

would be various charges, and that, on the whole, if they could dispose of them here it would be better to do so.

187. Did it never occur to the company to negotiate with the Government direct?—I cannot recollect. Up to that time they had not done so.

188. What time had elapsed between the passing of the Act and the first telegram to Mr. Steward?—The telegram is dated the 15th October; the House rose about the 22nd September. Of course you understand that, in considering the future arrangements of the company, it is not unlikely that the question of the Government taking some of the debentures may have been before the minds of some of the directors, although it was not the one thing before them at the time the negotiations were opened.

189. *Mr. Barron.*] Have you had such experience of financial transactions as would enable you to judge whether this commission is the usual commission, or whether it is higher or lower than the usual charge on transactions involving a large amount?—I may answer that by saying, personally, I have not.

190. *Mr. Fulton.*] Speaking as a public man, might not the Government have saved this $\frac{1}{2}$ per cent. commission—that is to say, if you were willing to sell at a certain amount net, might not the Government have saved that $\frac{1}{2}$ per cent. commission had they dealt directly?—The fact that the directors accepted that amount would leave it to be presumed that if the Government had made a direct offer of that amount they would have accepted it.

191. The transaction could not have been entered into unless the District Railways Bill had been passed? I ask you as a director and a member of Parliament?—Well, the fact that the debentures were being issued by the Government in terms of that Act is evidence that the whole thing could not have been done without the District Railways Bill having been passed.

192. *Mr. Garrick.*] Do you think that such a transaction as you now know of is such a one as is calculated to reflect upon the integrity of any member of Parliament assisting to pass such a measure—speaking, now, as a public man?—Your question relates to the action taken subsequently in regard to the sale of these debentures?

193. Yes; and receiving the money from that. Does it affect the integrity of a member voting for such a measure?—Whatever may have been the case with regard to the issue of the debentures Mr. Steward first had to do with—the Waimate Railway—I do not know what may be said of that; but, so far as the Rotorua Railway is concerned, I do not think it at all possible that, in regard to the passing of that Bill, Mr. Steward could in any way be connected with the sale of the debentures. I do not think there is the least likelihood that he could have had any idea of having the negotiation for the sale of these particular debentures.

194. You do not think the same answer applies to the Waimate Railway?—I would not say about that, for he was intimately connected with that district; and whatever may have been said about the Waimate, I do not think he could, in assisting to pass the District Railways Bill, have thought it would have led to his dealing with the Rotorua debentures.

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