

have suffered their great loss mainly owing to a too generous faith in the representations then made to them, and partly to unforeseen embarrassments in regard to arranging further finance to enable them to complete the construction of the railway.

9. The company is now left without assets or property of any kind. It abandons any legal rights which it has or may have had against the colony, and throws itself upon the generosity of your honourable House, in the hope and belief that it will cause inquiry to be made into the circumstances under which the company was formed and the loss to the shareholders which has resulted, and that it will see fit to grant some redress to the said shareholders.

Wherefore your petitioner prays that your honourable House will be pleased to inquire into the statements contained in this petition.

And your petitioner as in duty bound, will ever pray.

THE NEW ZEALAND MIDLAND RAILWAY
COMPANY (Limited),
(By its Attorney and General Manager),
NORMAN H. M. DALSTON.

such "accredited delegates" were not sent Home on behalf of the Government, but on behalf of the Christchurch-Nelson syndicate that entered into the first contract, and the Government of the colony is, of course, in no way responsible for the representations.

9. No remarks.

H. J. H. BLOW, Under-Secretary.
Public Works Office, Wellington,
New Zealand, 22nd August, 1900.

MINUTES OF EVIDENCE.

THURSDAY, 23RD AUGUST, 1900.—(Mr. FISHER, Chairman.)

Mr. Mills : Is it the intention of the Committee to take these petitions separately? Will you deal with the petition from Mr. Coates and the supplementary one from the debenture-holders as one, and the petition from Mr. Dalston on behalf of the shareholders separately?

Dr. Findlay : The petition from the shareholders is practically only a formal petition. It was merely presented so that the Committee should have before it all the parties interested in this matter. That petition is not seriously pressed, but merely that all the parties shall be represented. The Committee may have something to say with regard to the company's petition; but I think it would lead to confusion if Mr. Coates's petition were mixed up with it. I ask that the petitions be taken separately.

The Chairman : Has Mr. Dalston anything to say?

Mr. Dalston : My petition is on behalf of the shareholders in the company, and in every way supports the petition of Mr. Coates, the Receiver. The directors feel that their first duty is towards the mortgagees, and they have also a duty to the shareholders, and hope to receive a favourable hearing from the Committee on behalf of the shareholders.

The Chairman : You do not urge any objection to the petition of Mr. Coates being taken separately?

Mr. Dalston : No objection at all.

Mr. Bell : I will submit this to the Committee: The position put by Dr. Findlay and also by Mr. Dalston is that the debenture-holders should come first, and, if the Committee think they have a claim, then the company should present evidence in support of its petition. It is really all one matter. I submit the Committee will find it less confusing to take all the evidence together rather than separating the claim of the debenture-holders from that of the company. Of course, it is immaterial to the department how they are taken. The department is quite ready to meet both claims separately; but it occurs to me that it might very easily be the case that, if the debenture-holders present their evidence now, Mr. Dalston will not offer evidence in support of his petition, and it will crop up again.

Dr. Findlay : The evidence given by Mr. Coates will be the same as that which will be given for the company. We have agreed that it should be so taken, but we consider that the debenture-holders should be treated separately. There may be a strong claim against the company which does not exist against the debenture-holders, and it might prejudice our case if the two were taken together. I do not think taking them separately will mean a double trial. I am sure Mr. Dalston will agree that he will not offer any further evidence after the debenture-holders have been heard.

Mr. Mills : I understood that the object of all these petitioners was that, before any report came down from the Committee, they should hear every one, and so prevent a repetition of evidence. Then, of course, there could be no question of the matter coming up again.

Hon. Mr. Ward : I think we should take these petitions together, hear the evidence, and then we can deal with them separately in our report.