

## MR. COATES'S PETITION (No. 263/1900), AND REPORT OF PUBLIC WORKS DEPARTMENT THEREON.

To the Honourable the Speaker and  
Members of the House of Representatives in Parliament assembled.

THE HUMBLE PETITION of the COMMITTEE of DEBENTURE-HOLDERS, consisting of the Right Hon. Lord Avebury (Chairman), the Hon. Lionel Ashley, the Hon. A. Brand, Lord Eustace Cecil, Mr. Walter Chamberlain, the Hon. Sir C. W. Fremantle, Mr. R. A. Hankey, Mr. John Rathbone, Mr. Beckwith Smith, Mr. Lindsay Eric Smith, Mr. William Trotter, sheweth as follows:—

1. A general meeting of the debenture-holders of the New Zealand Midland Railway Company (Limited) was called under the direction of the High Court of Justice, and was held in the City of London on Wednesday, the 16th day of May, 1900, and at such meeting your petitioners were, by a unanimous vote, appointed a committee to represent the debenture-holders in the terms of the following resolution: "That this meeting of debenture-holders of the New Zealand Midland Railway Company (Limited), having considered the statement issued by Mr. Alexander Young, the Receiver and Manager, under date the 7th May, 1900, with the further explanation given by him to-day, hereby resolves: That a Committee be appointed for the purpose of considering the present position of the debenture-holders, and of advising and consulting with the Receiver and Manager, with full power to such committee to take such course, and generally to act in whatever manner, they may deem to be the most conducive to the protection and promotion of the interests of the debenture-holders."

2. The amount of debentures originally	£	
issued was ... ..	743,800	
There was a further issue of ... ..	112,975	

£856,775

Add interest accrued, say, three	
years and a quarter ... ..	139,225

Making a total of ... £996,000

3. The last payment of interest was made in October, 1894, and the coupons from April, 1895, to April, 1897, were funded. The interest due October, 1897, and subsequently, has not been met.

4. The circumstances relating to the unfortunate position in which investors in the securities of the New Zealand Midland Railway Company find themselves placed are so well known as not to need recapitulation.

5. The debenture-holders advanced their money, never doubting that in subscribing on the prospectus of the 12th of April, 1889, and the trust deed of August, 1889, they were obtaining a full and indefeasible charge on the railway under the Act of 1884, in virtue of which the debentures were created.

1. No remarks.

2. No remarks.

3. No remarks.

4. No remarks.

5. The prospectus and trust-deed were both drawn up by the New Zealand Midland Railway Company, without any reference to the Government or to the Agent-General of the colony in London. The Government therefore is in no way responsible for them. As regards the Act of 1884, I have already explained, in my report on the New Zealand Receiver's petition (No. 132), that throughout this Act the Act of 1881 is referred to as "the principal Act," thus clearly showing that the whole law in reference to this railway was not contained in the Act of 1884, but that there was another and earlier Act which generally controlled the matter. A reference to this Act would at once have disclosed the powers of seizure given to the Government in case of non-performance of contract by the company.