the Committee just to consider for a moment how this movement in favour of a change in the Standing Order has been initiated: we have been going on, I think, for thirty-four years under this Standing Order; for certainly fifteen or twenty years we know how the Courts have interpreted it; those of us who represent established railways want to know where the movement came from; I have been entirely unable to find out; no Chamber of Commerce has asked for the change; no public body has asked for it; certainly no existing established railway has asked for it; and we do not know where the demand for a change of any kind comes from; and we inquire where it comes from, because we respectfully submit to the Committee that changes of Standing Orders practically in this case mean a change in what we looked upon as the established policy of Parliament; because the Standing Order was not initiated by the railways, but was put upon the railways by Parliament, as Parliament thought, in the interest of the country at large; and we say that, if a parliamentary policy has lasted thirty-four years, it should not be departed from without certainly, in the first place, that inquiry which the House has ordered; and, secondly, that it should have some initiator. I fail to see who would benefit by the Standing Order being changed. It may be said that, to a certain extent, it is a restraint upon the making of railways. Well, you had better not make railways than make them in an unhealthy and dishonest manner—or a manner, rather, which will permit of dishonesty: but then comes the question of the alternative. In 1867, I think it was, I had the honour to preside over a Committee which amended the railway laws, and one of the provisions that we introduced into that Act of 1867 was a provision to permit what previously could not be done—namely, the issuing of shares at a discount.

17. Are you referring to a Committee of this House?—A Committee of this House. It is the Railway Amendment Act of 1867. There is a clause there which enables you to issue shares at a discount: before that you could not do it. The moving cause of that was not any reference whatever to this Standing Order; but a number of railways had overbuilt themselves, the Brighton Railway in particular, and it was felt that the best way of paying debt was by the issue of ordinary stock, and that, inasmuch as at that time you could not issue the ordinary stock at par, you ought to be allowed to issue it at a discount. Prior to that you could not issue stock at a discount; there was a distinct prohibition of that, and a provision that it must be issued at par. I say that, if gentlemen want to make railways and to issue capital, then they should have the alternative, and should be able, if they please, to issue their shares at a discount. But, bearing upon that, I may just mention that it is almost impossible to dissever the proposed change in the Standing Order, so far as it would enable this repayment back to the shareholder of a part of his own money, from the system which has grown up of evading another Standing Order, which provides, where there is an existing company without a dividend, for the lodgment of, I think it is, 5 per cent. upon the cost of the work, as a gauge that the railway will be made. Now, the system that has sprung up in the same quarters has been to go to a banker, pay him a commission for lending so much money or so much Consols, and then take an engagement that the third reading of the Bill is not to be accepted until some security has been given for the deposit. Now, that is practically setting up men of straw, who come to Parliament, and who get from a Committee—on public grounds, of course—powers to make a railway; and then either the railway drops, or it is a nuisance, or a squeeze, and it is sold to some existing company. If that Standing Order is permitted to be evaded, and if a company, without any money at all, having nothing but a dead work, is to be permitted, also, to pay dividend by returning money, I think then you will have, perhaps, a very unhealthy state of things in railway-making, and difficulties, not as large as the difficulties that arose in 1845, but perhaps large enough to disturb finance; and, in fact, a system growing up that may lead to a future panic. I think that is all that I have to trouble the Committee with.

18. Do you know of your own knowledge of any *bonâ fide* good undertaking that has been nipped in the bud, as it were, by the operation of this Standing Order?—No, I do not recall to mind a single one.

19. *Mr. Brand.*] You stated that you were not aware where this movement for a change of the Standing Order originated?—Yes.

20. Did it not originate in the action of certain companies which proposed a new clause to set aside the Standing Order?—It may have done so; but when I was first with the President of the Board of Trade upon this subject he seemed to be unaware at that time of where it came from. But there is no doubt that two or three companies, employing, I think, in each case, the same solicitor and the same parliamentary agent, have deposited Bills to practically repeal the Standing Order; and it may have arisen from that attempt to get rid of what is practically the general law on private Bills. My great point was that, taking those who generally move Parliament in financial questions—Chambers of Commerce, and public bodies and existing investors—I do not know of any impulsion from them in the direction of demanding a change of this thirty-four-years-old system.

21. As I understand, the modification of the Standing Order which you favour, or, at least, which you suggested just now, would merely be favourable to the existing railway companies?—Yes.

22. But it would operate naturally as a restriction upon new undertakings, would it not?—I do not know that it would, except so far as this: that it would prevent a sort of hothouse growth of railways. To that extent I say it would, no doubt. It would prevent what I call an unhealthy construction of railways. I believe myself that an outlay of capital that has not a reasonable chance of paying a dividend ought not to be made. I look upon it that capital belongs to all of us more or less; it is practically the property of the nation. If you put it into the river Thames in bags of coal or grain, it is gone and wasted. I say that I see no way of restriction in which this would operate, except as a restriction upon the making of railways unfairly, and which would not pay. There are several cases I know. There is, for instance, a case called the Banbury and Cheltenham in which many people have lost, and some railways down in Dorset; many of these people have lost a great deal of money. Besides, a thing made on paper and under delusion generally comes to a bad end.