

115. And it was decided against the Cassel Company?—They have no rights whatever in Johannesburg.

116. In this Bill, does clause 8 go further than a weak solution of cyanide of potassium?—Yes; that excludes us and every other person who does not hold a license under this Act.

117. Does clause 8 include any solution of cyanide of potassium?—Yes.

118. It does not cover only the Cassel patent, but every other patent?—It covers the use of cyanide altogether.

119. It goes further than that, and covers any solution of cyanogen at all?—Yes.

120. Outside of cyanide of potassium?—Yes.

121. So anybody inventing a patent to include cyanogen would not be able to use it?—No.

122. Does not this Bill prevent anybody contesting any patent included in clause 8?—Yes; that is the trouble. It prevents everybody.

123. Therefore it prevents anybody from contesting Cassel's patent or any sort of cyanogen whatever?—Yes.

124. It would prevent you contesting it?—Yes.

125. And you would therefore lose your method of precipitation?—Yes.

126. Then this Bill would make the patent valid whether it was valid or not before?—Yes; I should think so.

*Dr. Fitchett*: According to the subsection, the royalty is taken whether the patent exists or not. It practically amounts to what Mr. Allen says. Under the Bill you need not rely upon a patent at all.

127. *Mr. J. Allen*.] You mention that the patent for the use of a dilute solution is invalid?—I am sure of it: that is, if properly assailed.

128. *Mr. R. McKenzie*.] You say your patent is used in New South Wales and Victoria?—Yes.

129. Have the MacArthur-Forrest people interfered with you there?—No.

130. You do not pay any royalty?—No.

131. There has never been an attempt on their part to prevent you from using it?—Not as far as I know.

132. *Mr. Guinness*.] You represent the General Exploration Company. Where is the head office of the company?—In Berlin.

133. Do your operations extend to the South African goldfields?—Our people hold mines there, but not our company proper.

134. You are in operation on the West Coast?—Yes, and in Australia, Canada, and in British Guiana.

135. How long have you been established on the West Coast?—One and a half years.

136. What amount of capital have you laid out in developing mines?—The company has spent here about £80,000 in cash, including wages and plants.

137. And you came here with the patent rights for the process known as the Siemens-Halske?—They hold a third of our shares, and the Siemens-Halske are therefore interested as permanent shareholders in my company.

138. Has it cost the company any considerable sum of money to purchase, with bonus, the rights of the Siemens-Halske Company?—I do not know: it was long before I came here.

139. You do not know what it has cost?—No.

140. *Mr. Herries*.] How many claims have you?—Five.

141. Are they all quartz workings?—No; all alluvial.

142. Have you tried if the cyanide would extract the gold?—We are sure of it. The process works at Johannesburg in a hundred mines.

143. If this Bill is passed you would have to pay a royalty?—Yes. If the Government makes it law we would have to pay a royalty, and that is what I want to prevent.

144. *Mr. O'Regan*.] You say Mr. Pielsticker did not contest the case when the amendment was given?—No, as far as I know.

145. What was the reason?—When first the cyanide process came out it gave enormous inducements. The Cassel Company made a very good business in Johannesburg, and 40 per cent. of the whole of the gold is there extracted by cyanide. The present monthly output is 200,000 oz. The MacArthur-Forrest Company asked a royalty of 10 per cent.; that would now mean £32,000 per month. That created great excitement, and several people brought new improvements in cyaniding to the front. Mr. Pielsticker was one of them. He was forming a company to work his patent in over-sea countries, and he erected a plant in London for experimenting. Then the Cassel Company stepped in and said he had no right to work cyanide, because they held exclusively this patent. Then the lawsuit went on, and it took a very long time, and was very expensive. The original underwriters of Pielsticker's company soon got sick of it, and concluded they would not involve themselves in a company which was mixed up in a lawsuit from the beginning. Mr. Pielsticker then found himself alone, and when he found the object he had fought for—viz., the promoting of his company—was lost, he dropped the whole thing. That is what I know of Mr. Pielsticker; the details I do not know.

146. The English Courts have decided in favour of the Cassel Company?—No; they certainly have not. The Cassel Company lost their first patent.

147. *Mr. McGowan*.] You claim that you use a very dilute solution of cyanide in the extraction of your gold, and that that is not affected by the patent of the Cassel Company. Could you give the Committee any reason why the Cassel Company has not taken steps against you for using the cyanide?—We have not used it here yet, as we have not opened up any quartz claims, but we use it in Australia and other places.

148. *Mr. Guinness*.] You said that Pielsticker did not contest this question after he lost the right with regard to the cyanide.—No, he did not.