

*This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.*

*House of Representatives.  
2nd October, 1902.*

*Hon. Sir J. G. Ward.*

MIDLAND RAILWAY PETITIONS SETTLEMENT.

ANALYSIS.

Title.  
Preamble.  
1. Short Title.

2. Authority to pay £150,000 in satisfaction of all grievances.  
Schedule.

A BILL INTITULED

AN ACT to make certain Provision in Satisfaction of the Grievances of Debenture-holders and Shareholders of the New Zealand Midland Railway Company (Limited). Title.

5 WHEREAS by reason of default made by the New Zealand Midland Railway Company (Limited) in the performance of its contract for the construction of the line of railway known as the Midland Railway the Government of New Zealand rescinded the contract and took possession of the railway, in consequence  
10 whereof the debenture-holders of the company lost the security of the railway: And whereas the railway debenture-holders instituted legal proceedings contesting the legality of the action taken by the Government, but by judgment of the Privy Council the legality of such action was sustained: And whereas petitions were thereafter  
15 presented to Parliament on behalf of the debenture-holders and the company praying for consideration and relief, which petitions were duly referred to the Public Accounts Committee of the House of Representatives: And whereas the Public Accounts Committee after inquiry by Royal Commission as to the selling-value of the railway  
20 made a report (a copy whereof appears in the Schedule hereto) recommending that the sum of one hundred and ten thousand pounds be offered to the debenture-holders, and twenty thousand pounds to the shareholders, in the manner and subject to the conditions mentioned in the report: And whereas the debenture-holders were dissatisfied  
25 with the sums so recommended: And whereas after conference with the debenture-holders in London the Colonial Treasurer has recommended that the sum of one hundred and fifty thousand pounds be offered to James Hugh Buchanan Coates, the Receiver in New Zealand of the debenture-holders, in full satisfaction of all questions  
30 and grievances raised by the debenture-holders or the company in their respective petitions: And whereas it is expedient to make provision for the payment of that sum in manner hereinafter provided:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Midland Railway Petitions Settlement Act, 1902." Short Title.

Authority to pay  
£150,000 in satis-  
faction of all griev-  
ances.

2. (1.) It shall be lawful for the Colonial Treasurer without further appropriation than this Act to pay out of the Public Works Fund to the aforesaid Receiver the sum of one hundred and fifty thousand pounds in full settlement, discharge, and satisfaction of all questions and grievances raised by the debenture-holders or the company in their respective petitions, which sum shall be held by him in trust for the debenture-holders and the company respectively in such proportions as is agreed upon between the aforesaid Receiver and the attorney in New Zealand of the company, or as in default of such agreement is determined by such tribunal as the Governor in Council appoints. 5 10

(2.) For the purpose of providing funds to enable the aforesaid payment to be made, or in satisfaction of the payment, the Colonial Treasurer is hereby empowered to create and issue inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or debentures, or other Government securities, as he thinks fit, at par, bearing interest at the rate of three and a quarter per centum. 15

(3.) On the issue of the securities referred to in the last preceding subsection, receipts shall be obtained from the said Receiver and from the attorney in New Zealand of the company acknowledging that such securities are received in full satisfaction of all questions and grievances raised by the respective petitions of the parties receiving the same. 20

(4.) The provisions of "The Aid to Public Works and Lands Settlement Act, 1902," relating to the raising of the loan authorised under that Act, and the creation and issue of the securities therefor, shall, *mutatis mutandis*, apply to the raising of the loan authorised by this section, and to the creation and issue of the securities therefor, or for the purpose of effecting the settlement aforesaid. 25

Schedule.

#### SCHEDULE.

##### COPY OF REPORT OF PUBLIC ACCOUNTS COMMITTEE.

THE Public Accounts Committee, to whom the petitions of J. H. B. Coates and Norman H. M. Dalston were referred for consideration, have the honour to report as follows:—

That, although the colony has received injury by the non-completion of the contract and the action of the debenture-holders, and notwithstanding the colony's proved legal rights, still, in consideration of the losses the debenture-holders and shareholders of the Midland Railway have sustained, and taking into the computation all moneys that have been paid by the debenture-holders or the company pursuant to demands made by the Crown, and also all profits that have been derived from the working of the opened section of the railway during the period between the seizure and the vesting in the Crown, the Committee have the honour to recommend,—

That the sum of £110,000 be offered to the Receiver for the debenture-holders, on condition that he gives a receipt on behalf of the debenture-holders setting forth that the colony has dealt equitably and justly, and that he is fully satisfied on their behalf.

That a sum of £20,000 be offered on similar terms to Mr. Dalston on behalf of the shareholders.

That a Bill be passed this session to give effect thereto, with such conditions as may be deemed advisable to completely safeguard the interests of the colony.

That each debenture-holder and each shareholder shall give a receipt to the Receiver and the attorney for the company for the money, stating that the colony has dealt equitably and justly with him, and that he is fully satisfied.

4th November, 1901.

GEO. FISHER, Chairman.