

36. If that statement is correct, and the chattels valued at £2,803 passed to the Crown, how can the company claim for them?—That is £2,803 out of £7,516. The items are shown, but what items are regarded as chattels I cannot say.

37. Now, I wish to come to another aspect of the case: I suppose you do not dispute the fact that the Government, in what they have done, have acted legally?—No, I do not dispute that.

38. You consider your claim is a moral and equitable one?—Yes. We wish to be treated exactly on the same lines as other companies have been treated—the Point Elizabeth and Moki-hinui Companies. As a matter of fact, the Government need not have paid the Point Elizabeth Company a cent, but the company received £21,000 and the promoter £1,500. As the promoter of the Westport-Cardiff Company I have not asked for a penny so far.

39. You claim, then, that the Government is treating your company differently from other companies, seeing that it made concessions to those companies?—Yes.

40. That is what you base your claim on?—Yes.

41. Do you found your claim on the fact that the Government took possession of this property, used the plant erected by your company, and have since made it a profitable business: do you claim on that?—That is involved in the general claim—they have the benefit of all our exertions.

42. Do you know, of your own knowledge, of the position of the Harbour Board in regard to this claim for revenue from the railway, or is it merely hearsay?—Oh, no! it is the law.

43. Has the Harbour Board pledged the receipts from that railway?—Yes, in a general way, they have pledged their revenue, undoubtedly.

44. Has the Harbour Board the power to reduce the rates charged on the railway without a breach of faith to those who have lent the money?—I believe they have not the power, but they have the power of recommendation to the Government, and if a reduction were made there would not necessarily be a breach of faith. I may say that this railway is the best-paying railway in the whole Dominion.

45. You say that the Harbour Board, with the consent of the Government, could reduce the rates on the line?—Yes.

46. *Hon. Mr. McGowan.*] You presented this petition, on whose behalf?—On behalf of the shareholders.

47. What position do you occupy now?—I am simply one of their number.

48. What authority have you for petitioning?—The authority of meetings of the shareholders held at Christchurch and Westport.

49. When were those meetings held?—In 1903.

50. Have there been any meetings since?—No.

51. Then, you are here on the authority granted in 1903?—No; with the general consent of the shareholders.

52. Do you know who the shareholders are?—Yes, I have a list of them.

53. But you can hardly bring up this same petition again on the strength of a meeting of shareholders held in 1903?—I respectfully submit that I have consulted two of the directors, and that I am here with the full knowledge of all the Westport shareholders.

54. Has not this petition been presented with the idea that, under favourable circumstances, you might get some relief?—Yes, we feel that we ought to get relief. Now, I want to put in evidence another portion of Mr. Stringer's letter appearing on page 9 of the statement. It says, "I have suggested to the liquidator that the Crown should be allowed to take over the chattels in settlement of the rent and deficiency owing; but he informs me that, while he has no wish to hamper the Government in any way, he considers that some effect should be given to the recommendation of the Railways Committee that the prayer of the company's petition to the House of Representatives should receive the favourable consideration of the Government, and he wishes me to say that if the Government forego their claim to the sum of £2,108 19s. 6d. due for deficiency, and send him a cheque for that amount, he will surrender to the Crown any interest the company may have in any of the plant, materials, and chattels. Mr. Hargreaves is evidently under the impression that, if he consented to the setting-off of the chattels against the rent and deficiency, the company's position with reference to the petition might in some way be prejudiced. I accordingly offered to obtain for him an assurance that this would not be the case; but he preferred to have his proposal as above placed before you in the first instance. I, of course, told him that I could not recommend the adoption of his suggestion. If the Government decline to waive their claim to the deficiency, but are willing to take the chattels in satisfaction of their claim against the company, kindly wire me to that effect, and I will again communicate with Mr. Hargreaves, and, if possible, persuade him to settle at once on that basis." And, again, another paragraph in the same letter says, "The result is that, according to the liquidator's own list, there is a difference of only £10 in favour of the company between the amount due to the Crown for rent and deficiency and the value of the chattels. According to the list supplied by Mr. Tennent, there is a considerable balance in favour of the Crown."

55. You say that one reason why you think the Government should favourably consider the prayer of your petition is because the Cave area is doing better?—Yes.

56. How long is it since you became aware of that?—Within the last six months.

57. How long no later information than six months?—Some of my information is as recent as five weeks ago.

58. If you considered that you had a fair claim in equity and justice for £12,215 for which you petitioned before, why is it now reduced to £2,107?—It is not now reduced to that. The liquidator took up the position outlined in the previous petition.

59. What was the connection between the old Moki-hinui Company and the Westport-Cardiff Company?—There was no connection.