in any scheme of inscription of stock within two years from date. Without this sale, in London, even at ninety-five, would, Murray says, be impossible. Think best chance is with Government Assurance. Waiting your reply, with authorities under seal and minimum price. On receipt these, and Vogel's reply, propose return to Wellington to pursue negotiations on definite basis. If transaction includes Duntroon debentures as well, shall probably secure better price than you could get separately. Address as before. W. J. STEWARD.

Then, in reply to my telegram stating that I had seen the bank on the subject, Mr. Frank Slee replies,—

Mr. W. J. Steward, Auckland. Waimate, 7th October, 1885.

MUST have misapprehended our wishes. We could have negotiated through our own bankers. Before doing so, desired to learn whether you had tried Government Insurance. FRANK SLEE.

Then he wired again on the 7th, referring to a letter to be sent to me,—

W. J. Steward, Auckland. Waimate, 7th October, 1885.

JUST received your letter. Make no "definite" offer to Government or any one else until you receive letter from me, FRANK SLEE.

Again he writes on the 12th,—

DEAR SIR,— Waimate, 12th October, 1885.

When you arrive in Wellington would not your best course be to find out what the Government Assurance Department will be prepared to do? and then when you come down here we shall be prepared to go intothe question. It would be of great importance to know for certain the date that could be relied upon for receiving the debentures.

I have, &c.,

W. J. Steward, Esq., M.H.R., Assembly Library, Wellington. FRANK SLEE.

Having arrived in Wellington about this date—I cannot give you the exact day—I think it was somewhere about the 13th of October—I waited on Sir Julius Vogel with reference to the matter of the inscription of the debentures, which this Committee will have seen that I had inquired about, my idea at the time being that I might sell to the Government Insurance, and they might arrange with the bank to send the debentures Home. I was anxious to facilitate the sale, if possible, by putting them on the most favourable footing, and it seemed to me to be only fair to give all the advantage of inscription, if possible. He informed me that the Government had some idea of exercising the power given by the Act to purchase the debentures themselves. He said he had heard that I represented more than one company. and asked me if that was the case. I said, Yes, I represented one company, and that I might possibly represent another. He then said, "If the Government make an offer, I presume I am to send it to you." I said, "Yes; and I will give you a reply." I now come to the matter which brings in the Rotorua debentures. While I was in Auckland I met a very old political and personal friend, and while we were smoking our pipes and talking over various matters I mentioned the business which brought me to Auckland—namely, the negotiation of the Waimate Railway debentures. He then said to me, "Why do you not extend your operations? why should you not endeavour to sell ours for us?" By that I understood that he was a shareholder in the Rotorua Company, and I believe, though I am not sure, that he is a director.

7. Would you tell his name?—I do not know that I should mention his name. I have no objection to do so if the Committee wishes it. But I consider that a great deal of this is a part of my private business, and I do not know whether the name of this gentleman should be brought in.

8. *Mr. Garrick.*] Is he at present a member of this House?—No, and has not been for years. I said that I had taken this matter up at the request of the Waimate Company; that the Duntroon and Hakateramea Company had applied to me on a former occasion, but the negotiation had fallen through. It occurred to me that, as the Waimate Company had only £33,000 odd, I might just as well ask the Rotorua Company if they would put theirs in also. I then communicated, by telegrams which I will produce, with the Rotorua Company. I have already arrived at the point of speaking to Sir Julius Vogel about the inscription of stock. At that interview he asked me about the price. I gathered from him that there was no definite offer made, but that the utmost the Government would give would be something like 95, including all the interest that would accrue. I wired to Slee the result of my interview with Sir Julius Vogel,—

Mr. F. Slee, Secretary Railway Company, Waimate, Canterbury. Wellington, 14th October, 1885.

LONG interview Vogel. Can sell to Government for ninety-five immediate cash. Will see if can get more from Insurance Association. Prompt decision necessary, as Vogel leaves for South Saturday morning. Do not think you can do better, as find debentures not allowed to be sent out of colony till 1887: must be presented, with coupons attached, in colony until then, when half-yearly interest claimed. If directors propose to accept, send me promptly two separate telegrams—firstly, one authorizing me act as your agent for sale at or above a price to be stated in accompanying telegram; and, secondly, separate message stating minimum referred to in No. 1.

W. J. STEWARD.

Then Slee telegraphs on the 15th October,—

W. J. Steward, M.H.R., Assembly Library, Wellington. Waimate, 15th October, 1885.

PRICE too low. If Government or Insurance will give ninety-seven without interest due 30th September last, will instruct manager Union Bank, Wellington, to hand over debentures. FRANK SLEE,

Secretary Waimate Railway Company.

I telegraphed in reply, also on the 15th October,—

Mr. F. Slee, Waimate, Canterbury. Wellington, 15th October, 1885.

Do you mean ninety-seven, purchaser to receive interest due September thirtieth, or Company to receive ninety-seven and accrued interest as well? If latter, sale impossible either here or at Home. Reply.

I then wrote to Sir Julius Vogel in consequence of that conversation, and made him a definite offer of these debentures.

9. We have not had the reply yet you said you required?—The reply is here. It is dated the 16th October.

W. J. Steward, M.H.R., Assembly Library, Wellington. Waimate, 16th October, 1885.

COMPANY wants 97 and interest due 30th September. What are the best terms you can obtain?

FRANK SLEE.

I replied as follows:—

Mr. F. Slee, Waimate. Wellington, 17th October, 1885.

GOVERNMENT, 95 including accrued interest, or 97 on or about the 31st May, 1887. Expect reply Insurance Department Monday or Wednesday. W. J. STEWARD.

I wrote on the 15th to Sir Julius Vogel,—

SIR,— Wellington, 15th October, 1885.

Having been instructed by the Waimate Railway Company (Limited) to negotiate the sale of the debentures (for £33,913) payable to them under "The District Railways Purchasing Act, 1885," I have the honour to inquire