

an agreement between us and His Majesty the King, dated the third day of November, one thousand nine hundred and two; together with the sum of three hundred and ninety-three pounds ten shillings and eightpence, interest on such balance from the first day of November, one thousand nine hundred and two, up to and including the day of the date hereof, making together the sum of fourteen thousand six hundred and forty-three pounds ten shillings and eightpence, and in full satisfaction and discharge of all claims and demands we have or may or can have against His Majesty the King, or the Hon. the Minister for Railways, or against the Government of the Colony of New Zealand for or in respect of the said sale or anything relating thereto or arising thereout or otherwise howsoever.—The common seal of the Lake Wakatipu Shipping Company (Limited) was hereunto affixed, this seventeenth day of April, one thousand nine hundred and three, in the presence of—E. T. WING, Managing Director; JAMES DOUGLAS, THOMAS HICKS, Directors’’? —We are not objecting to the legality of the transaction at all; we only say that we have a moral claim.

168. That receipt was drawn up by your solicitor?—Yes.

169. And that was the receipt you signed?—Yes.

170. There were no directions given to your solicitor as to how he should get a receipt?—I do not know anything about that.

171. You allege that you have not received fair treatment in the remuneration you have obtained for this property of the company?—We consider that is so, decidedly.

172. Would you be prepared—and I should like to tell you at once that I am quite willing to do it—to take back the whole of your concern, your company to put another steamer on as recommended by us and for which a communication was sent to England, and to undertake to carry on operations again yourselves?—That would mean raising the capital to £60,000. The whole gist of the thing is this: that as a matter of business why should not a proper valuation have been made? We should then have been perfectly satisfied if the valuation had been made £15,000. Not one of the shareholders would have said anything if you had appointed proper valuers. You put your own price on the concern, and would not allow us to appoint anybody on our behalf. We should have been quite willing to appoint some outsider to act as valuer with your man. The point of the whole matter is that the Government would not have a proper valuation.

173. The idea was never in my mind, nor in that of the Government, to injure the company. We wanted a proper service at reasonable rates for the lake, and, according to the information we had, the company never had given a proper service at reasonable rates, and we thought it was absolutely necessary to get another steamer if you did not. We know now that we have to get two steamers?—It seems to me you would have wanted these small boats.

174. You have already said that your company would not have built another steamer if you had wanted it?—Not at the price you wanted.

175. You have just made a statement admitting that we should require two steamers with the existing boats?—What has that to do with having a proper valuation?

176. Apparently this: Does it not suggest itself to you that where you were not prepared as the existing company—I do not question your right—to provide a service sufficient for the district the colony was compelled to do it, and you feared that our putting a steamer on was going to ruin your business?—Certainly.

177. The point is that your company was not prepared to put on the extra steamer?—No. But, supposing we had not taken your offer and had continued to run our boats, you would have had to get wharves and jetties built, and gone to an expense of some £40,000 or £50,000, all of which you got for £15,000.

178. I have a document here from Captain Post, in which he states that we could have provided new steamers of the same class as yours, as well as new wharves, for £27,000?—You could not have done it to run the service properly. When you got it the business was in good running-order, and we could do nothing.

179. I do not personally believe in the colony stepping into such an enterprise if it can keep out of it, but I quite recognise that where the colony does step in it is difficult for a company to run against it?—We do not consider that we received fair play.

180. What would you say if I were to tell you that from our information of the working of the business we considered at the time that we were giving quite full value for it?—Did you take the valuation of those two men you sent up?

181. Your people refused to disclose the position of the company to them?—I am sure that any question if asked fairly would have been answered. I might possibly have said that this was valued at £5,000, or, say, £10,000, with the usual reduction for wear-and-tear, and so on, but I refused them nothing.

182. I can only say that the officers reported that they could not get information on two material points: they could not get the amount of your book debts or the amount of your reserve?—Well, I should like to see them. I cannot see why I should not have given them that. There was nothing there for me to keep back. In fact, they both thanked me for the information I had given them.

183. You speak of the value paid by the Government as being too little?—Yes.

184. The total cost of the business to the colony was £15,612, including interest. The net revenue to the colony from the steamers for the financial year 1904 was £948, and we are providing for no depreciation and no sinking fund?—Your expenses would be much more than ours.

185. They are less than yours?—If I remember rightly from what I saw in the papers, your expenses were over £6,000, while ours ran from £4,700 to £5,000.

186. What you have seen in the papers may have included repairs to the steamers after we took them over, which were very considerable. But here is the fact that the interest earned by these steamers was only £6 ls. 6d. upon the £15,612 paid. If it had been £30,000 we should have got only 3 per cent.?—With the 25 per cent. off the steamer rates it shows that your expenses