

occasion of the previous negotiations for the sale of the company's debentures, I stated that my charge would be $1\frac{1}{4}$ per cent., and considered the present transaction as on the same basis; but, in order that the two parties might come together, I offered to forego $\frac{1}{2}$ per cent. On the 18th October I telegraphed to Sir Julius Vogel as follows:—

Hon. Sir Julius Vogel.

Wellington, 18th October, 1885.

WAIMATE Rotorua Railway debentures. As amount interest accrued will by that date be increased by ten shillings, suggest that, on lines your proposal, you give ninety-five ten, payable end November. Say if will do this. You state would take part Rotoruas. Kindly say to what amount.

W. J. STEWARD.

Sir Julius Vogel wired to me on the 19th,—

Major Steward, Wellington.

Christchurch, 19th October, 1885.

In reply to your telegram, I will be content with six months' accrued interest. I will take fifty thousand Rotorua—possibly more.

JULIUS VOGEL.

On the same date I telegraphed to Slee in terms above given. Then the reply came that the company would accept Sir Julius Vogel's offer—

W. J. Steward, M.H.R., Assembly Rooms, Wellington.

Waimate, 20th October, 1885.

COMPANY will accept Vogel's as per telegram yesterday.

FRANK SLEE.

I then wired to Mr. Studholme, chairman of the company,—

Michael Studholme, Esq., Waimate.

Wellington, 19th October, 1885.

HAVE wired Slee final offer debentures. Strongly recommend acceptance. Await reply till to-morrow. Propose sail South Wednesday.

W. J. STEWARD.

Also to Sir Julius Vogel the same date,—

Hon. Sir Julius Vogel, Christchurch.

Wellington, 19th October.

TELEGRAM received. Have accordingly advised Waimate and Rotorua that can sell former and fifty thousand latter at ninety-five, including interest to thirtieth September, vendors to receive balance interest accruing to date payment. Have strongly recommended acceptance this offer, and given till five to-morrow for final reply order allow meeting directors. Will communicate result. Have as yet received no authority to act for Duntroons.

W. J. STEWARD.

I should say that telegrams were crossing each other. On the receipt of authority to do so I wired to Sir Julius Vogel, as agent for the Waimate Railway Company, accepting his offer,—

Hon. Sir Julius Vogel, Christchurch.

Wellington, 20th October, 1885.

As agent for Waimate Railway Company (Limited), I hereby, on their behalf, accept your offer of ninety-five per hundred pounds for thirty-three thousand nine hundred thirteen pounds debentures under District Railways Purchasing Act, including interest accrued to thirtieth September. Advise when payment will be made.

W. J. STEWARD.

Then came a telegram from the Waimate people withdrawing their consent to sell. Then a telegram withdrawing that again. Eventually the matter was finally concluded. This ends the matter so far as the Waimate Railway was concerned. I was not instructed afterwards to withdraw it. There is a further telegram, in which I inform them that I had just completed sale of Rotorua debentures—

Mr. F. Slee, Waimate.

Wellington, 21st October, 1885.

HAVE just completed sale of Rotoruas, one hundred fifty-six thousand, at same price as yours.

W. J. STEWARD.

The Insurance Association submitted an offer, but I declined it, stating that I could do better elsewhere. Then I wrote on the 4th November to Sir Julius Vogel,—

DEAR SIR,—

Waimate, South Canterbury, 4th November, 1885.

Referring to article 14 of the Waimate Railway agreement, I am desired by the company to inquire on what date it is proposed to hand over the debentures to the company. The company is ready to execute the documents referred to in the section cited, but these have not yet been presented by the Minister. I am to ask that the Minister (of Public Works) may be moved to forward said documents as promptly as possible, in order that the payment to the company of the agreed price may be made without any unavoidable delay. On this being done the debentures can be delivered to the Wellington Agency of the Union Bank, which will be instructed to re-deliver the debentures to you on payment of the sum already agreed upon.

Hon. Sir J. Vogel.

I have, &c.,

W. J. STEWARD.

Then comes a letter from Mr. C. Y. O'Connor.

SIR,—

Public Works Department, Wellington, 11th November, 1885.

Re purchase of Waimate Railway by Government: In reply to your letter of the 4th instant, urging that the necessary papers which the Waimate Railway Company will have to sign may be sent to them, so that the transfer of this railway to the Government may be effected as soon as possible, I am directed by the Minister for Public Works to inform you that, with the view of bringing the matter to a speedy conclusion, Mr. Joynt (the Government solicitor at Christchurch) was requested on the 5th instant to prepare the necessary contract and conveyances, and to get them executed by the company. Mr. Joynt has been put in possession of all the information which we have got on the subject and has full powers to act for the Government; so that it is hoped the purchase will be fully completed at an early date. The Land Registry Office for the district in which the railway is situated being in Christchurch, it was considered that Mr. Joynt could deal with the matter more rapidly than the Law Officers in Wellington.

I have, &c.,

C. Y. O'CONNOR,

Under-Secretary for Public Works.

Major Steward, M.H.R., Waimate.

Next is the matter of the Rotorua debentures. On the 15th of October, while this correspondence was going on with respect to the Waimate debentures, I communicated with Auckland, in consequence of the suggestion which had been made to me. I first telegraphed to Mr. Batger, the Secretary of the Rotorua Railway Company.

—Batger, Esq., Secretary, Rotorua Railway Company, Auckland.

Wellington, 15th October, 1885.

Re District Railways Purchase Act. Am here negotiating for sale of debentures payable to Waimate and Duntroon-Hakateramea Companies. Think could place the £115,000 odd payable to your company if authorized to do so. Could obtain 95, purchaser to receive interest accrued. If willing accept this, wire me immediately. My commission half per cent.

W. J. STEWARD.

14. Mr. Pearson.] What date was that?—On the 15th October.

15. What was the amount?—£115,000; and there was a further sum, bringing it up to £156,000. Not knowing Mr. Batger, I wired to Mr. Peacock, whom I believed to be a director, and also to Mr. Comiskey, who was chairman of the directors, in the same terms,—

P. Comiskey, Esq., Auckland.

Wellington, 15th October, 1885.

HAVE just wired important telegram, re debentures payable to Rotorua Company, to Batger, secretary. Reply promptly.

W. J. STEWARD.

T. Peacock, Esq., M.H.R., Shortland Street, Auckland.

Wellington, 15th October, 1885.

SENT important message re debentures to-day to Batger, secretary Thames-Rotorua Railway Company. Important get reply to-morrow (Friday).

W. J. STEWARD,