

pay this bond, Mr. Howorth had nothing, and Mr. Alves had nothing either, after a while, because they both lost their money in this railway. The Railway Company lost a great deal of money—they must not have lost less than £30,000—and Mr. Logan gave security over his private property to this mortgage association to secure this £5,000. The company practically came to grief, and the line was lying without anything being done to it; and, seeing that Mr. John Logan had £5,000 liability on it, the question was, "What was to be done with the railway and mine?" The company was not going to work it further, and it was agreed that I should buy out the interest of the mortgage association in the concern. That took a lot of negotiation, and when it was ultimately settled I was not in Dunedin. The company wanted to give up its right over the property for £500, and my firm advanced that sum, and got the mortgage from Mr. Logan. The company assigned, ultimately, to Mr. Logan the whole affair for £483 16s. 6d., and that was practically the money I had advanced to Mr. Logan, which went in that direction. [Assignment produced.] I may say that Mr. J. Logan entered into an agreement in 1886 with Mr. Eaton and Mr. A. H. Logan to work the mine. Mr. Eaton afterwards retired from it, and did not longer work the mine. The fact was the mine never has paid, and never will pay. It has only lost money to everyone who has touched it. As far as I was concerned, after my money was secured, I was willing to sell my interest to Mr. A. H. Logan. Mr. Logan began to work it, and he had, I think, a Mr. Shaw as manager, and, latterly, Mr. Gray. He worked it down to the time of its being flooded by the breaking-away of the Dunedin Water-race, which utterly ruined the mine. It filled the mine with water, and ruined the whole concern. He consulted us as solicitors, and we also saw expert witnesses, and they were all clearly of opinion that there was a good case against the Corporation; and that it had been their fault that the occurrence had happened. A lawsuit was instituted in the Supreme Court at Dunedin, and Judge Williams held that there was not sufficient evidence to show that the cracks which caused the water to flood the mine were caused by the race, and they might have been made by the mining. On this account, Mr. Logan accordingly lost his suit. Mr. David Andrew, jun., through a little bit of whose land the race went, came upon the Corporation for damages for the race passing through it. He was awarded £900 as damages for the race passing through his land. I appeared in the case in the Court; and it was perfectly clear that he would never have got a cent but for the existence of the railway, for otherwise the coal was valueless, and he got the damages for injury to the coal. I may also say, of my own knowledge, that land similar to this was sold at from £4 to £5 per acre, and that this land was practically valueless for any purpose except for grazing. It was no use whatever for agriculture or residence. So far as the coal was concerned, it was of no value unless there was some railway to carry it away. The position was this: so far as the railway and coal-mine was concerned, I had no objection to any one getting it so long as my money was paid. I saw now that this coal-mine and railway were not worth, after Mr. Logan's suit was lost, more than the money lent on them. There was other money due in addition to that due to me. An arrangement was suggested to me that Mr. Toomey should take over the mine and railway and be responsible to me, and that the mine was to be worked by Mr. Toomey and Mr. Logan. When I came back from somewhere—Invercargill, I think—I had a document presented to me to sign with Gray's name in instead of Toomey's, and at first I objected to sign it. So far as I recollect, I never saw Mr. Gray on the matter. I do not mean to say that I did not see him; but he said that I told him he was to take this as security for his wages. I never said any such thing to him. The terms on which I was willing to give up the thing are in the agreement. [Agreement here read.] It was understood that when Mr. A. H. Logan got through the Bankruptcy Court he was to have the management of the mine; and he was, if he could, to pay me something for or towards the money I had advanced. He obtained work in this way for the men who were otherwise thrown out of employment. It was never understood that Mr. Gray was to pay me in money. I was not aware until lately—of course I never had the agreement in my possession—that the railway was not included in this agreement. At the time I would have included the railway in the agreement had I been asked; but I was not asked, and I did not peruse the agreement. It was handed to me for my signature, and prepared by Mr. D. D. Macdonald. Well, they went on working the railway, and, instead of the concern paying, it went to the bad yearly. I advanced considerable sums of money to help it. Altogether, besides the money given on mortgage, I had advanced to help them more than £1,000. Instead of my getting money out of it, it is that much to the bad with me. This thing went on for a little over two years—till 1891—when they required more money, and I declined to give any. I wished the thing to be put on a different footing. I declined to make any more advances. Then Mr. Gray said he would give it over if his wages were paid. I said I would not undertake to pay his wages. A lot of negotiations took place, through Mr. Fraser. I wished Mr. D. Andrew to take it over; and, ultimately, I found a Mr. Allen, of Port Chalmers, who was prepared to take up the lease, and he agreed to do this. He agreed to keep Mr. Gray and Mr. Hamill on as employes, and he also agreed, if the thing could pay—and he could work it in with his brick-making and other businesses—he was to repay Mr. Gray and Mr. Hamill the wages that were overdue to them, on condition that I would only charge £75 a year for the use of the railway. He agreed to that, and an agreement was all but come to. Mr. Haggitt acted in the matter for the owner, and he advised Mr. Andrew to sign. Mr. Andrew then made a condition, that I should get Mr. Gray to surrender the coal-lease. I declined, and then the thing stuck. I was not aware until lately that Mr. Gray and Mr. Andrew had some understanding. Mr. Gray kept possession of the mine, and since then has worked it. He now claims that he is entitled to keep possession, and has kept possession of some £400 or £500 worth of plant, and which he now has possession of. I never was interested in the mine, in carrying it on at all; I never undertook to pay Mr. Gray and Mr. Hamill their wages, nor was I ever indebted to them. If Mr. Allen took over the mine, I would endeavour to get his wages paid for him, I told Mr. Hamill that. I would have been glad to help him as much as I could, but he has no right to claim them from me. I never agreed to pay Mr. Toomey the sum he