

## PETITIONS.

MR. COATES'S PETITION (No. 132/1900), AND REPORT OF PUBLIC WORKS DEPARTMENT THEREON.

To the Honourable the Speaker and  
Members of the House of Represen-  
tatives in Parliament assembled.

THE HUMBLE PETITION of JAMES HUGH BUCHANAN  
COATES, of Wellington, in the Colony of New Zea-  
land, Banker, sheweth,—

1. That he is the Receiver duly appointed by the  
Supreme Court of New Zealand for the debenture-  
holders of the New Zealand Midland Railway Com-  
pany (Limited).

2. That in the interests of this colony in general,  
and in the interests of the Provincial Districts of  
Westland, Nelson, and Canterbury in particular,  
the Government of this colony for some years  
prior to 1888 desired to encourage, and did en-  
courage the construction by private enterprise of a  
main line of railway between these provincial dis-  
tricts, which would thus connect the east and west  
coast of the Middle Island by a railroad.

3. After much negotiation, and in view of the  
inducements offered by the then existing Ministry  
of this colony, the New Zealand Midland Railway  
Company was formed in England to undertake the  
construction of this line.

4. The work involved in this whole undertaking  
was enormous, presenting as it did some of the  
greatest engineering difficulties ever met with in  
this colony, and involving the expenditure of an  
enormous amount of capital.

5. For these reasons probably the Government of  
the day shrank from undertaking the work; but  
added to these objections was the still greater one,  
that the enterprise afforded no certain prospect of  
profitable return. To adventure private capital,  
therefore, in such an undertaking required faith in  
the future development of Westland, Nelson, and  
Canterbury; faith in the validity and safety of the  
security offered; and, above all, faith in a friendly  
and favourable treatment by the Government.

1. No remarks.

2. No remarks.

3. Considerable negotiation took place prior to the  
signing of the contract, but such negotiations were  
completed to the satisfaction of all parties on or be-  
fore 3rd August, 1888, on which date the Midland  
Railway contract was signed. Whatever took place  
prior to that date cannot affect the present inquiry,  
as the signed contract represents the terms which,  
upon mature consideration, both parties agreed to  
accept.

4. No doubt the engineering difficulties on some  
sections of the railway between Jackson's and Pat-  
terson's Creek are of a formidable nature, but the  
construction of these sections was never attempted  
by the company. The sections constructed were  
not of a specially difficult character, as is evidenced  
by the fact that they were estimated to cost only  
about £7,000 per mile, which is less than the aver-  
age mileage cost of the Government railways in  
New Zealand. The engineering difficulties also on  
all the sections were patent, and were as fully before  
the company before it undertook the contract as  
afterwards.

5. Why the Government of the day did not under-  
take the construction of the railway it is useless  
now to inquire. The facts are that the Midland  
Railway Company undertook to construct it, and  
bound themselves to complete the work on or before  
the 17th January, 1895. It is obviously impossible  
for the petitioner to contend that the company held  
the view now advanced, "that the enterprise af-  
forded no certain prospect of profitable return."  
Both the share- and debenture-prospectuses show  
that the company thought they had secured a good  
contract, and that the enterprise would prove a  
highly lucrative one. The necessary faith in the  
future development of Westland, Nelson, and Can-  
terbury, and also in the validity and safety of the  
security offered, and likewise in a friendly and  
favourable treatment by the Government, they  
evidently possessed in a sufficient degree, and the