

*The Chairman* : Mr. Coates has expressed himself with regard to the finding of the Commission, and, to my mind, he is very clear ; but if there is any part of his explanation which is not clear to any member of the Committee, perhaps he will ask Mr. Coates a question on the point.

*Mr. J. Allen* : I understood Mr. Coates to say in one part of his evidence that he represented all the interests, but he modified that afterwards.

*The Chairman* : Yes. He disclaimed any connection with the company. He said that Mr. Dalston represents the company, and had absolute power to deal with regard to their interests.

24. *Mr. J. Allen.*] You have power to deal with regard to the interests of the debenture-holders without reference Home?—My solicitor advises me it is so. Mr. Young, who was Receiver in England, has been ordered by the English Court to close his receivership, and I am now the sole representative of the debenture-holders' interests.

25. *Hon. Sir J. G. Ward.*] Regarding the debenture-holders, Mr. Coates, there have been statements made—I do not know whether it is within your knowledge—that many of the present debenture-holders are not original debenture-holders?—It has been so said.

26. It is a material point: do you know whether it is so?—I have not a list of the debenture-holders. I believe some of the debentures have been sold, but not very many. Most of the original debenture-holders are still on the list.

27. So, if relief is given, it would be relief to the original debenture-holders?—To the majority of them.

28. *Mr. W. Fraser.*] I was not quite clear upon one point. Do I understand you to say, Mr. Coates, that the powers which you hold from the debenture-holders would warrant you in completing anything which would commit them, without reference to them?—My solicitor has always informed me, and still informs, that I have complete authority to deal finally with the settlement of this matter.

29. *Mr. Guinness.*] Are you prepared, without any reference to the debenture-holders, to accept any offer which may be made to you by the Crown? Are you prepared to bind the debenture-holders without any further reference to them?—Yes. I may say I am advised it is my duty to do so, and I am prepared to agree to a settlement. I have no legal standing whatever, but appeal to the colony for just consideration for the debenture-holders. I have done my best to set forth their claims.

30. And to give a final discharge?—That I am prepared to do in such form as may be required by the Crown.

31. For the amount which you consider represents the interests which you represent?—Yes. I feel the colony will not stand on their technical rights, but will recognise and not ignore the undoubted moral claims of the debenture-holders. I cannot legally demand anything, and I am prepared to accept what the colony considers fair and reasonable.

*The Chairman* : Mr. Coates has expressed himself as satisfied with the finding of the Commission, and has placed himself in the hands of this Committee.

32. *Mr. Graham.*] And, further, that he has no legal position, and that he will accept any reasonable offer as a final discharge on the part of the debenture-holders?—[*Mr. Coates*] Yes.

33. *Rt. Hon. R. J. Seddon.*] I wish to ask Mr. Coates whether he has heard that debenture-holders, who have appealed to us as suppliants, have endeavoured to injure the credit of the colony?—I have heard of it, and I have read of it in the Press. I complained to the late Receiver in England as to the action which was taken, as I considered it was not to the interests of the debenture-holders whom I represented. I felt that it was very improper, and expressed myself strongly on that point. I may add that this action was only confined to a small section of the debenture-holders, and not by any means by a majority of them. I am sure the Government will recognise that it is a very difficult thing to control a large body of debenture-holders who consider they have a grievance.

34. *Mr. J. Allen.*] Does that apply to your previous statement as to your power to represent them?—The Court has appointed me as the representative of the debenture-holders, who will be bound by any decision I arrive at for a settlement. That is what I am advised by my solicitors.

NORMAN HOWARD MAXWELL DALSTON in attendance and examined. (No. 2.)

35. *Rt. Hon. R. J. Seddon.*] You petitioned the House as representing the shareholders of the Midland Railway Company?—I did.

36. You are aware that a Royal Commission was appointed to inquire into this matter?—Yes.

37. Have you received a report of that Commission?—Yes.

38. Have you anything to say in that respect?—Well, I can only take the same ground that Mr. Coates has taken. As a suppliant I appeal to you for some redress on behalf of the shareholders of the company. I find by the report of the Royal Commission that there is nothing recommended to cover the loss of the shareholders. The shareholders have invested £250,000 in this concern. They have no legal claim, and, upon the advice given by you, Sir [to Rt. Hon. R. J. Seddon], in October, 1900, we have thrown ourselves upon the generosity of the colony.

39. It is a pity you did not do it then, and should have waited until you had exhausted your legal remedy?—That was in 1896. We were in the hands of the English receiver, Mr. Young.

40. It was 1897 I suggested it?—I hope it is not too late now.

41. You have said that you are satisfied with what Mr. Coates has said, that the shareholders should receive nothing?—No, I do not say that at all. I am very anxious to get something for the shareholders.

42. You say that you are satisfied that £192,000 is a fair selling-value?—Yes, under the terms of the Commission.