

The Board having been informed by Mr. W. Chamberlain that Mr. Coates is about to enter into negotiations with the Government of New Zealand on behalf of the Committee appointed by the debenture-holders, hereby agree to support the Committee in every way in obtaining their object, whilst safeguarding, as far as may be, the interests of the shareholders of the company, of whom the Board are the sole representatives.

CHARLES T. DYNE BURCHELL,
Secretary of the New Zealand Midland Railway Company (Limited).

You will remember, Sir, that last October, the Right Hon. the Premier, in referring to the Midland Railway Company, stated in the House that after the slate had been cleaned of legal technicalities "then it would be for the debenture-holders and shareholders to decide whether they would lose the whole of the money that they had put into it, or whether they would approach Government, and submit a scheme for the further prosecution of the works; or there was the alternative of coming to Parliament and throwing themselves on the generosity of Parliament." Well, Sir, acting on this invitation, we are now "throwing ourselves on the generosity of Parliament." The early history of this company is so well known to members of the Committee that I do not propose to go deeply into it. I would like to refer to the rejoinder of Mr. Blow to clause 2 of my petition, in which he says: "The term 'accredited delegates' does not mean delegates in the service of, or sent on behalf of, the Government." We cannot, and do not, say they were sent on behalf of the Government. We say they were envoys with credentials from the people of Canterbury, Westland, and Nelson. You will remember that the delegates were Mr. Alan Scott, Mr. Dobson, C.E.; and Mr. Fell, then Crown Solicitor of Nelson. They were the accredited delegates who went Home in January, 1885, and the day after their arrival in London they went to the Agent-General's office, and he was good enough to introduce them to the then Government Financial Adviser, Sir Penrose Julian. They found great difficulty in disposing of their contract. They first of all met with the Messrs. Meiggs; however, you know the history of that scheme. Eventually they got into touch with the gentlemen who subsequently became directors of the Midland Railway Company. Dr. Findlay read some extracts from the remarks of the members of the then Government of the colony, but there is one here which I should like to refer to, and which is quoted in a book called "The East and West Coast Railway League," published in Christchurch in 1886, by the members of the League, giving a history of the various efforts of the people of the provinces to construct this railway:—

He would say this, that the more he had learned about this railway the more he was convinced of the justice of the view which he took concerning it, and he was glad to say that the same also was the case with his colleagues. The Premier, Mr. Stout, and the Minister of Mines, Mr. Larnach, had been on a long visit to the West Coast, and it was greatly pleasing to him to know that they had returned as enthusiastic about the matter as he was himself. He thought that he could quote their opinions in half a dozen words, by saying that they had come back impressed with the idea that it would be sinful to neglect the development of that great district, whose development, once achieved, would be of great benefit to the colony, as well as to the Coast itself. It was not necessary for him to point out what the effect upon Christchurch would be when the railway between the east and west coasts should be finished, or even when it should be begun. It would be the bringing of a vast trade to Christchurch, and would not alone benefit the city, but also the coast on each side, and the whole of what they knew as the east coast of the Middle Island. It would be pleasing to them to know that yesterday he telegraphed to the Agent-General, asking him to say what the delegates were doing at Home in regard to this railway. He had received a reply which he thought they would consider fairly satisfactory, and he would read it to them: "Delegates working discreetly, safely. Tentative steps necessary at present. Please inform Canterbury and Nelson." He considered that telegram satisfactory, and it showed that the delegates were working harmoniously and, to a certain extent, with the Agent-General, who had knowledge of what they were doing, and that they were not leaving the matter idle. He was convinced that it was best for every one that this railway should be carried out by private enterprise. At the same time, if it were not carried out by private enterprise, it was a railway the colony would have to construct itself.

That speech was delivered by Sir Julius Vogel, the then Treasurer, in Christchurch, on the 12th March, 1885. I was about to give some dates, but Mr. Bell has already prepared a statement showing the dates of the assignment of the original contract, and of the passing of certain measures before the final contract was entered into. The reason why I was going to give these dates was because Mr. Blow says the delay in signing the contract of 1888 and the extension of time was entirely attributable to the company. I think, Sir, that is hardly a fair statement to make. This was a colonial undertaking. The parties to the contract were not cheek-by-jowl with one another. It was not a contract for the building of a four-roomed cottage. The contract involved the expenditure of about three millions of money, and the parties were separated from each other by a distance of some fifteen thousand miles. A great deal of correspondence for modifications and alterations of the syndicate contract necessarily took place between the directors and the Government before the present contract could be signed, and it was only natural that the directors, as business men, would consider that, in a gigantic undertaking of this kind, both parties would meet each other in a generous spirit. Then we have the statement of Mr. Blow:—

"It was not, however, entered into on the representations of the 'accredited delegates' mentioned in the second paragraph of the petition, nor on the 'reports and reiterated public and official statements of members of the then Government,' referred to in the paragraph now under review. The Deputy-Chairman of the company visited the colony prior to the contract being signed, and remained here some months, and the shape the contract ultimately took was largely due to representations made by him."

I will refer to the question of the "reports and reiterated statements" later on. It is quite true that the Deputy-Chairman, Mr. Brodie Hoare, did come to the colony. He was impressed, no doubt, as anybody visiting this colony must be impressed, by its magnificent possibilities. But he is a banker, and though bankers are shrewd men of business, endowed with plenty of common-sense, they cannot be expected to be engineers. We know, also, that engineers came out with Mr. Brodie Hoare. They foresaw, no doubt, great engineering difficulties in the construction of such a line. Do not men of all professions, who are worth their salt, glory in undertaking a difficult business? The greater those difficulties are, the greater will be the credit to them for overcoming