

invited to trust to the generosity of Parliament. I believe the Premier was truly sincere when he gave us that invitation. We have come to you, feeling that the generosity of Parliament will be worthy of its name, and that when you come to decide what our reasonable claim on this colony is, your good judgment will not be selfishly or narrowly strained against us, but that, in view of our losses and our misfortunes, generosity will even be added to justice. I thank you for your patient attention.

*Rt. Hon. Mr. Seddon*: I would have liked to have heard—and it is not yet too late to hear it—Dr. Findlay's reply to that part of Mr. Bell's speech which was not admitted and not denied by Dr. Findlay—namely, that speech delivered by me in which I spoke of generous action on the part of the Government was delivered before the debenture-holders and the shareholders appealed to the Stock Exchange, in which they said that we were blocking the process of litigation while they were forcing it on. The learned gentleman has not referred to that in his address, and I should like to hear him on that point, because there has been no explanation given, and because we can show that by their action then our finances were hampered at that time, which would not have been the case if it had not been for their action. Probably it escaped the learned gentleman's notice.

*Dr. Findlay*: You will recollect, Mr. Seddon, that Mr. Bell left nothing unsaid which would tend to emphasise the complaint which you have just mentioned. Every detail which could possibly be said to bear on that point was elaborately collected and laid before you. My answer will be brief. First, the speech made by Mr. Seddon, to which I have referred, was not made before but after the petition of certain debenture-holders to the Stock Exchange. But I also say that the representatives of the debenture-holders at that time in this colony (Mr. Coates) and in London (Mr. Young) declared that the appeal made to the Stock Exchange was utterly unauthorised. This attack upon the honour of the colony was made by a small section of the debenture-holders, who in no way represented the general body of the debenture-holders. It was never suggested that they did. Mr. Coates represents over a million in debentures, and these men who appealed to the Stock Exchange had only a small fraction of those debentures. I submit, and I think you will agree, that to raise that question now as an answer to this claim, which is made on behalf of the whole body of debenture-holders, is unfair, and would be unworthy of the colony. The best we can say is that we did not agree with that petition to the Stock Exchange, and we protested against it. I say again, it is unfair that the whole body of debenture-holders should be punished in this vicarious way for the action of a few debenture-holders, whose conduct they did not approve; and I repeat that we were invited by the Premier to trust to the generosity of this Parliament months after the petition to the Stock Exchange of which Mr. Seddon complains, and which, I agree with him, was reprehensible.

*Mr. Bell*: I have no right of general reply, but one matter I am bound to answer. Dr. Findlay asked why we did not determine the contract in 1895 and declare the land free of the reservation. Of course, Dr. Findlay did not mean the year 1895, because that was the year in which the arbitration was proceeding. I presume he meant the year 1896. Dr. Findlay suggested two reasons why we did not do that—first, that we might have had the intention of building up a huge claim for damages against the company; and secondly, that the process of demands upon the debenture-holders may have been in contemplation for the purposes of exhausting their finances, and thus obtaining without payment the railway. Now, I myself have not been the adviser of the Government in this matter until quite recently, at the commencement of the present proceedings; but I do chance to know what was the reason why the reservation was not extinguished. And the reason was this, sir: The debenture-holders, as I have explained in my speech, had this right, that if the Government proceeded to complete the railway the debenture-holders might pay the Government every six months the amount which the Government was expending, and then would have the right to stand in the shoes of the company and make selections out of the reserved area, as each section of the railway was completed. It was because the debenture-holders had that right, and because the Government would do nothing to interfere with that right, that no such step as Dr. Findlay suggested was taken in 1896. In order to prove that it was at the instance of the debenture-holders and of the company that that course was taken I have only to refer you to Dr. Findlay's letter of 15th April, 1899, written to the Crown Solicitors, in which he asked for and received an undertaking from the Government that while the litigation was going on, and for a period of three months thereafter, they should have a right to repay all moneys expended by the Crown. That involved the continuance of the whole of the reservation to be available for their selections. I feel sure that Dr. Findlay will agree—and his words might be open to misconstruction, for reasons he will understand—that that was the reason why the Crown did not make an attempt to extinguish the reservation or determine the contract in 1896. I ask now leave to make a personal explanation on one point. It is in reference to a question put by myself to Mr. Seddon in 1892, and to an observation by me in the course of Dr. Findlay's speech, that in 1892 I was then counsel for the Midland Railway Company. It is of no concern to anybody, and certainly not to this Committee, that I should explain why I am now standing in a different position. What I desire to say is this: that if I, as counsel for the Midland Railway Company, in 1892 had seen any defects in the security for the debenture-holders I was not only entitled to say so, but it would have been most improper of me then to suggest any doubt as to the position of the debenture-holders when I was counsel for their mortgagors. I put no question to Mr. Seddon or to any witness that I would not have put in the same terms to-day. Nor did I suggest any point which has not since been absolutely determined to be the law. At the point of time when Mr. Seddon made his statement to the Committee in 1892 it was indicated that the Government were going to show that to complete this line would be to finish a line which would not pay. The company were asking for a guarantee, and the answer of the Government was, "We do not see how the line will pay, and therefore we do not see our way to recommend Parliament to give the guarantee." I do not profess to recollect all I thought of the matter