

witness states that many millions of capital have been raised in spite of the Standing Order; and I want to know how far your opinion concurs, or does not concur, with what has been stated?—This witness does not give the amount: it is rather vague evidence. He was asked whether it would amount to millions, and his answer was, "Yes, several figures before the million point." But, taking the entire millions of railway construction as over £700,000,000, I do not think that the percentage of what has been done in this evasive manner would amount to a very considerable matter; and I think that the example which was given was so fatal to the continuance of this kind of evasion that it is not likely to continue unless Parliament breaks down the Standing Order. Steps, no doubt, have been taken, and any law that you pass upon any subject will be evaded; but you would not on that account abolish the law. Any steps taken to evade the Act of Parliament would be very much curtailed and diminished by examples which were held up in two kinds of cases: one is the want of success in the schemes themselves, which generally have been of a very inferior character, and have not paid any dividend at all, and they form part of the £30,000,000 of railway ordinary stock which pays no dividend; and the other is the danger to directors and promoters of evasions of the Act of Parliament; and now that the Courts of law have pronounced it a positive evasion, those gentlemen will not be found to take seats at boards, or even to promote companies, through the evasion of an Act of Parliament which may bring down upon them very serious personal liabilities.

452. You think that, whether the Standing Order 167 has been evaded largely, or whether it has not, still it has been of use so far that the case would have been infinitely worse if that Standing Order had not existed?—Tenfold or twentyfold worse; because you would then tap the savings of the whole country; whereas by the evasions that have taken place the tapping of the capital of the country has been to a very trifling extent, because the great public are not misled by these sort of evasions. They do not like them, but they would be misled by an Act of Parliament authorizing this to be done. They would then say that it was under the authority of an Act of Parliament. They would say, "Certain respectable names are the promoters of this scheme; they will pay a certain 5 per cent. for five years: and we will go into it."

453. Even if the Standing Order were altered, and very careful modification were introduced, you still think that it would be better to remain as we are?—Decidedly. In fact, all the modification of the Act of Parliament in connection with the Standing Order that I would suggest would be this: that the deposit which now has to be paid of 5 per cent. should be a *bonâ fide* deposit, and not a deposit borrowed from loan companies or from banks under these conditions: that if the Bill is to be granted by Parliament the man who lends them the deposit has power over the Bill, so that after Parliament has taken the trouble to investigate the merits, the Bill cannot be got unless this man can be made safe afterwards by some financial arrangement. All that is an evasion which I think ought to be stopped. There should be further protection to the public; and I think that the rule of Parliament is most seriously evaded, and that deposits are obtained and borrowed under the conditions that the man who lends them the money is to have the command of the Bill, and that the Royal assent to the Bill is not to be given to it until he is satisfied.

454. What you have just said refers to another matter, and not to the Standing Order?—Not to this particular Standing Order, but it is part of the general case.

455. *The Chairman.*] Is there any good reason why this Standing Order should be confined to railway and tramway companies, and that it should not apply to all companies?—The reason, I take it, why it is more particularly valuable for railway companies is this: that there is a longish period between the institution of a company and the construction of the works. In most mercantile companies they go into trade at once and launch into business, and they find out very soon whether they are going to get a dividend or not, and therefore it is not so requisite; but I have such a horror of those promoters gulling the public that I would impose every restriction that I possibly could, because I am certain that *bonâ fide* business will not be interfered with by those restrictions, but that those restrictions will catch the people who ought not to be the promoters of companies at all—who, in fact, do not contribute, themselves, to the funds of the company, but they get up a company in order to get money themselves, and to pay themselves out of the subscriptions of the shareholders for what they call their services.

## APPENDICES.

### APPENDIX No. 1.

*Letters, &c., put in by the Chairman as sent to him by the Chairman of Ways and Means.*

No. 1.—LIST of RAILWAY BILLS, and FORM of CLAUSE to put aside Standing Order 167.

THE company may from time to time, out of any money by this Act authorized to be raised, or out of any other funds of the company, pay interest or dividend to any shareholder on the amount of the calls made in respect of the shares held by him.

(1.) Regent's Canal, City, and Docks Railway Bill. (2.) Hull, Barnsley, &c., Railway (Extensions) Bill. (3.) Hull, Barnsley, &c. (Interest), Bill. (4.) East and West Yorkshire Union Railways Bill. (5.) Central Northumberland Railway Bill. [Passed Committee.] (6.) Waterloo and City Railway Bill. [Withdrawn.] (7.) Metropolitan District Railway Bill. (8.) Ascot, Windsor, and Aldershot Junction Railway Bill. [In this case the Committee decided that the "preamble was not proved."] (9.) Banff, Buckie, and Elgin Coast (Great North of Scotland) Railway Bill. [Banff, Buckie, &c., Bill.—The title of this Bill has been changed to Great North of Scotland (Buckie Extension), and the clause required by Standing Order 167 has been inserted.] (10.) Poplar and Canning Town Railway Bill. [This Bill was not proceeded with.]