

take them for the Government. It was almost as bad if they got into the hands of the Insurance Association as if they remained with a number of companies. I wanted to get them into the hands of the Government.

86. Had you any knowledge that he was doing it as a matter of business, for commission?—I really do not know. I do not remember to have thought so at first; but afterwards, when I heard that he was getting commission I was not surprised at it. I cannot recollect that he told me anything of the kind; and I have not had a word of conversation with Mr. Steward on the subject of this Committee—not a single word.

87. *Mr. Bruce.*] I will put a question to you—let me explain that it is put with a view of eliciting information in reference to a rumour that was circulated pretty extensively: Had you any negotiation previously, directly or indirectly, with Mr. Steward in reference to the purchase of these debentures—that is, before the correspondence which he showed us yesterday in reference to it? Let me further explain that I put this question with a view, and for the purpose, of giving yourself and Mr. Steward an opportunity of contradicting that rumour?—I had no conversation or negotiation whatever, direct or indirect, with Major Steward before the end of the session on the subject. As I have not seen what correspondence Major Steward put in I cannot answer your question more specifically.

88. That was your first knowledge?—I believe that the first communication made to me by Major Steward was that he had written to the Insurance Association.

89. *Mr. Garrick.*] You said it did not surprise you that you received a communication from Mr. Steward as to his negotiating the purchase for a commission. Why did it not surprise you?—I do not quite understand the sentence; but Mr. Steward gave me the impression that he was taking trouble about it, and I understood that he was spending money and taking a great deal of trouble about it. He certainly gave me the impression that he was making a matter of business of it—the Rotorua sale.

90. When was it that he was spending money?—After the negotiations commenced—when he told me he had the Waimate debentures for sale. I did not, as far as I can remember, form any opinion about it until he was taking trouble about the sale of the Rotorua debentures.

91. Did it not surprise you afterwards when you learned that he had got a commission?—No. All I knew was that we obtained the debentures at our own price. Any commission Mr. Steward might receive did not affect us. Mr. Steward made the matter much easier to us than if we had had to correspond.

92. *Mr. Pearson.*] Does Sir Julius Vogel think that the Government could have purchased at a cheaper rate than purchasing through the intervention of a third party?—No. The question was whether we should make an offer direct to the company or negotiate with some one authorized to act for the company. I was going to send a letter to the company offering to purchase at 93: that was the price we gave. There was some intricate arrangement as to when we should take up the debentures. It made the matter more easy to negotiate with Mr. Steward. Here is a confirmation of what I have just been telling you. You see that this letter [produced] is drafted as addressed to the chairman of the Waimate Railway Company; then you see that address is altered so as to be written to Mr. Steward instead of the company. When Mr. Steward wrote to me I addressed the letter to him, "I have the honour to acknowledge the receipt of your letter informing me that you are authorized to negotiate the sale of the debentures which will come to the Waimate Company under the District Railways Purchasing Act."

93. *Mr. Barron.*] I would like to have this quite clear—when it was brought before you that Mr. Steward was in a position to negotiate—I do not specify any particular railway, but generally to negotiate for any of these railways. You have told us that the 16th October was the first time that it had been brought under your notice: what I want to make clear is this—whether it might have been brought under your notice before, although you had no record of it?—I cannot remember dates excepting by the records. I have already said that I think Major Steward told me before the 16th October that he had written to the Insurance Association, but that I am quite certain he did not speak to me before the end of the session. Here is the letter commenced to be written to the Waimate Company, but with the address altered so as to be sent to Mr. Steward. I believe, but cannot be quite sure, that I knew that Mr. Steward before that had addressed himself to the Insurance Association. I was going to write to the Waimate Company when Mr. Steward addressed this to myself.

94. It was not with reference to the document that I put my question, but to elicit from you whether it was possible that Mr. Steward could have entered into negotiation, with your knowledge, before the passing of the Bill?—I assure you absolutely that was not the case. If Mr. Steward had done so he could not have voted for the Bill, and it could not have escaped my recollection. I had not the smallest idea that he had any such intention. I had not the slightest intimation on the subject.

*Mr. Steward:* I do not know whether I have any *locus standi* here, or whether I should be in order if I asked a question. The question I should like to ask would be this: Does not Sir Julius Vogel know, in his capacity of member of the Government and Chairman of the Insurance Association Directors, that, as a matter of fact, immediately after the session I applied to the association to know whether they would entertain a proposal to purchase, and whether a letter was not written in reply to me?

*Sir J. Vogel:* Impressions are not of much use; but my impression is, that before this correspondence with me I was aware that you had written to the Insurance Association.

*Mr. Steward:* There was never any correspondence or conversation on the subject prior to my application to the Insurance Board so far as you are aware?

*Sir J. Vogel:* Certainly not.

95. *Mr. Fulton.*] Did it suggest itself to you in any way as a matter of impropriety that a member of Parliament should be dealing with the Government and getting a commission out of the