with your own views as to the price which should be obtained for the debentures. Of course you will see that small parcels of 4-per-cents sold separately in London would fail to realize as much as ordinary colonial 4-per-cents, and the latter are, I see, only bare par. And, again, that sale in London means advertising expenses and exchange in remittance of proceeds, besides loss of at least six months. Hence probably £95 immediate cash in the colony would be about equal to par six months hence in London. Kindly reply immediately to above address, and oblige,

Yours very truly,
Hon. R. Campbell. W. J. STEWARD.

Major Steward, Wellington. Christchurch, 17th October, 1885.
LET me know by early Monday if you are acting for Duntroon Railway. JULIUS VOGEL.

Hon. Sir J. Vogel, Christchurch. Wellington, 19th October, 1885.
BRODERICK, liquidator, wires, "Duntroon debentures not for sale." W. J. STEWARD.

SATURDAY, 12TH JUNE, 1886.

Sir JULIUS VOGEL, K.C.M.G. (Colonial Treasurer), examined.

79. *The Chairman.*] I told you yesterday, Sir Julius, that this Committee was investigating certain statements that had been made regarding Mr. Steward, the member for Waimate, in connection with the District Railways Purchasing Act. The Committee wish that you would give them any information you may possess regarding the purchase by the Government, through Mr. Steward, of the debentures of certain district railways?—Do you wish me to answer questions or to make a statement.

80. I think it would be better if you should make a statement. You said that you would bring with you the papers bearing on the case?—I told them to send up the papers. I do not know whether these are they. They are. On the 15th of October I received this letter:—

SIR,— Glenbervie Terrace, 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 whether, in accordance with the powers conferred by said Act, it is contemplated by the Government to redeem the debentures issuable to the said company, and, if so, what offer the Government is disposed to make. I may point out that 2 per cent. interest has accrued to the 30th September last, and that, assuming, as I do, that on and after the 31st March, 1887, when the interest will be payable in London, the debentures will command a par value, it is apparent that the interest accruing to that date (ten years at 4 per cent.) will equal over 5 per cent. per annum on present purchase at par. I have received from the company full authority to sell at or above a stated minimum, and shall therefore be glad to learn whether the Government is disposed to purchase, and, if so, at what price.

I have, &c.,
Hon. Sir J. Vogel, K.C.M.G. W. J. STEWARD.

P.S.—I may add that it is not improbable that I may have a similar communication to make to-morrow (Friday) on behalf of the liquidator for the Duntroon-Hakateramea Company, and on behalf of the Thames-Rotorua Company. —W. J. S.

A reply seems to have been made to that letter on the 16th. [Same as letter in Question No. of Major Steward's evidence.] Then I find this memorandum by me to Mr. Gavin before I left for Christchurch, dated the 20th of October:—

THE district railway debentures purchases stand thus: Major Steward, acting for Waimate Company and for Rotorua Company, has told me he was authorized to negotiate sale for the companies of their debentures. I have offered to take the Waimate debentures and £50,000 of the Rotorua debentures at £95, which price is to include two per cent. of accrued interest. He has not yet returned a reply, but has to do so by to-morrow. He informs me the liquidator does not want to sell the Duntroon debentures. JULIUS VOGEL.

I was thinking of going to Christchurch. The facts, generally, were these: I had it in my mind to try and get hold of these debentures, because it would be undesirable that four or five different companies should be offering debentures in London or here at the same time. The Act gave the power of buying to the Government. As we had spare funds, I brought it before my colleagues as soon as the session was over, to try and buy them at 93 or 95, with 2 per cent. interest accrued. I was about to write, making an offer, when Mr. Steward came and said he was authorized to act for the Waimate Company. It was much easier to negotiate verbally; so I arranged with him.

81. Have you anything further to say?—No, excepting that I was satisfied Major Steward was not acting without authority. I shall be happy to answer any questions you like to put to me.

82. *Mr. Barron.*] I understand you to say that you had it always in your mind to purchase these district railway debentures; that soon after the session you mentioned it to your colleagues, with a view to communicating with the several companies; then I understood you to say that Mr. Steward came to you and told you that he was in a position to negotiate?—Mr. Steward informed me that he was authorized to sell for the Waimate Company, and that he thought he would be able to act for the Rotorua Company also. I told him the price—93, with 2 per cent. interest accrued. (See letters above quoted.)

83. Had you any intimation that he was in a position to negotiate previously to that time—that is, before the end of the session?—No, certainly not; the first I heard of it was after the session. After the session Mr. Steward told me he had written to the Insurance Association. I do not know exactly what I said; but it was in my mind that the debentures might be purchased for the Government. I brought the subject before the Government, and they considered it would be a fine thing to get the debentures at 7 per cent. discount. I drafted a letter to be sent to the various companies; but when Mr. Steward communicated again I thought it better to purchase personally than by correspondence.

84. *Mr. Fulton.*] Do I understand you that your first communication with Mr. Steward was with reference to the Insurance Association taking these bonds?—I think so; but I entered into no negotiation. I always refuse, without authority, to negotiate anything for the Insurance Association—the Board is so extremely jealous.

85. Was it when he was speaking of trying to negotiate with the Insurance Association that you said you might take them for the Government?—Probably so. It certainly was in my mind to