

could expect was the most they could get—the payment of their interest, and the return of their principal. I therefore respectfully beg the Committee to carefully distinguish between shareholders and debenture-holders in considering my petition, and to refrain from treating the lenders as defaulting contractors who have failed to carry out their obligations. The debenture-holders were in no sense speculators, but chiefly of the class of persons who, with a limited amount of capital, desire a safe investment for their savings. In England debenture stock is looked upon both by the Courts and the public as one of the safest possible investments. Debenture-holders are by law given special rights, which are considered sacred above all others, and railway-debenture stock stands in the front rank in the estimation of the English people as a safe investment. It was somewhat natural, therefore, that English investors should conclude that debenture stock over railways in any British colony would be similarly safeguarded and protected as a security, and this is the reason for the blind faith with which the English lenders, many of them persons depending upon the income from a small capital, lent their money to the New Zealand Midland Railway Company. It is obvious that these lenders will not, and cannot, appreciate the technical and somewhat intricate reasons from which the Privy Council decided that their security was in effect worthless. Laymen can seldom understand the reasonableness of any legal decision which fails to follow the principles of natural justice, and unless such relief is given to them under this petition as an unbiassed consideration and an impartial judgment deem them entitled to, the conviction will remain in the mind of the English investor that a wrong has been done and an act of spoliation perpetrated by a British colony, under the protection of a legal but unconscionable defence. This whole business appears to the English people in this simple light: they lent their money on the faith and strength of a certain security, which has been taken from them under technical powers, contained in one of the colony's statutes, the existence of which it is plain they never dreamed of, and they are now left with principal and interest unpaid, with no remedy against the company, since it is insolvent, and with practically every shred of their security swept away from them. In this plight they appeal to the honour and generosity of this British colony. We rightly deprecate the action of any private individual who, by a rigorous and relentless insistence upon his strict legal rights, imposes oppression or hardship on others; and if the individual who so acts must encounter the condemnation of the community, still less should Parliament, which represents the enlightened conscience of the people, assert a strictly legal position at the expense of justice. I hasten to add that I anticipate no such treatment at the hands of this Committee. I recognise that while the legal rights were being tested by the debenture-holders under the orders of the High Court of Justice in England, the Government of this colony could prudently do nothing but continue the exercise of its strictly legal powers, until the highest Court of the Kingdom had declared that neither the company nor the debenture-holders had any rights against the Crown, and that in each step taken by the Government the Executive had acted with full statutory warrant and authority. We, of course, now admit, and declare, that the contest, so far as the Court is concerned, is now absolutely at an end. The contest now over, we feel that, coming here as suppliants, avowing that we are wholly without legal remedies, and dependent entirely upon the merits of our moral and equitable claim, we will get such redress as is consonant with justice and the honour of this colony. I therefore confidently appeal to you, not only for equitable treatment, but for just and generous consideration of the debenture-holders' claims on the colony. I have made these observations partly under a sense of duty to myself, and partly under a sense of courtesy to you, and now I ask you to hear my counsel, Dr. Findlay, who will submit somewhat more in detail the grounds and reasons upon which these petitions from the debenture-holders rest.

*Dr. Findlay:* I am taken somewhat by surprise. You will recollect that when last the Committee met it was suggested, and I think agreed to by the Premier, that a copy of the departmental report should be furnished to us, so that we might have an opportunity of replying to it when next the Committee met. For reasons which no doubt the department consider sufficient we have not received a copy of the report, and much that is said there is new to me. There are also admissions of the statements in some of the paragraphs of our petition. I think I am entitled to ask for an adjournment until I have an opportunity of seeing the report of the department. It will also shorten time, for the report reduces the questions between us to three or four.

*Mr. Bell:* You agreed that the report should first be presented to the House.

*The Chairman:* I am not certain, Dr. Findlay, whether the Premier made any statement that you would be furnished with a copy of the departmental report.

*Members of the Committee:* Yes.

*The Chairman:* Upon reflection I am sure members of the Committee will see that if the petitioners are supplied with copies of all documents it may make the proceedings interminable.

*Hon. Mr. Ward:* I think it is only right that Dr. Findlay should be furnished with a copy of the departmental report.

The Committee adjourned.

TUESDAY, 28TH AUGUST, 1900.

*Dr. Findlay, counsel for petitioners:* Mr. Chairman and gentlemen,—I do not propose to occupy your attention for any length of time. The petition which has been placed before you, and the subsequent statement which Mr. Coates made when last here, set out perhaps as fully as necessary the broad grounds upon which this petition rests. I am concerned chiefly, however, with the spirit and the way in which the Committee should approach the consideration of those facts and grounds. I think it prudent at this earliest moment to say that we have not a vestige of