

Then, it so happens that I have a good many important Railway Bills in my charge for this session, involving very large sums of money indeed, one alone involving a capital of over £8,000,000, others £3,000,000, £2,000,000, and so forth; and I suggested to several of my clients that, as I was attempting to bring about some action with reference to this Standing Order, it was expedient for them to introduce into their Bills, tentatively, clauses authorizing payment of interest out of capital, as had been done in old sessions years ago. That accounts for your finding several Bills with my name upon the back as agent with this clause in them, and a Bill deposited by the Hull and Barnsley Company for directly legalizing payment of interest by themselves. I should like to be allowed to state, with reference to what has been said by Sir Edward Watkin and other gentlemen before the President of the Board of Trade, and also before the Chairman of Ways and Means, that the Bills to which I refer are Bills which are not, in any proper sense of the word, speculative Bills. I do not undertake myself—if I may be allowed to say so parenthetically—that sort of business. These Bills are all Bills promoted with the most perfect good-faith. I have a list of the names of the directors in each case. I will instance one, the Central Northumberland Railway Bill, which has passed already a Committee of this House, in which the promoters represent the whole of the landed gentry in the county. They are all men of a leading position in the county, with Sir Charles Trevelyan at the head; and in no way were they in any proper sense speculative promoters. I may add the same of the other Bills now pending to which my name is attached.

70. It has been stated that some of these undertakings were scarcely *bonâ fide*: are you prepared to furnish the Committee with the names of the promoters and directors, in order that our minds may be satisfied upon that point?—I am.

71. Perhaps you will put that in as a paper afterwards?—Yes. In the Central Northumberland Railway case the following gentlemen were named as first directors: Sir Charles Edward Trevelyan, Sir John Swinborne, Mr. Ralph Carr Ellison, Mr. Walter Charles Selby, the Honourable Frederick William Lambton, Mr. John Robinson, Mr. William Forster the younger, and Mr. Macartney Swarbrick.

72. Did that undertaking originate in the county itself?—Entirely. It originated from a public meeting of the farmers and those interested in the land of the district.

73. It is not the case, then, that any of these undertakings are what may be called railways got up by contractors and professional men?—Certainly not. With regard to some of them, I know personally, as a matter of fact, that the promoters not only were not supported by contractors, but had refused directly and positively to have anything to do with them; that they found the money entirely by themselves for promoting the Bill, and found the deposit by their own credit.

74. Continuing your history, did you communicate with the President of the Board of Trade and the Chairman of Committees of the House of Commons, and with Lord Redesdale?—In the first instance I communicated with Lord Redesdale's counsel, and wrote a letter to him, which I believe was sent afterwards to the Chairman of Ways and Means and to the President of the Board of Trade. I believe that is the origin of the inquiry.

75. Can you state to the Committee what opinion these authorities entertained about your proposal?—Unfortunately, from my engagements here, I was not able to attend either deputation at the Board of Trade. I was present when the deputation from the railway companies waited upon the Chairman of Ways and Means; but, in accordance with his usual practice, the Chairman abstained from expressing a direct opinion himself. I cannot therefore state, of my own knowledge, what the opinion of the various authorities may be.

76. Can you tell us anything about the history of this Standing Order?—The history of the Standing Order is simply this: In 1847, following upon the sessions of 1845 and 1846, in which a very large number of Railway Bills had been passed—I think nearly three hundred in 1846—there was an enormous number of applications for Railway Bills, I believe running close upon a thousand; a sort of collapse ensued in that year, and the great bulk of those Bills were by a special resolution of the House postponed to a subsequent session, that is, suspended with leave to the promoters to renew them in a subsequent session: most of them, however, fell to the ground in consequence of the railway panic that ensued; but in the course of that session a discussion took place in the House with reference to the enormous number of Railway Bills which had been so deposited; and in the result, on the 10th June, 1847, a Standing Order was passed prohibiting the payment of interest out of capital. That Order was peculiarly worded: it reads as if the prohibition extended only to capital which had been authorized in the past, but I fancy that that must be simply an error in the exact wording of the Order, because I find that in all the Railway Bills of 1847 passed after the date of that Order a clause very similar to that which is now introduced was inserted, applying to the capital authorized to be raised by the particular Bill. In 1875 the Standing Order was altered into its present form, making the form of the Order consistent with the form of the clause inserted since 1847 in Railway Bills.

77. Have you anything else to state to the Committee with regard to the history of private-Bill legislation in reference to the payment of interest out of capital?—I have been at the trouble of searching through the various Acts of Parliament that have been passed authorizing railways, and I find some results which it may be interesting, perhaps, to the Committee to hear. The first instance of the payment of interest out of capital being authorized that I can find—I will not pledge myself that there is none earlier—was in 1837, in the case of the Great Leinster and Munster Railway Company; then, in 1838, there is a blank; in 1839 two Railway Acts passed, both promoted by existing companies, authorizing the payment of interest, in one case 4 per cent. and in the other case 5 per cent., during construction; and one of those has rather a curious bearing upon the matter: it was the case of the South-Eastern Railway Company, of which Sir Edward Watkin is now Chairman. That company was incorporated in 1836, and obtained further powers in subsequent sessions; in 1839 they had a Bill which did not authorize the raising of further capital nor the construction of any further works, but they obtained special power retrospectively to pay