43. There is something else besides that. Are you satisfied with that?—Certainly not.

44. You had better give your reasons why?—Inasmuch as the company has contributed about a third of the whole capital upon this railway, I think a fair thing would be to rank them in that ratio with the debenture-holders for dividend purposes.

45. Are the Committee to understand that while you are satisfied that £192,000 is a fair selling-value of the railway, you differ from the Commission as regards the division?—Yes.

46. You think it ought to be a third which should go to the shareholders. There is £126,000 to be distributed, and you think two-thirds should go to the debenture-holders—that is, £84,000 to the debenture-holders, and £42,000 to the shareholders?—That is rather more than I contemplated. I should say £100,000 to the debenture-holders, and £26,000 to the shareholders.

47. The only further question is in regard to that which was put to Mr. Coates as to his power with respect to binding the debenture-holders. Is there any doubt as to your being able to bind the shareholders?—No; I have the fullest power by power of attorney, to which the memorandum and articles of association are attached. That gives me power to do everything that the company can do, except that which is required to be done by an extraordinary general meeting. So I have full power to give a complete discharge. I produced my power of attorney to the members of the Royal Commission.

48. *Hon. Sir J. G. Ward.*] I want to ask you whether, as representing the company, you can say whether, in the event of any payment by the colony, the shareholders who would receive anything would be the same shareholders who had suffered by the loss which had taken place?—I think the same answer can be given as was given by Mr. Coates in regard to the debenture-holders. We found that a large majority of the debenture-holders and of the shareholders are the original ones. Of course, there are cases in which transfers have taken place, but they are not numerous.

49. *Mr. Guinness.*] Is it a fact that the company owe money to residents in New Zealand?—They do owe some money in the way of salaries and tradesmen's accounts.

50. Are you prepared to give a guarantee, in case of any money being given by the colony, that you will pay these people in New Zealand out of that money?—It would be my first duty. We only owe a small amount of money to tradesmen, and I believe it would be the wish of the directors that we should not leave the House without paying these tradesmen's bills.

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