

64. As commercial men, you must have anticipated a deficiency, and if there was a deficiency I take it that as business men you would have an agreement making each company liable?—I am sorry to say there is no agreement.

65. That is a matter of business ability. What were the reasons for the passing of the Westport-Ngakawau Railway Act?—The development of the coalfields of the country.

66. That Act was passed, I take it, at the request of the company?—Only in a common way with the general public. I take it you are referring to the extension?

67. All my questions are leading to this: We are here as custodians of the moneys of the taxpayers of New Zealand, and, if we feel convinced in our own minds that you are entitled to what you claim, we shall recommend the claim to the Government and back our decision in Parliament; but if we feel that you have no legal or equitable right in this matter because you failed to do certain things that you ought to have done, I think our duty is quite clear, and that is to safeguard the interests of the taxpayers of New Zealand?—I quite appreciate that; but the point is this: this £2,107 the Government could have reimbursed us with when they purchased the Mokihinui property.

68. You are anxious that that £2,107 should be reimbursed, and are blaming the Government for not taking action at the time, although you had no business agreement with regard to the deficiency?—The Government never asked the two companies to enter into any such arrangement. I do not suppose it occurred to any one.

69. *Mr. Greenstade.*] I suppose all you had to do was to guarantee 5 per cent.?—Yes, all we had to do was to guarantee the 5 per cent.

70. *Hon. Mr. R. McKenzie.*] There was a guarantee of 5 per cent. on the cost of construction of the Westport-Ngakawau Railway?—Yes.

71. Who was it guaranteed by?—I was only the company's agent at Westport. I will communicate with Mr. Hargreaves in order to get an answer to that.

72. What was it guaranteed for?—We had to guarantee the line should pay 5 per cent.

73. The Mokihinui Company and Cardiff Company were joint and several guarantors, were they not?—I shall have to get information from the manager of the company in Christchurch before I can answer that.

74. The deficiency due on the guarantee is the portion to which the Government claim to be entitled?—That is part of the claim against us.

75. The Mokihinui Coal Company went into liquidation some time before the Cardiff Company abandoned operations?—Yes.

76. And after suspending operations, your company became liable—that is the legal position?—Yes, that is the legal position.

77. You told the Committee that it was arranged in Christchurch and Westport that you were to petition Parliament on behalf of the shareholders?—Yes.

78. How many shareholders were present at the meeting in Christchurch?—I read out the list. The meeting was called by full notice.

79. There would be about a dozen present?—Yes.

80. The company was in liquidation at that time?—Yes.

81. Was it the winding-up meeting of the company?—Yes. I gave you the date, 12th October, 1903.

82. That was the meeting at which the company wound up?—Yes.

83. When the question was raised that the shareholders or liquidator should petition Parliament for some consideration, the liquidator for the company opposed that proposal?—Mr. Hargreaves did not vote against it. He was personally interested in the matter as liquidator, and he had an extra interest in the matter.

84. He represented the shareholders, and as a representative of all the shareholders he opposed it?—No, that was not the case.

85. He was the liquidator of the company, present at the meeting for the purpose of winding up the company?—Yes.

86. And, as liquidator representing all the shareholders, he opposed the idea of the petition?—No; as a matter of fact, he requested us to do so at Westport. There are communications from Mr. Hargreaves wanting us to proceed with the petition.

87. I want nothing subsequent to this meeting; I want to know what occurred at this particular meeting?—I shall have to send for Mr. Hargreaves. You are questioning my status, and it will be more satisfactory for me to have the liquidator present. Mr. Hargreaves took exception at the time, but does not now.

88. Mr. Hargreaves petitioned Parliament himself as liquidator of the company, did he not?—He petitioned the Government, and signed as secretary and treasurer, in June, 1896, in regard to the question of haulage.

89. Did he petition after that, when the company was about to be wound up, as liquidator or chairman of the company?—I think the petition you refer to is that of Mrs. Hughes.

90. What was the result of that petition?—You mean the Committee's recommendation?

91. Yes?—That the company had lost its capital, and the petition was forwarded for the favourable consideration of the Government.

92. Now, how many shareholders were present at the Westport meeting?—Six. Notice was given to all the shareholders to attend, and six attended. Of course, they were all scattered over the district.

93. There were six in Westport and twelve in Christchurch—that is, eighteen?—Yes.

94. How many shareholders were there altogether?—Between eighty and ninety.

95. And, as representing seventeen others and yourself, you petition this House as representing the shareholders?—They have also been informed by circular.