syndicate? I have no recollection of having spoken to him about the matter during that time.
1045. Yet at the time you gave your evidence before the Legislative Council your recollection was that you had done so? There appears to be a discrepancy there.
1046. Mr. Neild recollects the same thing; now you say, although you recollected the circumstance when giving your evidence before the select committee of the Legislative Council, and although Mr. Neild himself recollected it when speaking in the Legislative Assembly, that you have no recollection of anything of the kind? The point seems to me to be merely a question of whether he held an interest

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under the promise from me at that date or later. I do not remember making a communication to him between the dates you have named.
1047. *Mr. Waddell.*] Who found the £10,000 which was deposited with the Treasury? Our attorney in London Mr. de Wolf.
1048. Did any of the original shareholders pay anything towards it? No.
1049. *Mr. Cohen.*] Was it not contributed by the Camden Exploration Company and by the Australian Smelting Company? These are matters about which you could get information a good deal more readily from Mr. de Wolf. I am merely managing director of matters at this end. I know nothing of the details of the matters to which you are referring.
1050. Was it from this end that the money was found? No; it was remitted from London.
1051. *Mr. Ashton.*] How much hard cash did you put into this enterprise? I can produce my cheque book showing that I paid £13,000. My account book shows other charges amounting to a total of £18,000.
1052. What interest did that give you in the syndicate? Approximately one-sixth.
1053. You have not your cheque books with you? No.
1054. How were the local directors appointed. Were they elected at a meeting of shareholders? Yes.
1055. *Mr. Cohen.*] There are only three? There are only three at present. Until the harbour is started there is only the management of the landed estate required at this end
1056. *Mr. Sleath.*] I was asking you if you had any conversation with Mr. Neild in regard to the affairs of the company since this Bill was referred to this Committee by the Legislative Assembly, and you said you had not;—is not that so? Yes; I had not.
1057. You are positive about that? Very positive.
1058. Although you had been in conversation with Mr. Neild three or four times, the conversation in one instance extending to an hour, you have not in any one instance discussed with him the affairs of the company? Not the affairs of the company as regards the matter being before Parliament, but I certainly had some company matters to discuss with him. For instance, I had to submit cheques for the payment of railway accounts and other things.
1059. Is it not a most important question for your company now whether or not you get this Bill? Undoubtedly it is.
1060. Is it not a most important question for the company? Yes.
1061. You are Managing Director, are you not? Yes.
1062. Mr. Neild holds what position? He is Chairman of the Board.
1063. Yet you say that on the occasions to which I have referred you never discussed with him the affairs of the company? No. We have had no meetings for the purpose. I have only met him in a casual way. For instance, I met him the other day at the door of this room. We did not then go into company matters, and we have had no meeting of directors since.
1064. What is your interest in the company? £100,000 worth of shares, one-sixth of the share issue.
1065 The shares are paid up to £[illegible]? Yes.
1066. With a liability of £50? [illegible]
1067. At the formation of the company only 10,000 shares were issued, paid up to £50? Yes.
1068. The payment of calls is a separate matter altogether? It is separate in some ways. Your question has rather a wide meaning.
1069. I will put it in this way—Your company was floated with 10,000 shares of £100 each? Yes.
1070. You were to get one-sixth? I was in the syndicate who formed the company.
1071. What was your interest? I took one-sixth in the whole concern.
1072. How much money did you put in? My cheque-books show that I paid £13,000, but my account-book shows that I paid altogether into the concern £18,000.
1073. *Chairman.*] That was for the purchase of the land originally? Yes.
1074. Did Mr. de Wolf pay part of that amount? No; no part of that. I am speaking now of my own payments.
1075. That £13,000 was paid by you for the purchase of the land? Yes.
1076. How much was paid altogether? £90,000. £65,000 for the Lakelands estate, and £25,000 for the coal properties.
1077. Was that all in cash? No. The coal properties were purchased for half cash, and the balance of purchase money was in syndicate shares.
1078. That was purchased from Styles? No, we purchased nothing from Styles. The Lakelands estate was purchased from a syndicate who had purchased from the Osborne family. The price paid was £65,000.
1079. How was that £65,000 paid? We bought from a syndicate. We did not purchase from the Osbornes direct, but we kept the terms.
1080 *Mr. Cohen.*] You were one of the syndicate which sold to your syndicate? No; I came into the syndicate after the syndicate was formed. I purchased a share in it.
1081. *Mr. Ashton.*] You were not in the selling syndicate? No, I purchased a share after the syndicate was formed.
1082. Were you in the syndicate which purchased from Osborne;—did you buy into the syndicate? No. I was not. I had nothing to do with that.
1083. *Chairman.*] It was Styles and Vaughan who purchased from Osborne? No. That was a different matter altogether.
1084. Who was it who owned the land in the first place? The Lakelands estate syndicate was the syndicate which purchased from Osborne.
1085. Were you not in that? No; I never had any connection with that. I sold the land on their account to a syndicate formed in Melbourne by Mr. de Wolf.
1086. Were you in the syndicate who purchased? I bought into that syndicate afterwards.
1087. After the sale? Yes.
1088. That syndicate was yourself and Mr. de Wolf? Yes.
1089. Anyone else? Mr. Vaughn came into that syndicate as the holder of shares in part payment. He bought his syndicate share in part payment of the balance of his purchase money. He acquired his interest in the settlement of the property. He sold the property for £25,000—half cash and half shares.
1090. To whom did he sell the property? To Mr. de Wolf.

1091. Was that previous to the purchase of the Lakelands estate by Mr. de Wolf? I think it was a month or two afterwards. A. Armstrong. 12 Dec., 1898.
1092. Whom did the syndicate consist of when they bought the Lakelands estate—Mr. de Wolf and whom else? Mr. Fink, of Melbourne.
1093. You are sure about that? Yes.
1094. Mr. de Wolf and Mr. Fink were the original syndicate who purchased the Lakelands estate from another syndicate which had purchased from Osborne? Yes; and I was the agent who sold.
1095. Whom else was in the syndicate with Mr. de Wolf and Mr. Fink? I think only Mr. Fink and his brother-in-law, Mr. Howden. Mr. Newton bought into it in Sydney.
1096. Did Mr. Newton buy into the syndicate when the land was sold? No; the property was sold to Mr. de Wolf, who formed the syndicate.
1097. He afterwards formed the syndicate? Yes. The syndicate was not formed until after the sale of the land to Mr. de Wolf.
1098. So that you sold direct to Mr. de Wolf? Yes.
1099. You were the agent? I was the agent for the syndicate who sold.
1100. Who were they? I could not say; I was instructed by Mr. Atcheson.
1101. The agreement for the sale was with Mr. Thompson, and yourself, and Mr. Newton and Mr. Orr? No; a syndicate was formed to acquire from Mr. de Wolf, purchasing in the name of trustees on behalf of the syndicate formed by him.
1102. Was there not an agreement in 1889 between Mr. Thompson and yourself, and Mr. Newton and Mr. Orr? There was one in 1888; the second agreement in 1889 was a modified agreement to the same effect.
1103. The next was dated 24th April, 1880, between J. Thompson and Andrew Armstrong with the Illawarra Harbour Land Corporation;—is that so? Yes.
1104. When you sold to the Illawarra Harbour and Land Corporation did you part with the whole of your right in connection with the property? Yes.
1105. Do you know anything of an agreement between Mr. de Wolf on the one part and Mr. Fink on the other for the transfer of the property from Mr. de Wolf to Mr. Fink? Yes. I think Mr. Fink, as the preponderating shareholder, tried to pinch out the other shareholders, and to get possession of the whole thing himself.
1106. Why did Mr. de Wolf try to transfer to Mr. Fink;—what were his reasons? I presume to allow money to be raised to meet one of the terms of our payment. Mr. Fink had undertaken the whole of the financing.
1107. What consideration was Mr. Fink given to undertake all this financing? The interest described in either of the agreements you have mentioned, or some other registered agreement under which he came in. I really cannot remember how he was to be paid for financing the matter. He was to take it home to London through his being the managing director of the Mercantile Finance Company.
1108. When this property was transferred to Mr. Fink by Mr. de Wolf, did Mr. Fink have any power over it by the transfer? Yes; it gave him very considerable power.
1109. Could he have sold it if he liked? Yes; the equity of redemption.
1110. Did he not mortgage it on the same day to Wallach Bros.? Yes.
1111. To meet one of the payments due to the syndicate? I think it was to meet a payment of £8,000 due at that time.
1112. *Mr. Sleath.*] Was not the payment on a promissory note of your own and de Wolf's? To a certain extent it was, although we had met all our payments in the syndicate and he had not. He induced us to give a promissory note to enable him to meet a certain payment due to the syndicate. We had to take up that note afterwards to meet payments on the land.
1113. *Mr. Cohen.*] There was a little bit of cross financing among yourselves? Yes. Mr. Mosley was the attorney for us all and kept a record. I daresay he could produce the abstract of title embodying the whole of the particulars.

John Randall Carey called in, sworn, and examined :—

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1114. *Mr. Sleath.*] When did you first become associated with the Illawarra Harbour and Land Corporation? In October, 1888.

1115. You then became the holder of how many shares? I should explain that Mr. de Wolf asked me to join the Board, and I demurred a little at first. He said I was a large contractor—that I was in a large way of railway contracting—and that I would be of advantage to them considering, the work likely to be carried out, and that he would be very glad if I joined the Board. After a little persuasion, he said, "Sooner than that you should not do so I shall make you a present of thirty shares, to which I am entitled as one of the vendors."

1116. *Chairman.*] Thirty shares of £100 paid up to £50, with a liability of £50? Yes.

1117. *Mr. Sleath.*] How long did you hold those shares? I had attended a few meetings before the shares were allotted. I cannot absolutely state at this moment when the allotment took place, but the minutes will show whether I attended any meetings after the allottment or not. I declined to take shares. After attending the first few meetings, and seeing the position of the company, I declined to remain on the Board or to have anything more to do with it. I said I would not take the shares, and I was told that the shares were allotted to me on the 28th March, 1889.

1118. *Mr. Ashton.*] Was that after you had vacated your seat on the Board? That I cannot say. I have not the necessary papers. I endeavoured to obtain them from my solicitor, but he has mislaid them.

1119. Was the allotment made to you after you had intimated that you did not want any shares? That is the very point I want to get at. I cannot absolutely tell you. My solicitor had the papers, but he has unfortunately mislaid them. The register shows that there were thirty shares allotted to me on the 28th March, 1889. That date was found to be illegal by some means; I do not remember how. In consequence of that I thought there would be no trouble about striking my name off the register, but they altered the date on the register from the 28th March to the ~~15th~~ April, without any minute on the book authorising it, and without any re-allotment of shares.

1120. The shares were still left standing in your name? Yes.

1121. Notwithstanding that you had retired? Yes. I had an opportunity afterwards to search the minutes right through. I obtained the books from the secretary, and took copious notes from the minutes.

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minutes. I am speaking now from the notes that I have taken. There was some dispute a year afterwards between the Fink party and the de Wolf and Armstrong party. While the Fink party had possession of the books they allowed me to go through the minutes, and, as I have explained, I took copious notes of them. There was another allotment of shares posted in the register on the 25th April, 1889. No reference to that is made in the minutes. You will understand that I am speaking now of a fresh allotment of shares quite distinct from the first allotments. I made repeated application to have my name struck off the register on the ground that the allotment of shares was illegal, and that I had declined to accept any shares in the company. I had already declined, you will remember, to accept the 30 shares offered me by Mr. de Wolf.

1122. *Mr. Cohen.*] Why did you refuse to accept the shares? In the first place, I was not satisfied with the position of the company, and I did not want to have anything to do with it. I was dissatisfied with everything connected with the company, and I did not want to be connected with it. I was unsuccessful in my application to have my name struck off the register. As a further claim to have my name taken off the register, I may mention that the following gentlemen got their name struck off; Mr. W. H. Moseley, 139 shares; E. H. Crossman, 70 shares; J. A. Thompson, 30 shares. These were all solicitors, and their names were struck off on the 14th July, 1892.

1123. Were they struck off by the directors themselves or on application to the Court? That I cannot say. Their names were off the register when I saw it.

1124. Did you ask the Court to strike your name off the register? No.

1125. You made application only to the directors? Yes. My argument was that I was never properly on the register.

1126. You were put on without your consent? Yes. Matters went on, and I never heard much more of them until March 23rd, 1892, when a call of £10 per share was made payable on the 12th April, 1892, by a board consisting of the following directors present:—Mr. Howden, Mr. Vaughan, Mr. Amos, and Mr. de Wolf—Mr. de Wolf dissenting from the call. That is an extract from the minutes. Of that call I got notice. On the 12th April, 1892, the minutes disclose the following circumstances:—The Board resolved to issue a writ against de Wolf for all calls overdue upon shares in his name; and as regards the other shareholders, it was resolved that the solicitor should draw the necessary notices of forfeiture, and that the secretary should forward them. That entry is dated the 12th April, 1892.

1127. *Mr. Sleath.*] They were going to sue Mr. de Wolf for his calls, and to let the others off? I do not know about that. But they were going to forfeit all the other shares. From what I gathered from the secretary at the time, there was a dispute between Mr. de Wolf and Mr. Fink. The minutes further disclose the fact that the calls of Mr. Aaron, Mr. Amos, Mr. Fink, Mr. Norton, Mr. Williams, Mr. Pickford, Mr. Masey, and Mr. Botchard, were paid by an order on the Illawarra Harbour Syndicate, amounting in all to a certain sum which I did not extract from the minute-book. But there is a minute, from which it appears that there was a threatened sale of part of the company's property by Mr. R. M. Vaughan. The following resolution appears to have been carried—"That the secretary take whatever steps may be necessary to protect that portion of the company's property should the necessity arise." We come now to the 18th April, 1892. I then received notice that unless the call was paid by the 4th May, 1892, my shares would be liable to forfeiture. I then made inquiries from the secretary about the position of the company, and I was allowed to go through all the minutes of the directors' and general meetings, from which I took copious extracts upon all subjects which might probably bear upon my position, which I intended to fight to the last. The secretary at that time advised me not to pay the call or to take any further notice of it until I heard again from him. The secretary, I think, was Mr. Barker. The books at one time were taken out of the hands of the Armstrong and de Wolf crowd and were taken over to the Fink crowd, and while they had this dispute between themselves I obtained all this information. On the 2nd May, 1892, Mr. de Wolf also told me not to pay the calls, as he never intended that I and others should have to pay any calls, and that he would see that that intention was carried out, or he would burst up the company.

1128. *Mr. Ashton.*] It was the Fink crowd, to use your own phrase, who were making the call? Yes. Mr. de Wolf objected to it. Mr. de Wolf then offered on several occasions to take a transfer from me of the shares standing in my name, but I would not risk the liability I should be under for any calls which might be made upon Mr. de Wolf during the first twelve months. I was not satisfied that he was financially good enough to pay them, and I preferred to stand upon my contention that I was not legally a shareholder, although my name appeared upon the register. On the 5th April, 1893, I received notice of a general meeting at which a resolution was to be proposed to authorise Mr. J. M. Howden to proceed to London to arrange for the issue of debentures to the amount of £750,000, on such prices and terms as he might consider best for the company. On the 12th April, 1893, the secretary wrote to me asking if I still adhered to my demand that my name should be struck off the register, and if so, whether I would attend a board meeting to be held on the 14th April, 1893, when the directors would consider my application. On the 13th April I replied to the secretary to the effect that if my name were still on the register I again demanded that it should be forthwith struck off. On the 14th April I attended the board meeting, as requested, but there was no quorum, and therefore no business was transacted. On the 9th May, 1893, Messrs. Creagh and Williams, who were acting for me, received a letter from Mr. E. H. Crossman, who was acting for the company, asking whether I would consent to a conversion of my present shares into fully paid-up shares and deferred debentures, so as to get rid of my liability. There were various letters, particulars of which I need not give you, which passed, and on the 29th November, 1893, the board consisting of Mr. de Wolf, Mr. Armstrong, and Mr. Vaughan, made a call of £10 per share, Mr. Vaughan dissenting,—the call to be made payable on the 22nd December, 1893. Again on 10th January, 1894, Mr. Howden's seat was declared vacant through non-attendance by a board consisting of Mr. de Wolf and Mr. Armstrong.

1129. *Mr Cohen.*] I gather from what you say that different directors made two calls? Yes. I should explain that one call they did not persevere in. I have the rough substance of a minute to this effect: that there was a claim upon Armstrong and Thompson, trustees for the vendors, for £54,000. The details of the claim were given but I have not them with me.

1130. *Mr. Archibald Campbell.*] How many formed a quorum? The quorum was altered once or twice. It was fixed first at two, then at three, and I think it was afterwards fixed back at two. The minutes show in reference to Mr. de Wolf's extra claim, that he asked that his calls should be carried to the credit of his claim, and also the calls of Mrs. Hamilton and Mr. E. Barton; and the same in reference

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to Mr. Armstrong's calls, and those of sundry other persons who were named—Mr. Armstrong, Mr. Wood, Mr. Turnbull, Mr. Chippendall, Mr. Liddell, and Mr. A. G. Friend. Seventy-three shares representing a total of £12,210. On February 7th, 1894, it was resolved that steps be taken for the recovery of calls. I do not know who the parties could be. All the others were out of it, and there were left, I think, only Mr. Styles and myself. However, upon that point I am not quite clear. There was the further entry that Mr. Crossman should be removed from the position of solicitor of the company, and that arrangements should be made with another solicitor to act for them. Then in April, 1894, I was advised that it would be better for me to pay the £300 call, in order to get out of the difficulty instead of fighting them and possibly having to pay my own costs.

1130. *Mr. Cohen.*] Did you pay that £300? Yes; I have a receipt for it.

1131. You are sure it was not £250? I have not the means at this moment of seeing what my cheque was, but I have a receipt for £300. The effect of that payment was to relieve me of all responsibility for twelve months. Then there was an agreement between Mr. Friend, Mr. Armstrong, Mr. de Wolf, and myself. Mr. Friend and myself being on the one side, and Mr. Armstrong and de Wolf on the other.

1132. The shares were paid up to £50, with a liability for another £50? Yes.

1133. They called up £10 shares before they entered into an agreement with you, under which they placed to your credit a certain sum to protect you against further calls during the twelve months of your liability under the Act? Yes.

1134. To whom were your shares then transferred? I could not say whether they were transferred to Mr. de Wolf or to Mr. Armstrong, but I think to Mr. de Wolf. I would not admit, of course, that the shares were mine at all. I signed the transfer to get rid of the whole thing.

1135. *Mr Waddell.*] That ended your connection with the company? Yes.

1136. That was in 1894? Yes.

1137. *Mr. Sleath.*] Have you any further information you could give the committee? Yes; I find that the Illawarra Harbour and Land Corporation was registered on the 29th October, 1889. Amongst the first directors were Mr. Edmund Barton, Mr. Goodchap, Mr. Billyard, Mr. J. Newton, Mr. T. A. de Wolf, and myself. Properties were sold to the company for £600,000 by a syndicate. The amount was paid by the issue to syndicate members and nominees of 10,000 shares of £100 each, paid up to £50, the balance—£100,000 cash—being payable at a later date. Five of the directors I have named held thirty shares each, Mr. de Wolf holding 768. The Act giving the harbour concession was granted in December, 1890. That speaks for itself. In 1892 there was a conveyance by Mr. de Wolf to Mr. B. J. Fink, of the Lakelands estate—book 495,711, consideration 10s.

1138. Can you give us some explanation of that? What follows, I think, will satisfy you on the subject. It was simply a question of financing. I find that on the 29th July, 1892, on the very same date, according to book 495,777, there was a mortgage from Fink to Wallach Bros. of the same land, subject to the existing mortgage to Osborne in order to secure a promissory-note for £8,920 by de Wolf and Armstrong in favour of Fink, and by him endorsed to Wallach Bros.

1139. Who was the man who conveyed to Fink? De Wolf.

1140. Was not Fink trustee for the company? ~~He must have been trustee for the company if he was a member of the company at the time.~~ It was a question of financing the company's property. On the same day, that is on the 29th July, 1892, according to book 495,778, there was a sub-mortgage by Wallach to the A.J.S. Bank against the discount of the promissory-note I have just mentioned.

1141. *Chairman.*] Whose promissory-note was that? It was a note by de Wolf and Armstrong in favour of Fink, and by him endorsed to Wallach Bros. It was a piece of financing with the company's property.

1142. *Mr. Sleath.*] They were financing their private affairs with the company's property? I can hardly say that, because I take it that the whole property was sold to the company originally.

1143. They were financing with the company's property in order to meet their own promissory-notes? I take it that that is so.

1144. *Mr. Simpson.*] Do you say that the proceeds of this financing were applied not to the benefit of the company, but to the benefit of private individuals? I do not say that. There is no proof that that is so. I take it that the land was sold to the company in the first instance, and that no right was given to mortgage it to any one.

1145. *Mr. Cann.*] Were these persons in these transactions acting on behalf of the company? The records do not show that to be the case. On April the 3rd, 1894, the A.J.S. Bank sold the property to the existing mortgage to Osborne for £30,000—to Henry Osborne, his son, for £300. On about April 26th, 1894, the call of £10 per share on 10,000 shares was made. That is one of my troubles in the matter—that the call was made after the property was parted with altogether. The first mortgage was to Osborne, and the next mortgage was to the A.J.S. Bank who sold their right under the second mortgage to Henry Osborne. The consequence was that the company did not possess the land at all. The first and second mortgagees took it out of their hands. I maintain, therefore, that the call had no right to be made under any circumstances. I think I explained in a previous part of my evidence that several of the calls were paid by Mr. de Wolf, Mr. Armstrong, Mr. Barton, and a number of others by book-keeping manipulations, leaving only a few of us upon which to make calls.

1146. *Mr. Simpson.*] Will you explain in what sense you use the word manipulations? I cannot tell you particularly how they manipulated the matter, but there was a certain amount claimed to be due to these gentlemen and that amount was transferred from the one thing to the other.

1147. You mean that there were cross entries? Yes.

1148. *Mr. Cann.*] No cash was paid? No.

1149. *Mr. Archibald Campbell.*] You did not get out of it so easily yourself? No; there were only three of us who had to pay. There were only Mr. Newton, Mr. A. G. Friend, and myself who ever paid in a shilling, except the amount put in in the first instance in connection with the purchase of the land. I do not know that I can say anything further, except from information I have gained. I can make no further statement as to the company's affairs from my personal knowledge.

1150. *Mr. Sleath.*] Do you know anything about Mr. Styles? No. I know his name is on the books for a few shares, and I know from the minutes that he was one of the vendors of portion of the land in the first instance. I also know from the minutes ~~that he forfeited his shares~~ Mr. Friend, I find, is supposed to have rejoined the company.

1151.

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1151. Have they made any proposals for you to rejoin the company;—has anyone hinted at such a thing? Such a thing has been mentioned to me, that I said I would not have anything to do with the company in any shape or form.
1152. *Mr. Ashton.*] You say that when the Fink crowd made a call the de Wolf crowd made an offer to accept a transfer of shares from you? Yes. On more than one occasion Mr. de Wolf said he would take back the shares.
1153. But later on he was a party to making the call which you had to pay? Yes.
1154. How do you explain his changed attitude? I suppose it was a case of necessity,—when needs must the devil drives. They wanted money, and they were determined to get it where they could.
1155. *Mr. Cohen.*] After they had made this call of £10, did he say that he would take over your shares? No; it was prior to that.
1156. *Mr. Cann.*] Has there been any other dispute between you and the board in reference to any other matter apart from the affairs of this company;—if anyone has said, for instance, that you were trying to blackmail the company, would there be any truth in the statement? No.
1157. Did you demand the £3 0 back again from the company? No; I said I would take it back if they would give it. I do not know even now that I will not sue them for it, because I think the money was illegally taken.
1158. I suppose your claim to this £300 is the blackmailing to which they referred? Probably. I do not know of anything else to which the statement can have reference.
1159. *Mr. Cohen.*] Did you ever sit at any of the board meetings? I did at a few in the first instance. I cannot say now whether they were board meetings or general meetings. I know that I sat a few preliminary meetings.
1160. *Mr. Sleath.*] Have you had any other financial transaction with this company? No.
1161. In no way at all? None whatever.
1162. You never had any transaction with them outside the share transaction? Not in any shape or form.
1163. Therefore, the statement that you are attempting to blackmail the company can apply only to the transaction which you have explained this afternoon? Yes, and to nothing else.
1164. You are confident of that? Yes.
1165. *Chairman.*] From your knowledge of the company, and from your connection with it, were you satisfied that it was a *bona fide* company? I was satisfied that it was advisable for me to get out of it as soon as possible.
1166. *Mr. Ashton.*] That might apply to an enterprise the prospects of which you did not think were good? Yes.
1167. *Mr. Carroll.*] When you paid the amount you have named to get out of the company was there any understanding that in the event of the company being floated and getting on they would refund you the money? No. It was not put in that way. Mr. de Wolf promised that he would eventually pay back the £300.
1168. He regarded it as a debt of honor? I presume so, inasmuch as he had said on several occasions that I should not have to pay anything.
1169. *Mr. Simpson.*] I understand that you complain that the board made the call after they had parted with the assets of the company;—as a matter of fact, have they ever parted with their concession? I did not mention the concession. I was referring to the property of the company. I do not call the concession property in that sense.
1170. You meant to except that? Yes; I was referring to freehold property.
1171. Are you not aware that the license from the Crown to construct was then in force, and that the company was formed, as a matter of fact, to construct a harbour? Yes.
1172. When you went into the company you knew that one of its objects was to construct a harbour? Yes; but there was ground attached to it, and without the ground the scheme was of no value.
1173. *Mr. Ashton.*] The ground was the only tangible asset? Yes.
1174. *Mr. Simpson.*] You are not sure how it was transferred to Mr. Fink, and for what purpose? I only know that there was a transfer.
1175. *Mr. Archibald Campbell.*] When you refer to the property of the company, you mean the land held by them? Yes.
1176. *Mr. Simpson.*] The information you have given to the Committee is derived from documents put before you without your having any knowledge of the transaction between Fink and the Mercantile Finance Co.? Except so far as the minute-book is concerned, and there is nothing in the minute-book to show that. If the board endeavoured to do anything of that kind it should appear on the minutes.
1177. You do not know, except from what you have gathered from the deeds, anything of the circumstances under which the property was transferred to Fink? Only from that and absence of the minutes.
1178. You do not know, as a matter of fact, that Mr. Fink was closely allied with the Mercantile Finance Company? Yes.
1179. And that he was financing the Illawarra Harbour and Land Corporation to a large extent? I knew that he was connected with the corporation.
1180. Was he not finding the money the corporation had? I have heard so many accounts of the thing passed from one person to another that it would puzzle a Philadelphia lawyer to arrive at the true state of affairs.
1181. But, as a matter of fact, you heard that Mr. Fink was financing the corporation? No.
1182. Did you not know that there was a contract in existence to construct a harbour? I did not know that there was any contract in existence in 1889. All I knew was what I gathered from the minutes after I left the company, and I left the company early in 1889.
1183. What is the date of the receipt for the £300 to which you have referred? The date of the settlement between myself and Mr. Friend on the one side, and Mr. de Wolf and Mr. Armstrong on the other side, is the 26th April, 1891.
1184. You went upon the board in 1889, and the shares were not transferred out of your name until 1894? That is so, I believe.
1185. I also understand that during 1889 and 1890 you attended several meetings of the board? I do not think I sat upon the board at all in 1890.

1186.

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1186. Would it surprise you to see your name down in the Minute-book as having attended a meeting of the Board in 1890? It would surprise me to see my name appearing in connection with any meeting in 1890. I could give you the definite information if I had all my papers with me.
1187. Your resignation was accepted in April, 1890? I believe it was.
1188. When you attended the meetings you must have known that you attended them having a certain qualification? Yes.
1189. Do I understand that you now take up the position that you were never a shareholder? I say that the original allotment was illegal.
1190. How can you reconcile your attitude in attending meetings of the Board with your denial that you were a shareholder; to be qualified to sit upon the Board you must have held a certain number of shares, and your statement is that you should not have been upon the list at all? I was not then aware of the illegality of the original allotment. When I became aware of it I wanted to get out of the concern.
1191. In what respect was the original allotment illegal? I cannot say without looking at the papers. It was so illegal that the Board without authority altered the date in the ~~minute-book to make~~ the allotment legal.
1192. You say now that you were under the impression that you were qualified? At that time I was.
1193. You must also admit that if you were qualified, a certain number of shares had been allotted to you? The first allotment was incorrect.
1194. In what respect was it incorrect? I cannot answer that question now. My solicitor might be able to answer it
1195. As a matter of fact, does it not amount to this, that at a certain juncture you thought the company's prospects were not as bright as you had thought them in the first instance, and that in consequence of that, and not in consequence of the illegality of the allotment, you asked Mr. de Wolf to relieve you of your liabilities? I did not ask him to relieve me of my liabilities. He offered to relieve me, but I did not accept his offer because I did not think he was financially good enough to carry it out.
1196. Did you not afterwards accept the offer? In consideration of certain amount of debt being put to the credit of Mr. Friend and myself.
1197. Is it not a fact, that in consequence of the prospects of the company, so far as you were concerned, appearing not so bright as they appeared in the first instance, when you agreed to accept shares, you asked to be relieved of your interest in the company? No.
1198. On what grounds then did you seek to be relieved of it? I knew nothing about the company when I went into it. As time went on, I gained information as to the company, and I thought it was good enough to get out of it.
1199. Mr. de Wolf swears that Mr. Fink, at about this time, had got into difficulties, and that it was impossible to finance affairs without his aid? I knew nothing of those facts.
1200. Did you not, immediately yon took your seat on the Board, make inquiries as to the position of the company? I did, and then I wanted to get out of it.
1201. You were sitting on the Board for a period of twelve months? Yes.
1202. The company was formed in October, 1888? Yes.
1203. You will see from the minutes that you attended a meeting on the 17th December, 1889? I think the 9th April, 1889 is the date of the last meeting I attended.
1204. Will you undertake then to say that these minutes are false? In that respect I should think they would be.
1205. *Mr. Sleath.*] Do you recollect being present at the meeting to which Mr. Simpson refers? No; besides that was a general meeting of the company—it was not a meeting of the Board. I cannot see any meeting of directors recorded at which I attended after April, 1889.
1206. *Mr. Simpson.*] You say you joined the company in October, 1888? Yes.
1207. And you attended either directors' or general meetings up to December, 1889? I do not say that.
1208. But the minutes show it? Yes, apparently.
1209. After looking at the minute-book, and seeing that your name appears there as having attended a meeting in December, 1889, will you say whether you did or did not attend that meeting? I do not see my name down as having attended a directors' meeting after April, 1889. That is the date, as far as my memory goes, of the last meeting I attended. You show me my name recorded as having attended a general meeting in December, 1889. I really cannot say whether I was there or not.
1210. *Mr. Ashton.*] You resigned in January, 1890? I resigned some time before I sent in a written resignation.
1211. Is it probable that you resigned about a month after the general meeting you attended;—is it likely that anything transpired at that general meeting which caused you to resign? No.
1212. *Mr. Cohen.*] Is it likely that your name would be recorded in the minute-book as having attended a general meeting if you were not present? No; I should think not.
1213. You see your name is recorded in the minute-book as having been present at the general meeting;—would you undertake to say that you were not present? I certainly would not say I was not present.
1214. *Mr. Sleath.*] Have you any recollection of being present? I have not.
1215. *Mr. Simpson.*] You say you were not present at any directors' meeting after April, 1889? I said that you had not shown me from the minutes that I was present at any director's meeting after that date.
1216. I will ask you to look at the minute-book, under date of 11th December, 1889;—you will see that you there took the chair at a meeting of the Board, at which the report of the company was actually adopted or approved by the directors present? I see that that is recorded.
1217. Will you say whether or not these minutes are correct? I take it that they are correct.
1218. So that on the 11th December, 1889, you actually approved of the report of the company? I was present at that meeting.
1219. So that although you thought in April, 1889, after some five or six months' experience of the company, that it was not a company in which you would like to remain, you attended a meeting in December of that year, at which you, as a director, expressed approval of the report to be submitted to the shareholders? I do not say anything of the kind. I have already stated that I could not say exactly when I left the Board. It was, I thought, in 1889. When I had been upon the Board long enough to gain certain information with regard to the company, I thought it good enough for me to get out of it.

1220.

45

TUESDAY, 13 *DECEMBER*, 1898.

Present:—

MR. ASHTON,
MR. ARCHIBALD CAMPBELL,
MR. NICHOLSON,
MR. CARROLL.
MR. SLEATH,
MR. CANN,
MR. HAYNES.

W. J. FERGUSON, ESQ., IN THE CHAIR.

Mr. E. P. Simpson (of the firm of Johnson, Minter, and Simpson), and Mr. W. H. Moseley, appeared on behalf of the Illawarra Harbour and Land Corporation (Limited).

Alfred Hugh Beresford Conroy sworn and examined:—

A. H. B. Conroy. 13 Dec., 1898.

1231. *Mr. Simpson.*] Do you remember a conversation that took place somewhat recently between Mr. Carey, Mr. de Wolf, Mr. Harper, and yourself, with reference to the Illawarra Harbour scheme? Not with Mr. de Wolfe; Mr. Harper, Mr. Carey, and myself, were present.

1232. Was it with reference to the Illawarra Harbour scheme? Yes; Mr. Harper and I were coming up the street, and when we were going into the "Hotel Australia" we met Mr. Carey coming down the steps. Mr. Harper stopped and spoke to him. He said to Mr. Carey that he was going about telling tales against the company, saying that he had been done out of money or something. I may say that, at that time I knew nothing of any transactions which had passed. It was all new to me, and the conversation that I heard was only fragmentary. He spoke to Mr. Carey about it and said, "You were perfectly satisfied with the arrangement at the time. You thought it a fair thing." Then I heard Mr. Carey say, "Well, I will have my £300." The conversation began to get a little stormy between them, and Mr. Harper asked what he considered unfair. He said, "Having given up his shares." Of course you will understand that when I heard this, I did not know anything that had taken place before, and it was entirely new to me. Mr. Harper again repeated, "You were perfectly satisfied at that time." Mr. Carey said, "Yes, that was so, but I will have that money or something else."

1233. Did he say subsequently what he meant by "something else," or did he intimate that he would stop the Bill? Just then he stopped, and my attention was drawn to somebody else for a moment. I was away for a minute when I rejoined them. Mr. Carey said, "Well, if I do not get it I will block your Bill in the House, and I can do it there, and even if I fail there I will stop you at Home—I will stop you issuing at Home."

1234. Did he make any reference to the *Daily Telegraph*? He did. He said, "You know I have the paper behind me, and you know what I can do; so look out."

1235. Did the conversation end then? No; Mr. Harper got into a temper and said, "This is damned blackmail." He repeated that.

1236. *Mr. Cann.*] I understand you knew nothing about the transaction then? Nothing whatever.

1237. *Mr. Simpson.*] Are you interested in the scheme in any way whatever? No; not beyond the fact that I have friends interested in the Smelting Company.

1238. *Mr. Cann.*] But they have not got any interest in the Illawarra Company? No.

1239. No pecuniary interest? No. This occurred about a fortnight ago—last Wednesday or Thursday week. I think it was in the afternoon.

William

J. R. Carey. 12 Dec., 1889.

1220. Did this information, upon which you came to the conclusion that the company was not one with which you ought to be identified, come suddenly to you? No; it came by degrees.
1221. What was the information? First and foremost I got information as to how the property was bought and sold, and all connected with it; and when I came to consider the amount raised upon it, I thought it was good enough to get out of the concern.
1222. Still, in December, 1889, you actually approved of the report to be submitted to the shareholders? I do not say that I approved of it. It is not to be inferred merely because the report was approved by the meeting, that I approved of it.
1223. But according to the minutes you were present at the meeting? I do not deny that.
1224. I presume the report and balance-sheet of the company would show the exact cost of the company? It would not show details, but would show the actual cost.
1225. So that any information you gained would have reached you between the meeting in December and the meeting in January? No; between October, 1888, and December, 1889.
1226. Is it true that you have said that unless this amount of £300, which you now say may have been £250, were repaid to you, you would stop this Bill from going through the House? Who says that I said that?
1227. I am asking the question of you;—did you say it? I never said such a thing.
1228. You are sure of that? Yes.
1229. Or anything like it? Or anything like it. I told one of the gentlemen that if they did not pay me back the £300 they had swindled me out of I would know the reason why—that is to say, that I thought I would sue them, and he said I could do my best.
1230. Although acting on the advice of the solicitor's you came to an agreement under which you were relieved of responsibility in connection with the company on payment of £250; you now say that you are going to sue them for £300? Yes. In the first place, I was not then aware of the transactions to which I have referred. I did not know that the company's property had been disposed of, and that the first and second mortgagees had taken possession. If I had known when I paid the £300 what I know now, the amount would never have been paid. It was long after that that I found out the true circumstances of the case—that is to say, that the property had been taken out of the hands of the company for a considerable period.

1198. On what grounds then did you seek to be relieved of it? I knew nothing about the company when I went into it. As time went on, I gained information as to the company, and I thought it was good enough to get out of it.
1199. Mr. de Wolf swears that Mr. Fink, at about this time, had got into difficulties, and that it was impossible to finance affairs without his aid? I knew nothing of those facts.
1200. Did you not, immediately you took your seat on the Board, make inquiries as to the position of the company? I did, and then I wanted to get out of it.
1201. You were sitting on the Board for a period of twelve months? Yes.
1202. The company was formed in October, 1888? Yes.
1203. You will see from the minutes that you attended a meeting on the 17th December, 1889? I think the 9th April, 1889 is the date of the last meeting I attended.
1204. Will you undertake then to say that these minutes are false? In that respect I should think they would be.
1205. *Mr. Sleath.*] Do you recollect being present at the meeting to which Mr. Simpson refers? No; besides that was a general meeting of the company—it was not a meeting of the Board. I cannot see any meeting of directors recorded at which I attended after April, 1889.
1206. *Mr. Simpson.*] You say you joined the company in October, 1888? Yes.
1207. And you attended either directors' or general meetings up to December, 1889? I do not say that.
1208. But the minutes show it? Yes, apparently.
1209. After looking at the minute-book, and seeing that your name appears there as having attended a meeting in December, 1889, will you say whether you did or did not attend that meeting? I do not see my name down as having attended a directors' meeting after April, 1889. That is the date, as far as my memory goes, of the last meeting I attended. You show me my name recorded as having attended a general meeting in December, 1889. I really cannot say whether I was there or not.
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1220.

Corrected

PARLIAMENT PRINTING OFFICE
16 DEC 1898
SYDNEY

Please make correction
W.R.S.
16. 12. 98.

William Robert Styles sworn and examined :—

W. R. Styles.
13 Dec., 1898.

1240. *Chairman.*] Are you one of the original syndicate which held the Lakelands Estate? Yes.
1241. Do you mind telling the Committee how you became possessed of that in the first instance? A syndicate was formed. First of all I sold, partly with Mr. Vaughn, the Ocean Colliery.
1242. Were you partners? I took him as a partner. He came in on velvet. It cost him nothing.
1243. Did you and Mr. Vaughn purchase this Ocean Colliery? I bought it first (265 acres), and then I took up 640 acres at the back of it—which consisted of Crown lands—on permit.
1244. Were you and Mr. Vaughn the owners of this Ocean Colliery? I formed it into a syndicate after I opened up eight seams of coal, iron ore, and kerosene shale. I put in a few years' work there. I had to pay my part. I had one-third interest in the concern. This syndicate wanted to sell. They put it into my hands, and I took Vaughn in at the time.
1245. *Mr. Ashton.*] You and he did not own the property? There were eight shares. I had four out of eight. At that time Mr. Vaughan came in.
1246. On what terms? He paid nothing; but it was intended that we should sell this property for a a further sum.
1247. That was, he was going to manage the business? Of course, along with me in a way. We sold this property to de Wolf and Armstrong. Vaughn made the sale when I was in Melbourne.
1248. Did he hold a power of attorney from you? Yes.
1249. *Chairman.*] Did you sell the Ocean Colliery to de Wolf for £25,000? Yes.
1250. Was a portion of that sum paid in cash? Yes, about £11,000 altogether.
1251. And was the balance taken out in syndicate shares? After the contract was made and signed, and for some months after they bought the Lakelands Estate, they wanted us to take two shares each. I would not consent for a long time. They wanted me and Vaughn to take two shares each. After refusing to consent for some time I did take them. Afterwards I believe they said they had £180,000 to the credit of the syndicate, but I believe only a few shares were sold. They have taken part of the other shares and put them in their own pockets without paying anything. They represented that the shares had been all taken up and paid for up to £180,000.
1252. Was the balance of your purchase money payable by mortgage? Yes, in instalments.
1253. Has it ever been paid? No.
1254. Was there not some arrangement made between de Wolf and Vaughn, he holding your power of attorney? He might have done something without my consent. He turned round with them, and I could not get any information for years.
1255. Mr. Vaughn held a power of attorney from you, and with this power of attorney he disposed of the property to Mr. de Wolf—that was with your consent? Of course, with my consent at the time; but after I came back from Melbourne to Sydney, and had been here for a length of time, the power of attorney was revoked.
1256. At the time he disposed of the property the power of attorney was in force? Yes.
1257. Did Mr. de Wolf write any letters to you on this matter? Yes, several.
1258. *Mr. Ashton.*] What were the precise terms on which the property was sold? £25,000—£11,000 in cash, and the other was taken out in syndicate shares.
1259. Was that in accordance with the agreement? No.
1260. What was the agreement? £13,000 in cash. We took syndicate shares. £11,000 was what they were supposed to have paid in cash.
1261. Was the agreement £13,000 in cash and £12,000 in shares in a syndicate? Yes.
1262. How much cash did you get? They paid £11,000 in cash. When they paid that there was £6,000 to be paid besides.
1263. What do you mean by that? Because when they were paying instalments we were paying for our shares in instalments; we were paying £1,000 at a time on each share; so they failed to pay the last instalment; but Mr. Vaughn has made some arrangement to make up for that.
1264. They paid you £11,000 out of the £13,000;—they still owe you £2,000 out of the £13,000? Yes.
1265. Did they give you any security? No; they simply owe the £2,000.
1266. *Chairman.*] Did they not give you a mortgage? They gave it to Mr. Vaughn.
1267. Was that for the £2,000? Yes.
1268. Was the mortgage over the whole property? Over the freehold.
1269. Does that mortgage stand at the present time? I do not think so. It was transferred to Mr. Fink in Melbourne afterwards.
1270. Did Mr. Fink pay it off? He paid it off. He borrowed money from the bank, and the bank got it.
1271. Did Mr. Vaughn accept the mortgage under your power of attorney? No, because I revoked the power of attorney years before that.
1272. £13,000 was the amount you were to receive in cash;—you received £11,000, and the other £2,000 was secured by mortgage, which you agreed to? I was agreeable to take my shares—that means £6,000.
1273. Were you agreeable that the remainder of the purchase money, £2,000, should remain on mortgage? No; I was all the time asking for the money.
1274. Was it not secured by mortgage to Mr. Vaughn, and you agreed to it? I did not agree to it.
1275. He had two of the shares, as well as yourself? Yes.
1276. The amount in dispute between Mr. de Wolf and you is this sum of £2,000? Yes, and the shares.
1277. Do you say that you agreed to accept £12,000 in shares, in addition to £13,000 cash? I found out that the other shareholders had not paid for them the same as I did. Of course, I did not accept.
1278. *Mr. Ashton.*] You accepted them on certain conditions? Yes.
1279. *Chairman.*] You said you had some letters from Mr. de Wolf to you on this matter;—have you got them with you? Yes, I produce them.
1280. *Mr. Ashton.*] Is the position this, so far as the sale of the property is concerned: You agreed to accept £13,000 in cash and £12,000 in shares? Yes.
1281. That undertaking was satisfied by the purchasers with the exception that they still owe you £2,000 cash? Yes, and interest; and the profits, of course, in the syndicate. I was supposed to get a profit from the syndicate as well. The syndicate, of which I was one, sold the property and made £100,000 profit. I found they were deceiving me. They told me that all the syndicate shares—60 at £3,000 each—

W. R. Styles. 18 Dec., 1898.

each—had been paid for; but I found after a length of time that only a few shares had been sold, and they pocketed all of them themselves.

1282. *Chairman.*] All the letters which you have handed in so far are requests by de Wolf that you should do certain things which you refused to do; is there anything more definite;—is there anything which you did do finally? No, I did not sign anything they asked. I could see that they wanted to get me in and to get me out at the same time.

1283. Did they get you out by making a call on the shares which you refused to pay? Yes.

1284. Did you receive notice of the call? Yes, after a length of time.

1285. Those shares were paid up to £50, and were liable to a call of £10 to be made at any time by the board? Of course, there was no board at the time.

1286. But they were liable to that call if the board made it? On the face of them they were liable, but I was objecting all the time that there was fraud at the commencement; that those in the syndicate never paid for the shares as I did. My shares were paid up.

1287. Were not the shares part of the purchase money? No; we were paying for them the same as other people. Though they were paying instalments we were paying for them. We were paying for the syndicate shares in instalments.

1288. *Mr. Carroll.*] Out of your own money? Yes.

1289. *Chairman.*] You had shares paid up to £50, and they were liable to a call of £10? They made a £10 call.

1290. Did you refuse to pay that, and did they forfeit your shares? Yes.

1291. Is that the position now? Yes.

1292. Your ground of complaint against the syndicate is practically that they forfeited your shares, and you say they had not power to do so? Yes.

1293. And that they have not yet paid the £2,000, the balance of the purchase money? Yes.

1294. And the profits accruing thereon? Yes.

1295. Are those the grounds of your Equity Suit? Yes.

1296. *Mr. Cann.*] I understand Mr. Vaughn had a power of attorney to act for you while you were away? Yes.

1297. I will now read a passage to you from a conveyance between W. R. Styles and others of the first part; R. M. Vaughn, Esq., of the second part; and T. A. de Wolfe, Esq., of the third part; and I will ask you to give an explanation of the matter. The passage is as follows:—

> And whereas the said Robert Matteson Vaughn has since agreed with the said purchaser for the absolute sale to him of (*inter alia*) the lands, hereditaments, and premises hereafter described and intended to be hereby assured, and the inheritance thereof in fee simple in possession, free from encumbrances, at the price of twenty-five thousand pounds. Now this Indenture witnesseth that, in pursuance of the said agreement, and in consideration of the sum of eight thousand one hundred and sixty pounds to the said vendors, paid by the purchaser at or before the execution of these presents, and of the sum of sixteen thousand eight hundred and forty pounds at or before the execution of these presents, paid by the said purchaser to the said Robert Matteson Vaughn (the receipt of which said several sums of eight thousand one hundred and sixty pounds and sixteen thousand eight hundred and forty pounds, making together the sum of twenty-five thousand pounds, the said vendors and the said Robert Matteson Vaughn respectively do hereby acknowledge); and from the same do and each and every one of them doth hereby release the said purchaser, his heirs, executors, and administrators. They, the said vendors, at the request and by the direction of the said Robert Matteson Vaughn, testified by his being a party to and executing these presents, do and each of them doth hereby grant, bargain, sell, alien, release, and convey; and the said Robert Matteson Vaughn doth hereby release and confirm under the said purchaser and his heirs all those, the lands, hereditaments, and premises set out and particularly described in the schedule hereto.

Can you explain that? That £8,000 was the price of the first syndicate. I was one of them. Without them I had 640 acres at the back of the freehold. I had it from the syndicate, and I took Vaughn in to sell it, and we sold it to de Wolf—at least Vaughn did. I could have sold it in Ballarat and Melbourne at the same time for the same figure, and I could have got cash down.

1298. That accounts for £8,160. How do you account for £16,840. This is a receipt from Mr. Vaughn for that amount? The two together make up the £25,000. Before the deed was handed over, the £8,160 was paid for the 265 acres in the first syndicate. That money was not paid altogether at first.

1299. *Chairman.*] You say that this action of theirs has rendered you comparatively a poor man;—are you living in Queensland? I am going backwards and forwards temporarily.

1300. What is your business? Mining.

1301. Did you not pay you this sum in cash? Some of it in cash.

1302. Were you a poor man at the time? No.

1303. Are you a poor man now? Yes; I have lost all.

1304. If that is so, how is it that you can come all the way down here from Queensland, and that you are going to proceed with an Equity case against this company;—do you find the money for all that? Certainly.

1305. Then you cannot be very poor? I am, comparatively.

1306. Are you sure your case has not been taken up by some solicitors for nothing? No; I am sure enough of that. I do not believe that solicitors, as a rule, work for nothing. They want cash in hand.

1307. Can you give us any information about this company other than what is involved in this Equity Suit? I can explain with regard to the commencement of it until now, so far as what they have been doing and what they ought to have done when they got the Bill through.

1308. *Mr. Nicholson.*] Do you know of your own knowledge whether the syndicate have paid for the land which they have purchased or resumed for railway purposes? No.

Thomas Andrew de Wolf recalled and further examined:—

T. A. de Wolf. 13 Dec., 1898.

1309. *Mr. Ashton.*] Mr. Carey in giving his evidence yesterday dealing with these mortgage transactions, in which Mr. Fink so largely figured, expressed the opinion that the company's property had been used for the purpose of private financing, and he said the history of the dealing in the matter seemed to him to bear that complexion;—can you give us a short and succinct statement of the mortgaging of those properties, the transfer from you to Mr. Fink, and the matter of that now notorious half-sovereign? I think I can do so, and I have already done so.

1310. Will you give us a statement of the acquisition of the land from the syndicate? Under the agreement between the syndicate and the company, the company were to pay £100,000 in cash,—that is to say, before they could get possession of that property they had to pay to the syndicate, who were the vendors, £100,000 and shares.

1311.

33703 Johnston

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T. A. de Wolf.
13 Dec., 1898.

1311. What were the shares? £500,000—10,000 shares paid up to £50.
1312. That was the consideration given by the company to the vending syndicate? Yes, the company, as a matter of fact, did not pay anything. They had not paid any cash at all. It was necessary to pay off further instalments on the property, and the Mercantile Finance Company, who were then providing funds for the company through Mr. Fink, agreed to find a further sum of money. The property had never been transferred to the company. It was held by me until the company paid the money. In the meantime the vendors had paid large sums of money on account of these properties.
1313. It was necessary to find more money, and the Mercantile Finance Company agreed to advance a certain sum; that is to say, the vendors to the company had not completed their arrangements with the sellers? It was either that or debts of the company—I do not know which. Money was wanted for the company; the Mercantile Finance Company then insisted that the property, instead of being held in my own individual name as one of the vendors, should be put into Mr. Fink's name, who was also one of the vendors.
1314. *Mr. Nicholson.*] Fink's name jointly with yours? No; it was solely in my name originally until the company had fulfilled its obligation to pay £100,000 in cash, which they never did until we made the £10 call. In the meantime we were finding the money for the purchase of the properties. In order to obtain further funds we arranged to get this advance from the Australian Joint Stock Bank through the Mercantile Finance Company.
1315. *Mr. Ashton.*] What was the amount? I think £8,900.
1316. It was then transferred to Fink? The property was held by Fink in the same way as it was held by me as trustee until the company had fulfilled its obligation.
1317. Did Fink enter into any agreement or undertaking as to defining the conditions on which he held that property, or was the transfer an absolute one. For instance, Mr. Carey suggested yesterday that that was an improper transfer to Fink, by reason of the fact that he could have done anything he liked with the property after that transfer? I think the deeds showed it, but I am not certain. The transfer to Mr. Fink was sanctioned by the shareholders.
1318. Was that practically an absolute transfer, and is Mr. Carey's statement correct that after that transfer was effected Mr. Fink might have done anything he pleased? Most certainly not; he held it simply as I held it. The property was vested in my name previously as one of the vendors. It was only transferred to Mr. Fink in exactly the same position as I held it.
1319. Taking your own position;—were you legally the absolute owner of that property, or were your powers restricted by any undertaking which you gave to your co-owners? We had our contracts to the company, which were registered against the land. We had no right to part with or dispose of the land.
1320. Except for an express purpose? Yes.
1321. *Mr. Cann.*] Have you put in any of these deeds as evidence? No.
1322. *Mr. Ashton.*] As I understand the matter, it is somewhat in this form: I am aware that when a property has been taken home to London for sale the man who has the offer made to him requires that an absolute transfer shall be made to him, in order that it may be readily disposed of; and he, in turn, enters into a contract with the vendors proper agreeing that he shall do certain things with the property; but the fact remains, as I understand, that although he might, as the result of that transfer, do whatever he pleased with that property, yet, under another agreement, he would be liable by law for specific performance of the contract;—was that the position here? No; I understand that the contracts were registered as against the land, and the land could not be dealt with until those contracts were satisfied.
1323. Suppose Fink had the land transferred to him, as he had for half-a-sovereign, and he sold it to somebody and pocketed the money, what recourse would the other members of the company or the syndicate have against Fink? First of all, I suppose, they would put him in gaol.
1324. What for? For selling property that belonged to him legally which belonged to other people.
1325. Did it not belong to him when it was transferred? Certainly not.
1326. What detracted from his absolute ownership legally? That is a legal point. I know the thing was done under the advice of our solicitors at the time, and I cannot tell what deeds were entered into. It did not make any difference to the company whether the property was held by me or Fink; but, as a matter of fact, we got the consent of the company and all the shareholders to the transfer to Fink.
1327. Would this represent the state of things, that the land was transferred to Mr. Fink, who entered into a contract to take over your agreement to the Board that, on certain things being done by the company, it would be retransferred to the company? Yes.
1328. That was the restriction on Fink's right to deal with the property as he pleased? Yes.
1329. I want to know what legal restriction there was on Fink to prevent him doing anything whatsoever he pleased with the land? He could not deal with it any more than I could.
1330. *Mr. Cann.*] Was there any time limit during which that restriction was to remain? I really cannot say.
1331. You could understand a man entering into an agreement that something should be done, but surely there would be some specified time? This property was absolutely sold to the company, and deeds were registered against the land. When I held this property in my own name I could not deal with it for my own benefit without giving the company the right to redeem that property when they paid the price they agreed to pay.
1332. What time had the company to pay the £100,000? I cannot remember.
1333. *Mr. Ashton.*] Mr. Carey made a statement here yesterday to the effect that there was nothing in the minutes by way of authorisation of this mortgage transaction. Here is the minute-book. Do you find there any authorisation of the transfer of the property from yourself to Mr. Fink? Yes.
1334. Do you produce the minute book containing a minute of the proceedings of a special general meeting of shareholders dated 29th July, 1892, authorising the transfer of the property from yourself to Mr. Fink? Yes; it is as follows:—

> Reported that, in connection with the rearrangement of the liabilities upon the company's property, that T. A. de Wolf, in whose name the title is, should transfer it to Mr. B. J. Fink, a request from the members of the vendors' syndicate to consent to the transfer of the same was read. Resolved that such consent should be given.

1335. That does not say anything about any former obligation on your part that should devolve on Mr. Fink? I say that Mr. Fink took this over with the knowledge of the shareholders and with their consent. I simply transferred to him what I had.

1336.

T. A. de Wolf. 1336. On the same conditions that you held it? I could not do anything else. It was certainly on the same conditions as I held it.

13 Dec., 1898. 1337. *Mr. Ashton.*] Had that transfer to Fink for its ultimate object an advance from the A. J. S. Bank? Yes.

1338. What steps were taken in order to secure that advance;—do you know the exact steps by which Wallach Bros. came into the proceedings? We simply received a cheque for the money.

1339. From whom? I think from Wallach Bros.

1340. You cannot give any explanation as to how Wallach Bros. came into the matter, except that you know that Mr. Fink was a partner of Wallach Bros.? Fink was practically Wallach Bros.

1341. It was probably more convenient on account of the business connection with Wallach Bros. that it should come in that way? The A.J.S. Bank made the advance to Wallach Bros., who were largely interested with Fink in this syndicate.

1342. *Mr. Cann.*] When this advance of money was made was the property mortgaged to the party who advanced the money? Yes, a mortgage was given.

1343. Was there not a time limit in the mortgage as to when you should pay back this money, and otherwise would not the property go completely ont of your hands? I cannot tell. The property could not go out of our hands. We had the equity of redemption.

1344. In ordinary mortgages there is a time limit. You must pay the mortgage within a certain time;—what were the conditions attached to this mortgage? I cannot tell you, it was left to the lawyers to settle. A man might have a mortgage on his property, but the property belongs to him if he pays off the mortgage.

1345. *Mr. Ashton.*] After this transaction with the A.J.S. Bank, what was the next financial transaction;—I want to find out how Fink got out of it himself? I do not know.

1346. Was the bank paid off? The bank assigned this mortgage to Osborne.

1347. What are the obligations on the property now? Only the debt to Amos, £34,000.

1348. And the cost of the railway itself was £41,000? Yes; all these things have been settled up. Everything is cleared off. That is the end of all the financial transactions in connection with the mortgage and the company. A mortgage now rests on it of £34,000 to Amos, which was given to him, I think, as part payment for the construction of the railway pending the issue of our debentures.

1349. What connection, if any, has Mr. Fink with the company now? None at all.

1350. How did he cut his connection with it? At the time of the failure of the Mercantile Finance Company Mr. Fink owed me a good deal of money, and also the Mercantile Finance Company, under contracts. They were not prepared to carry on the business any longer, and we made a settlement with them by which they went out of it.

1351. Would you have any objection to tell the committee the names of those who are interested in the company at the present time;—the object of the question is this—one of the main points in connection with this inquiry is, of course, the probability of something being done if this extension is granted. That largely depends on the *bona fides* and financial status of the persons interested in the company? I have already given that. I gave the names of our principal shareholders—the London shareholders. The Australian shareholders are not strong financial men.

1352. What proportion of the shares are held in London? The bulk of them. I think four-fifths—hardly so much perhaps.

1353. Would it be possible to enumerate precisely the interest held by different people in the company? I have not got the list of share holdings, but I have a list of the principal shareholders.

1354. Is that information not on this side? I gave all the names to the Upper House Committee that I could remember, and I gave the names here of the principal men.

1355. Do you say that four-fifths of the shares are held in London and that the list of shareholders in London comprises men of the highest standing and of great financial strength? Yes; there are a number of shares which we are holding to assist us in the flotation of our debentures which probably we would have to give to the debenture holders. There are people who are not very keen about advancing money on debentures unless they get an interest in the company as well. We have a number of shares in reserve, which will be used probably to assist in getting debenture money.

1356. The company has an equity suit pending with Mr. Styles. Mr. Style's account of the sale of the coal property, which I think substantially agrees with yours, is that the consideration, was £13,000 cash and £12,000 in shares? Yes.

1357. He says that £11,000 out of the £13,000 was paid, and that the balance of £2,000 was left due and remains due at the present time? That is not true.

1358. Do you maintain that the whole of the purchase money was paid? Yes; in fact there was more.

1359. *Mr. Mosely.*] By that, do you mean that some portion of it was paid in shares? Not of the £13,000. There was more than £13,000, because I had to take up an advance which they had got from a bank of £1,000, and that did not come into the £13,000. £13,000 was paid in cash, and I had to pay something extra in cash.

1360. What is the nature of this equity suit? Mr. Styles claims that his shares were not properly forfeited. We claim that he never paid a shilling towards the expenses of the company, that he never contributed in any way. When we made a call he refused to pay, and we forfeited his shares.

1361. *Chairman.*] Is he practically in the same position as Carey on that point? No: Carey insisted upon getting rid of his liability. He paid off something on account of the call, but Mr. Styles never paid a shilling. We have spent £78,000 in the expenses of the company, but Mr. Styles has never paid anything.

1362. *Mr. Simpson.*] Is not Mr. Styles' case exactly the converse of Mr. Carey's;—does he not want to get shares in the company, while Mr. Carey wants to get out of the company? Yes.

1363. *Mr. Cann.*] At which particular time did you give the names of the London shareholders? I gave the principal names to this Committee.

1364. I understand the directors of the Smelting Company have nothing to do with the directors of this company? No; except that I am a director of both companies.

1365. To-day you stated that you had given them before the Upper House? Yes; as far as I could remember.

T. A. de Wolf. 13 Dec., 1898.

1366. *Mr. Ashton.*] You gave here a list of those who were interested in the Illawarra Company? Yes, of the men who had found the £20,000. I have the paper outside, and I can get it if it is wanted.
1367. There have been a number of suggestions made by various witnesses that the affairs of this company have been manipulated in the instance of certain individuals;—have you made any profit out of the company? No; I have not made a shilling out of it. I have put money in every year for ten years.
1368. And you are actually out of pocket? I am out of pocket between £20,000 and £30,000;—nearer £30,000 than £20,000.
1369. *Mr. Nicholson.*] As a matter of fact no profits have yet accrued from the venture? No one has made a shilling; the only man is Styles, who got advances on his shares.
1370. *Mr. Campbell.*] Did the Lakelands property at any time revert from the company back to Osborne? An arrangement was made by which the property should be put under Torrens title, and when I went to England we arranged with Mr. Osborne that that should be done, and he gave me then six months to pay off his mortgage, which I did.
1371. It was in a state of suspension for six months, as it were? In the meantime they put the land under Torrens title.
1372. I suppose that was the time when Mr. Osborne gave the Dapto Showground out of the estate? Yes.
1373. The company consented to that? Yes.
1374. *Mr. Ashton.*] What interest does Mr. Armstrong hold in this company? He holds shares in the London company of the nominal value of £100,000.
1375. Is there any liability on those shares? No.
1376. The personnel of the company has very radically changed during the last two or three years since these London men came on? Yes, very much. We consider ourselves to be in a stronger position now.
1377. You consider that the change in the personnel of the company betters the prospects of the company—that is, of the work being carried out to a successful conclusion, as compared with the time when you were previously before Parliament? Naturally, because these men who have already put the money into the company are very wealthy men, and are very anxious to have this work carried out. They will support us in every way in financing the business in London.
1378. What is the amount of money which these men have put in? £20,000. The interests of the Smelting Company, too, are very much mixed up with the interests of the Harbour Company. It is very necessary that they should have this harbour.
1379. And the periodic delays which have taken place—the absolute non-fulfilment of the company to carry out its undertaking in regard to the harbour works;—do you say that that is due to the evil times financially which the company fell upon through being connected with such a man as Mr. Fink and the Mercantile Finance Co.? For the first few years it certainly was.
1380. If the Mercantile Finance Co. had continued they certainly would have found the money to carry out the harbour works? They were quite able to do so. When they failed we were left to our own resources with a heavy debt, which we have had to liquidate since.
1381. *Mr. Simpson.*] Is it not a fact that it is also due to the Smelting Company not having started its operations? When we applied for the last extension of time we applied for a two years' extension, but we were only granted a one year's extension. We were then under the impression that the smelting works had been in operation nine months. Mr. Howell gave evidence before a Select Committee that they would be in operation in nine months, but, as a matter of fact, it was over two years. When I got to a certain point with the people in London about the financing, they all said you had better wait till the smelting works gets started; the venture would go so much better then.
1382. *Mr. Ashton.*] That is to say, the cutting down of the extension from two years to one year really lessened the security in the minds of those who might have found the money? Yes; in the first place we lost time, because the smelting works had not started,—instead of being started in nine months, they were not started for two years. Then the time got very short, and when we found that we got only one year's extension, the people refused to go on. If we had got that other year, I am quite convinced that there would have been no occasion to ask for this extension.
1383. That is to say, the money would have been forthcoming? Yes; if we had got the extra year. I do not think that there would be the slightest occasion to ask for an extension under this Bill.
1384. *Mr. Campbell.*] How do you account for your people out here stating definitely before the Select Committee that that extension of time was only being asked for in case of a contingency, such as bad weather—that everything was in readiness? I was not here; I was in London at the time.
1385. *Mr. Nicholson.*] Since you have been down there has it ever been your opinion that the Port Kembla Harbour scheme and the Illawarra Lake scheme are rival schemes? I used to consider that they would be to a certain extent, but I do not see that there should be very much rivalry between them now. In any case, we want a harbour for the smelting works.
1386. In any case, you can see from the situation of the Lake that you can never expect to have much coal shipped from there? We do expect to ship coal from there, whether Port Kembla Harbour is built or not, because we will have vessels coming with ore which will take back a cargo of coal. We shall be large buyers of coal for shipment.
1387. For the benefit of your own particular industry? Yes.
1388. At the same time you can never expect ocean-going steamers to go near Lake Illawarra for a load of coal? We often hope things.
1389. *Mr. Campbell.*] Are Mr. Barton and Lieutenant-Colonel Neild the only Members of this Parliament who are members of your company? I think so. I explained that. I got instructions in London to allot some shares to Mr. Lyne; but when I arrived here I found that Mr. Lyne has never accepted them, and that therefore he was not a shareholder.
1390. Did his name appear on the London share list? Yes; but you cannot allot shares to a man unless he accepts them; otherwise we might all get presents.

1898.

(SECOND SESSION.)

LEGISLATIVE ASSEMBLY.

NEW SOUTH WALES.

REPORT FROM THE SELECT COMMITTEE

ON THE

ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

ORDERED BY THE LEGISLATIVE ASSEMBLY TO BE PRINTED,

14 December, 1898.

SYDNEY: WILLIAM APPLEGATE GULLICK, GOVERNMENT PRINTER.

1898.

[s. d.] 240—A

1898.
(SECOND SESSION.)

EXTRACTS FROM THE VOTES AND PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY.

VOTES NO. 45. THURSDAY, 1 DECEMBER, 1898.

23. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL:—The Order of the Day having been read,—Mr. Neild moved, That this Bill "be" now read a second time.
Debate ensued.
Mr. Ferguson moved, That the Question be amended by leaving out all the words after the word "be" and inserting the words "referred to a Select Committee for consideration and report.
"(2.) That such Committee consist of Mr. Neild, Mr. Sleath, Mr. Carroll, Mr. Lyne, Mr. Wise, "Mr. Haynes, Mr. Nicholson, Mr. Archibald Campbell, and the Mover.
"(3.) That such Committee have leave to sit during any adjournment of this House,"—instead thereof.
Question proposed,—That the words proposed to be left out stand part of the Question.
Debate continued.
Question,—That the words proposed to be left out stand part of the Question,—put and negatived.
Question,—That the words proposed to be inserted in place of the words left out be so inserted,—put and passed.
Question then,—That this Bill be referred to a Select Committee for consideration and report.
(2.) That such Committee consist of Mr. Neild, Mr. Sleath, Mr. Carroll, Mr. Lyne, Mr. Wise, Mr. Haynes, Mr. Nicholson, Mr. Archibald Campbell, and the Mover.
(3.) That such Committee have leave to sit during any adjournment of this House,—put and passed.

VOTES NO. 46. TUESDAY, 6 DECEMBER, 1898.

6. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL:—Mr. Donaldson presented a Petition from A. Armstrong, Managing Director of the Illawarra Harbour and Land Corporation (Limited), stating that on the 20th December, 1890, the said Corporation was empowered by Act of Parliament to form and maintain an entrance and passage between the South Pacific Ocean and the waters of Lake Illawarra, and to construct, maintain, and in certain respects control a harbour within the waters of the said lake, to make, establish, and control wharfage and shipping accommodation therewith, and to construct and work a line of railway to connect with the said harbour, and to reclaim, purchase, take, and occupy, and otherwise acquire land on certain terms, provided that the said harbour and channel should be commenced within two years, and be made and completed for the admission of certain vessels within the term of seven years from the passing of the Act referred to; that, by the Illawarra Harbour and Land Corporation Act Amendment Act of 1895, the time mentioned in the Principal Act for the completion of the harbour and entrance was extended for a further period of one year from the 20th December, 1897; that the Corporation has already expended £44,312 16s. 9d., under the provisions of the Statute, upon surveys, plans, and works in connection with the construction of the said harbour, and in a line of railway connecting the said lake with the Ocean Colliery; that the said Corporation has introduced a Bill before your Honorable House to further extend the time for the completion of the works, which Bill has been before a Select Committee of the Legislative Council, which has taken evidence and carefully deliberated thereon; that such Bill has been referred to a Select Committee of the Legislative Assembly; and praying that leave may be granted to the Corporation aforesaid to be represented by its legal advisers at and during the sittings of such Committee, and also that the said Corporation may be represented before the Bar of this Honorable Assembly during further discussion upon the Bill.
Petition received.

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11. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL:—
(1.) Mr. Ferguson (*by consent*) moved, without Notice, That the Select Committee on this Bill have leave to bring up a Special Report.
Question put and passed.

(2.) Whereupon Mr. Ferguson, as Chairman, brought up a Special Report from the Committee, which was read by the Clerk, by direction of Mr. Deputy-Speaker, as follows:—

The Select Committee of the Legislative Assembly, for whose consideration and report was referred, on 2nd December, 1898, a.m., the "Illawarra Harbour and Land Corporation Act Further "Amendment Bill," and to whom was granted on the same date "leave to sit during any adjourn-"ment of this House," have the honor to report the following resolution:—
"That the Chairman report the question to the House as to whether Mr. Neild is eligible to sit on "the Committee in accordance with Standing Order 348."

No. 1 Committee Room, Legislative Assembly,
5th December, 1898.

WM. J. FERGUSON,
Chairman.

(3.)

Referred by Resolution of the House to Printing Committee

(3.) Mr. Neild, as a matter of *Privilege*, moved, That Mr. Neild, the Honorable Member for Paddington, be discharged from further attendance upon the Select Committee sitting upon the Illawarra Harbour and Land Corporation (Limited) Bill.
Debate ensued.
Question put and passed.

(4.) Mr. Ferguson (*by consent*) moved, without Notice, That Mr. Wise and Mr. Lyne be discharged from attendance upon the said Committee.
Question put and passed.

(5.) Mr. Ferguson (*by consent*) moved, without Notice, That Mr. Cohen, Mr. Cann, Mr. Ashton, and Mr. Waddell be added to the said Committee.
Question put and passed.

VOTES No. 47. WEDNESDAY, 7 DECEMBER, 1898.

6. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL (*Formal Motion*):—Mr. Donaldson moved, pursuant to Notice, That the prayer of the Petition of the Managing Director of the Illawarra Harbour and Land Corporation (Limited), presented to this House on the 6th December, 1898, for leave to be represented before the Select Committee and at the Bar of the House during the proceedings on the Illawarra Harbour and Land Corporation Act Further Amendment Bill, be granted.
Question put, and voices given,—Mr. Deputy-Speaker stated his opinion that the *Ayes* had it.
Whereupon Division called for, and Mr. Deputy-Speaker having, in accordance with Standing Order No. 213, directed the members to take their seats to the right and left of the Chair respectively, declared the determination of the House to be in the *affirmative*, as there were only four Members in the minority who had challenged his decision.
The following are the names of the Members in the minority, viz.:—Mr. Pyers, Mr. Macdonald, Mr. Edden, and Mr. Thomas Brown.

VOTES No. 49. TUESDAY, 13 DECEMBER, 1898.

12. ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL:—Mr. Ferguson, as Chairman, brought up the Report from, and laid upon the Table the Minutes of Proceedings of, and Evidence taken before the Select Committee for whose consideration and report this Bill was referred on 1st December, 1898; together with a copy of the Bill as agreed to by the Committee.
Referred by Sessional Order to the Printing Committee.
Mr. Ferguson then moved, That the Bill be read a second time To-morrow.
Question put passed.

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1898.

(SECOND SESSION.)

ILLAWARRA HARBOUR AND LAND CORPORATION ACT FURTHER AMENDMENT BILL.

REPORT.

THE SELECT COMMITTEE of the Legislative Assembly, to whom was referred on 1st December, 1898, for consideration and report, the "*Illawarra Harbour and Land Corporation Act Further Amendment Bill*," and to whom was granted on the same date "*leave to sit during any adjournment of this House*," and on 6th December, 1898, "*leave to bring up a Special Report*," and to whom was referred on 7th December, 1898, *a Petition from Andrew Armstrong, Managing Director of the Illawarra Harbour and Land Corporation (Limited), praying for leave to be represented by its legal advisers at, and during the sittings of the Committee*,—beg to report to your Honorable House :—

That they have examined the witnesses named in the List* (whose evidence will be found appended hereto), and considered the Bill referred, in which it was not deemed necessary to make any amendment. * See List p. 7

Your Committee now beg to lay before your Honorable House the Bill without amendment.

WM. J. FERGUSON,
Chairman.

No. 1 *Committee Room, Legislative Assembly,*
13*th December*, 1898.

PROCEEDINGS OF THE COMMITTEE.

MONDAY, 5 *DECEMBER*, 1898.

MEMBERS PRESENT:—

Mr. Archibald Campbell,	Mr. Carroll,
Mr. Ferguson,	Mr. Haynes,
Mr. Lyne,	Mr. Neild,
Mr. Sleath,	Mr. Wise.

Entry from Votes and Proceedings appointing the Committee, and granting leave to sit during any adjournment of this House, *read* by the Clerk.

Mr. Sleath moved,—"That Mr. Ferguson be Chairman of this Committee."

Mr. Neild moved,—"That Mr. Wise be Chairman of this Committee."

Question proposed by Mr. Sleath,—"That Mr. Ferguson be Chairman of this Committee."

Committee divided.

Ayes.	Noes.
Mr. Sleath.	Mr. Neild.
Mr. Archibald Campbell,	
Mr. Carroll,	
Mr. Haynes.	

And so it was resolved in the affirmative (Messrs. Wise and Ferguson not voting).

Mr. Neild moved,—"That the Press be admitted to the sittings of the Committee."

The Chairman ruled the motion out of order.

Mr. Neild having moved,—"That, under Standing Order No. 364, strangers be admitted to the sittings of the Committee,"—

Mr. Sleath referred to Standing Order No. 348, and called attention to Mr. Neild's presence on the Committee, and contended that he was personally interested in the inquiry.

Mr. Neild contended that the House, having appointed him with a knowledge of the facts as to his personal interest, it was not competent for this Committee to order his withdrawal; and therefore he intended to remain.

Mr. Sleath moved,—"That this Committee adjourn till Wednesday morning at 11 a.m., and that the Chairman report the question to the House as to whether Mr. Neild is eligible to sit on the Committee in accordance with Standing Order 348."

Mr. Neild intimated that, with a view to facilitate the inquiry, he would take no part in the proceedings pending the settlement of the question raised.

Mr. Sleath pressing his motion,—

Question put,—

Committee divided.

Ayes.	Noes.
Mr. Archibald Campbell,	Mr. Carroll,
Mr. Haynes,	Mr. Wise.
Mr. Sleath.	

And so it was resolved in the affirmative.

[Committee adjourned accordingly until Wednesday next at *Eleven* o'clock.]

WEDNESDAY, 7 *DECEMBER*, 1898.

MEMBERS PRESENT:—

Mr. Ferguson in the Chair.

Mr. Cann,	Mr. Carroll,
Mr. Cohen,	Mr. Archibald Campbell.
Mr. Nicholson,	

Entries from Votes and Proceedings in reference to the discharge of Messrs. Neild, Lyne, and Wise from attendance upon, and the appointment of Messrs. Cohen, Cann, Ashton, and Waddell to the Committee, *read* by the Clerk.

[Adjourned till To-morrow at *Eleven* o'clock.]

THURSDAY, 8 *DECEMBER*, 1898.

MEMBERS PRESENT:—

Mr. Ferguson in the Chair.

Mr. Ashton,	Mr. Archibald Campbell,
Mr. Cann,	Mr. Carroll,
Mr. Cohen,	Mr. Nicholson,
Mr. Sleath,	Mr. Waddell.

Entry from Votes and Proceedings, referring the Petition of Andrew Armstrong, the Managing Director of the Illawarra Harbour and Land Corporation (Limited) to the Committee,—read by the Clerk.

Messrs. E. P. Simpson and W. H. Moseley (*Solicitors*) appeared on behalf of the Illawarra Harbour and Land Corporation (Limited).

Robert

Robert Matheson Vaughn (*Civil Engineer*) called in, sworn, and examined.
Witness produced conveyance, W. R. Styles and others and R. M. Vaughn to T. A. de Wolf.
Witness withdrew.
T. A. de Wolf (*a Director of the Illawarra Harbour and Land Corporation, Limited*) called in, sworn, and examined.
Witness withdrew.

[Adjourned till To-morrow at *Eleven* o'clock.]

FRIDAY, 9 *DECEMBER*, 1898.

MEMBERS PRESENT:—

Mr. Ferguson in the Chair.

Mr. Ashton,	Mr. Archibald Campbell,
Mr. Cann,	Mr. Carroll,
Mr. Nicholson.	Mr. Sleath,

Mr. Waddell.

~~Present~~:—Messrs. E. P. Simpson and W. H. Moseley (*Solicitors*) appeared on behalf of the Illawarra Harbour and Land Corporation (Limited).
Ernest Ludwig Adolph Weinberg (*General Manager of the Smelting Company of Australia*) called in, sworn, and examined.
Witness withdrew.

[Adjourned till Monday next, at *Eleven* o'clock.]

MONDAY, 12 *NOVEMBER*, 1898.

MEMBERS PRESENT:—

Mr. Ferguson in the Chair.

Mr. Ashton,	Mr. Archibald Campbell,
Mr. Cann,	Mr. Cohen,
Mr. Carroll,	Mr. Sleath,

Mr. Waddell.

~~Present~~:—Messrs. E. P. Simpson and W. H. Moseley (*Solicitors*) appeared on behalf of the Illawarra Harbour and Land Corporation (Limited).
Thomas Andrew de Wolf recalled and further examined.
Witness withdrew.
Walter Andrew Harper (*Civil Engineer*) called in, sworn, and examined.
Witness withdrew.
Andrew Armstrong (*Managing Director of the Illawarra Harbour and Land Corporation, Limited*) called in, sworn, and examined.
Witness withdrew.
John Rendal Carey called in, sworn, and examined.
Witness withdrew.

[Adjourned till Tomorrow at *Eleven* o'clock.]

TUESDAY, 13 *DECEMBER*, 1898.

MEMBERS PRESENT:—

Mr. Ferguson in the Chair.

Mr. Ashton,	Mr. Archibald Campbell,
Mr. Cann,	Mr. Carroll,
Mr. Haynes,	Mr. Sleath.

~~Present~~:—Messrs. E. P. Simpson and W. H. Moseley (*Solicitors*) appeared on behalf of the Illawarra Harbour Land and Corporation (Limited).
Alfred Hugh Beresford Conroy called in, sworn, and examined.
Witness withdrew.
Thomas Andrew de Wolf recalled and further examined.
Witness withdrew.
Bill considered.
Clauses 1 to 5 read and *agreed* to.
Preamble read and *agreed* to.
Title read and *agreed* to.
Chairman to report the Bill without amendment to the House.

LIST OF WITNESSES.

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Armstrong, A. .....
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