

540. Have you any reason to change that opinion?—There has been a slight falling-off of the revenue, which takes place during the winter months; but then the balance of the financial year would not be up till the end of February. We may do enough to enable us to pay the whole of our interest or we may not, according to circumstances.

541. You offered to sell the railway to the Government in the year 1885, did you not, and also to sell back to the Government the land?—Yes.

542. Did you estimate this amount in the sum total—this £29,000—in making your offer to the Government?—Well, the price that was named to the Government was based solely upon our assets.

543. If the Government were prepared to find payment for the portion of the line then completed, and finish the railway, and take back the allocated and other lands at a price made for payment. There was no reference to this claim?—No; there could be no reference to that. It was a matter of bargain between the company and the Government at the time. Our claim was preferred in all negotiations, I believe, by Mr. Nathan; but the Government offered a particular sum—namely, the value of our allocated land, and the cost price of our purchased land.

544. And after the Government had concluded the negotiations—in fact, they were concluded—did you withdraw from them? If the land had been purchased you would have got no value for this land?—No; we would only have received the money for the land allocated.

545. You offered to sell back to the Government the land you had acquired from them—the definite quantity you had received—at the price of the valuation?—Yes.

546. Then, if the Government had concluded that bargain, you would have received nothing for this claim of £29,000?—Well, what we would have received for our allocated lands would be the sum equal to the value of them. I do not know what the chairman did, but he showed that we had a claim for £29,000 then, and in the negotiations that may have been left aside. Ultimately the Government were prepared to offer a sum equal to the value of the allocated land and to the cost of our purchased land, and to find enough money to finish the railway.

547. And you have no recollection if this was raised?—No; I was not present.

548. And you did not hear?—As a matter of fact, I gave him all our valuations, and this was amongst them; and, further, large concessions the Government had made to us on account of the work done by the previous Government before we started the railway; and the railway material. We showed that we were giving them all up.

549. Have you any copy of the negotiations—any statement of the value of the land at that time?—Yes; I think so. But, as a matter of fact, it was simply the schedule of our allocated lands as it now appears in the contract. It was put before you. We had not parted with any of the land, except, perhaps, a thousand acres or so.

550. Was not there a written statement as to what land the Government would have to take over?—Yes.

551. Can you produce it; the Committee might desire to see it?—I think so.

552. Now, with regard to the prospectus you have said that Sir Julius Vogel is entirely responsible for, and that you were not certain that the London Board was formed at the time?—Yes.

553. But you have a London Board on it here?—But the prospectus was compiled before this.

554. The prospectus was compiled with the names of the Board on it though, and the moment it was issued the London Board was responsible for it and indorsed it. The Board here as well—did they never see it?—After it was issued.

555. They saw it before it was issued, did they not?—No, as a matter of fact it was issued in the London market before we had copies of it.

556. You say that Sir Julius Vogel appointed valuers?—Yes.

557. Sir Julius Vogel was in London at the time?—No; he was here. That was before he went Home.

558. Did he appoint valuers?—He did.

559. Who paid them?—The company found Sir Julius Vogel's commission, and the agreement was that the expenses of valuers should be found, £100.

560. From what source?—By the company.

561. Then the company really paid the valuers?—Yes, through Sir Julius Vogel; but we did not arrange with them as to what sum they should receive. We were to pay for an independent valuation.

562. It would appear that the investors in London thought the company would be responsible for the valuation. They did not know Vogel in it?—I understood so—that he was understood to be responsible. Sir Julius Vogel arranged with a financial company to put the loan in the market, and the preliminaries were arranged by Messrs. Hamilton, Kennear, and Beatson, of Edinburgh, to do it, and it was part of the arrangement that the prospectus should be issued in that form.

563. What did the valuers receive?—£100 or £110.

564. Did they go over the land?—Yes; they went over the land.

565. After the company saw the valuation that they had made, did the company come to the conclusion that it was a fair valuation?—It was a fair valuation when the railway was completed. It was understood that the valuation was a prospective one.

566. You have said that the members of the Government with whom the contract was made were always in favour of the contract, but said this did not apply to Mr. Bryce. Was he a member of the Government?—He was a member of the Cabinet, and he was reminded that he was a member of the Cabinet that had agreed to the contract.

567. Did he express any dissent from the contract?—No.

568. Did Mr. Rolleston?—No.

569. Did he say the company had got enough land?—No; he was always present at all the