

44. Do you question the accuracy of these balance-sheets?—No; they are audited.

45. You admit that you formed no estimate as to the value of the individual items—you simply lumped the lot?—Yes, we did, after going into all details possible.

46. Mr. Lawry asked a question just now about coercion being used, and you gave evidence that a steamer was authorised to be put on the lake on the 20th January, 1901?—Yes.

47. You are aware that if the Government had put a steamer on, the goods and traffic would have been diverted to that Government steamer?—It is fair to assume that they would.

48. Then, how can you say that these people were free agents? They could not carry the "Mountaineer" on their back, and they would have been in the position of being ruined, so that you must see it is not logically correct to say they were free agents?—Every one must know that if the Government had put on boats there would have been a certain amount of competition, the same as there has been before.

49. The whole trade is in connection with the railways, and this trade would have been diverted if the Government had put a steamer on?—It would not have been necessary for the Government to get the lot.

50. While they were told that the Government did not want their steamers they were reduced to this position: that they could not help themselves, and had to take what they could get from the Government?—At the time I and Captain Post were there we did not know anything about that. There was no coercion or threat of that kind so far as we were concerned.

51. But the damnable fact was there all the time—that it meant ruin to them if they did not take what the Government chose to concede?—I do not know anything as to that.

52. *Hon. Sir J. G. Ward.*] Are you aware whether Captain Post made inquiry from various people at Queenstown concerning the assets of the company?—Yes, he did.

53. And is it not a fact that Captain Post also found it impossible to get necessary information from Captain Wing in regard to the affairs of the company?—That is so. We were both in the same position in regard to that.

54. And in reporting to the Government at the time you reported that you could not ascertain what the amount of the reserve was?—Yes, I stated so in my report.

55. So that there was nothing new in your saying now that you could not ascertain important information from Captain Wing?—That is so.

56. You had to give an estimate of the reserve fund and book debts, and Captain Wing underestimated them to the extent of £5,000?—More than that—£5,500.

57. Is the following your statement with regard to the reserve fund: "I could not ascertain what the reserve fund was, but, together with their book debts, it would probably total £5,000"?—That is so.

58. That was stated in your report?—Yes.

59. *Mr. Duthie.*] Of the amount of money paid by the Government—£15,393—£390-odd was interest due to the fact that the steamers were taken over prior to the summer season: the amount given was really £15,000, and the amount in excess was for interest?—Yes; but it represented interest to the shareholders also. The actual amount of cash was *plus* the interest.

60. But that interest was the rate agreed upon, and the Government had the use of the boats for the summer season?—Yes.

61. *Hon. Sir J. G. Ward.*] There is a letter from me to the solicitor of the company, dated the 15th October, 1902, as follows: "Wellington, 15th October, 1902.—Wesley Turton, Esq., Lake Wakatipu Steam Shipping Company (Limited), Queenstown.—SIR,—In further reference to your offer of the Lake Wakatipu Steamship Company (Limited), as detailed in your letter of the 24th September, I have now the honour to make the Lake Wakatipu Steamship Company an offer—and I shall be glad to have a prompt reply—for the whole of its property and assets of all descriptions (not including the reserve fund and book debts). I am prepared, on behalf of the Government, to give the sum of fifteen thousand pounds (£15,000) cash. If accepted, a deposit of five per cent. (5 per cent.) will be paid, and the balance in one sum on the 3rd April, 1903. The steamers, however, would require to be placed at the disposal of the Government on the 1st November proximo, and between that date and the 3rd April interest upon the balance of the money payable will be allowed to the company at the rate of six per cent. (6 per cent). The reason for the early delivery being a part of the condition which I am now making to you is that in the report which the Government has it is stated that a considerable sum of money is necessary to effect alterations to the steamers involving a fairly large amount of expenditure, and as, from the report in the possession of the Government, it will be necessary, with the present plant of the company, to provide an additional steamer, the course suggested is the only one upon which the Government is prepared to purchase the property of the company. I shall therefore be glad to have a prompt reply at your early convenience.—I have, &c., J. G. WARD." That is the whole position regarding that matter. You know, as a matter of fact, Mr. Piper, that Captain Wing stated to the Committee that the Wakatipu Steamship Company would not in any case have purchased a new steamer to put on the lake?—Yes.

62. Will you inform the Committee whether or not Captain Wing showed you the plan of a steamer he alleged they intended to put on the lake?—Yes, I saw that plan. I suppose it was three or four months before I went down in connection with these boats at all. It was shortly after I went to Invercargill. We were discussing in a general way the steamers on the lake, and there was no talk about the Government putting steamers on at that time. I asked him what the plan was, and he said, "That is the plan of the new boat we are getting." I have a copy of the plan in the office now.

63. The fact remains that what Captain Wing has stated to the Committee, that his company would not have purchased a steamer, is contrary to what he stated to you in Queenstown?—Most decidedly. Further than that, we had a discussion on the question as to whether or not a paddle-steamer would be the better, and that is how it is impressed upon my mind.