

writing as to the calculation of damages, which is sufficiently explicit to enable us to discuss it at some future time, whether it is right or wrong.

Hon. E. BLAKE : It has occurred to me that it would be more convenient to have some particulars as to the damages you claim under the different heads. It would help me a little if that could be furnished.

*Mr. Cooper* : We will endeavour to do so.

Hon. E. BLAKE : The principle upon which some of these calculations have been made have not been attempted to be explained as yet. I think we ought to have a little more detail, I do not mean more minute detail, but I think some slight statement just for information, either orally or by letter, upon the principle upon which some of these were claimed, would be satisfactory.

*Mr. Gully* : All I desire to say as to that is this : that it would be advisable that my friend should distinguish between general damages accruing from the breach of contract—I mean the lump sum representing the whole of the damages alleged to have arisen for the breach of the contract, and the loss alleged to have accrued from particular breaches or obstructions by the Crown. As far as I can understand the particulars at present they do seem to overlap. They claim a sum representing general damages for breach, and they also claim for particular losses from the way in which the company's rights have been dealt with. Of course, we shall have to discuss the question of the principle upon which damages are to be assessed.

Hon. E. BLAKE : It would be for the convenience of all parties that some short statement should be made on that subject, simply to indicate what your argument is going to be, because the evidence may be applied to it to some extent. Take, for instance, the principle upon which you claim £20,000 for injury on account of timber taken.

*Mr. Cooper* : We can apply the principle of so much per 100ft.

Hon. E. BLAKE : Then, it is upon the principle that you claim that the company has actually lost every foot of timber that has been taken?

*Mr. Cooper* : In some instances.

*Mr. Gully* : It has been suggested that we should put in particulars of our answer to the claim. That I propose to do after these further particulars have been handed to us.

Hon. E. BLAKE : I wish to take the course which the Arbitrators took in the first instance. They asked for a statement of claim from the company, and a counter-statement from the Crown; and I am simply asking you to do for the second reference what you thought reasonable for the first.

*Mr. Gully* : Do you mean the second reference as to the seizure?

Hon. E. BLAKE : Yes.

*Mr. Gully* : We have already given our answer to that.

Hon. E. BLAKE : You mixed the two up.

*Mr. Gully* : Yes; we pleaded as it were to both, assuming that both references would go on together. I understood you were referring perhaps to those additional matters which were included yesterday.

Hon. E. BLAKE : It would, of course, be premature to say anything with reference to the seizure pending discussions that are to take place. If there is anything to complain of, on Monday you should complain promptly, and I will make an order if necessary.

1. *Mr. Stringer*. I take it, Mr. Scott, there is no doubt that the failure of the company to carry out its contract resulted from inability to finance?—I am only speaking on that subject from public knowledge, but I should say so. I cannot speak from any private knowledge of my own, because it is not within my knowledge that they did fail, officially.

2. But you know, as a matter of fact, that they could not raise the money, and therefore they could not proceed with the works?—I am told so—yes.

3. I think the company was admittedly weak in finance from its very origin?—No; I should say, not at the commencement.

4. Will you tell us, then, when it first became weak in finance?—I should say that in the first commencement the company applied for the issue of £250,000 worth of share capital, and got it. Secondly, they issued £745,000 of debentures as soon as they could. They got that in very difficult times. Since then they have been unable to get any more, I am informed.

5. You, I suppose, know that in the early part of 1891, when the company desired to raise further money, it was impossible for the company to do so?—Yes, I think I know that myself.

6. As a matter of fact, you had great difficulty in the first instance in floating the company at all?—Yes; not this company, but a company.

7. And you were some eighteen months, I think, in London endeavouring to do so?—Something like that. It was not quite so long as that. I was about eighteen months away from the colony altogether.

8. I think the difficulty arose from the doubt as to the value of your concessions from the colony?—Yes; a good deal that, and a good deal from the inchoate state of the whole scheme in the beginning, and from other reasons connected with the general financial position of the colony at the time.

9. But that was the main factor—the doubt as to the value of the land-grant?—I never was told so myself. In fact, that was the smaller difficulty, I should say, of the whole.

10. When you went Home I suppose you took a lot of material from the colony in order to let possible promoters see what you were working upon?—Yes; in the shape of reports of Government officers of one kind or another.

11. I think there was a considerable amount of discrepancy in those reports as to the value of the land which was conceded to the company?—I have not seen those reports for over over twelve years, and I hardly like to speak confidently about them now. I can only answer your question by saying that my colleagues and myself, after carefully digesting those reports, wrote down exactly what they all amounted to without contradiction, and on that alone we went.