

131. *Mr. Fulton.*] But why should any claim be made on you for a subscription?—[*Mr. Ormond*: He is a ratepayer.]—But this is for commission upon the sale of debentures. Why should such a claim be made upon you?—They thought, perhaps, it was a fair chance of getting some money out of me. I am easy-going.

132. But the commission was to be paid out of the sale of debentures. Why, then, should there be a claim made upon you?—I did not think anything about it. I knew nothing about it.

133. Commission was to be paid on the sale of the debentures. Presumably, that would come out of the money received. Then, why should there be a claim made against you?—I do not know.

134. Could it be for the sale of the debentures?—I imagine so.

135. When commission was going to be paid out of the sale?—It seems plain as you put it; but I have not thought of it.

136. *Mr. Bruce.*] You are a ratepayer?—Yes.

137. And as a ratepayer you would be relieved by the sale of these debentures?—That may have been probably the reason.

138. No doubt this relief would be deemed sufficient for them to ask you for a contribution?—Probably.

139. *Mr. Garrick.*] You used in the first instance the word “reward.” In one part of your evidence you refer to the “claim;” but I think you said a “reward to Mr. Steward”?—I am not a lawyer, and therefore do not make any nice difference between words, if I used the word in that sense.

140. You ought to have said that before, for the distinction is important?—The words in the letter were “Steward claimed.” I am glad you have given me the opportunity of explaining this matter. I was using the word merely as a general expression, without attaching any meaning to it such as you do now.

*Mr. Steward*: I may state that Mr. Douglas has forwarded to me a press-copy of the letter which he sent to Mr. Buckland. I have it in my pocket. If it cannot be produced I will produce it myself.

*Mr. Ormond*: I dare say Mr. Douglas will agree to give us the date of the letter.

*Mr. Steward*: I will withdraw now while the Committee are deliberating.

*Telegram sent by Chairman of Purchase of District Railways Committee.*

Wellington, 12th June, 1886.—G. S. Brodrick, Esq., Dunedin.—Please forward by first mail copies of all letters, telegrams, and memoranda that you may have received from Mr. W. J. Steward, M.H.R., and your replies thereto, on the subject of purchase of debentures of Duntroon and Hakateramea Railway Company. Kindly see that dates are correctly given. Parliamentary Committee has requested me, as Chairman, to obtain this information.—JAMES W. THOMSON.

*Correspondence forwarded to Chairman of Purchase of District Railways Committee by Liquidator of Duntroon-Hakateramea Railway.*

DEAR SIR,—

Your telegram to hand. I now forward, as requested, letters and telegrams received from W. J. Steward, M.H.R., re purchase of Government 4-per-cent. debentures (amount £61,100), and copies of my telegrams in reply.

J. W. Thomson, Esq., M.H.R., Wellington.

Dunedin, 14th June, 1886.

Yours faithfully,

GEORGE S. BRODRICK.

*Enclosures.*

House of Representatives, Thursday, 2nd June, 1886.—*Mr. J. W. Thomson* moved, That a Committee be appointed to inquire into and report whether any member of the Legislature negotiated for, or claimed, or received, any commission or other remuneration for promoting the passing of “The District Railways Purchasing Act, 1885,” or for negotiating the sale or purchase of the debentures issued or to be issued thereunder by the Government; such Committee to have power to call for persons and papers; five to form a quorum; to report in three weeks: the Committee to consist of *Mr. Barron, Mr. Bruce, Mr. Cadman, Mr. Duncan, Mr. Fulton, Mr. Garrick, Mr. McMillan, Mr. Ormond, Mr. Pearson, and the mover.*

SIR,—

Oakroyd, Mount Eden Road, Auckland, 28th September, 1885.

The agreement between the Government and yourself for the purchase by the Crown of the above railway having been validated by the passing of “The District Railways Purchasing Act,” it remains only, I presume, to obtain an order from the Supreme Court under article 3 of said agreement, to enable effect to be given to same. Thereupon, as I read the agreement, payment will be made to you of the agreed price—viz., £61,000 in 4-per-cent. debentures. As I anticipate that, in order to enable you to wind up the whole matter as speedily as possible, it will be your desire to convert the debentures into cash without loss of time, I write to say that I think I can be of some assistance in that direction. About two years ago (prior to the proposal for the purchase of the lines by the Government) the negotiating of the sale of £70,000 debentures of the Duntroon-Hakateramea Company, and of £40,000 of the Waimate Company (7-per-cents) was placed in my hands, and I should have succeeded in disposing of them at or above the limit fixed but for the hitch that arose through the Government guarantee of a part of the interest being limited to a term of years, and that term not even being concurrent with the currency of the debentures. The conditions are now greatly altered, the debentures now to be issued being colonial bonds, bearing 4 instead of 7 per cent. interest. If sold in the colony, a discount would obviously have to be submitted to; and even if sold in London, in the small parcels which the purchase-prices of the lines respectively represent, I question whether more than 97 or 98 could be looked for. As sale in London would also involve a delay of at least six months, if, say, 95 could be immediately obtained here, that would be a better financial result than 97 or even 98 in London six months hence; as, besides loss of interest, there are considerable expenses in the way of advertising, exchange, &c., to be taken into account. Accordingly, the Waimate Company, immediately on receipt of the news of the passing of the Act, wrote to me asking me again to take up the matter of the sale of the debentures (£33,913) which are payable to that company; and I have already entered upon the necessary negotiations, and hope shortly to be able to lay an offer before my clients for their acceptance. I have reason to think that I could also obtain an offer for the Duntroon-Hakateramea debentures, and write to know whether you will authorize me to enter into negotiations to that end; as in that case I can make, most likely, one transaction of the matter. If so, please state (privately) what figures you would be disposed to accept. A reply by wire would be expedient.

G. S. Brodrick, Esq.,

Yours very obediently,

W. J. STEWARD.

Official Liquidator Duntroon-Hakateramea Railway Company.