

and fairly consider. We have all one interest—we are honest men, and we can discuss this question with calmness and propriety. I invite a thorough ventilation and discussion of the question. Is this too much to pay for doing that which every one will see is desirable to do, if the terms of doing it are just and right. I will go now to the position of the equipment mortgage bondholders; but before doing so I will ask the Secretary to read the clause defining the security under which their bonds were issued. It is clause 3 of the Arrangement Act of 1862.

The SECRETARY read the clause, which runs as follows:—  
 “The company may, from time to time, raise, by the creation and issue of bonds, any sum or sums of money not exceeding in the whole five hundred thousand pounds sterling, such bonds to be called equipment mortgage bonds, to be redeemable at periods not exceeding fifteen years from the thirty-first of December, one thousand eight hundred and sixty-one, and to bear interest not exceeding six per cent. per annum, and to constitute a first charge or hypothec, both for principal and interest, upon and over all the company’s railways, works, rolling stock, and other plant, prior to all other charges of hypothecs thereon, and the money so raised shall be applied to the providing of additional sidings, wharfage, station and storage accommodation, elevators, rolling stock, and other plant, or to some one or more of such objects.”

The CHAIRMAN continued: Then, gentlemen, if you authorise us to-day to go to Parliament for this optional measure we should exactly keep that clause, but we should add to it the further words:—“That in addition to this security there should be the postal and military revenue as further security for these equipment mortgage bonds.” That is to say, the equipment mortgage bondholder would have every security he has now, and in addition the £40,000, £50,000, or £60,000 of revenue which now must go to one particular class. Therefore the position between the two is this: The postal and military bondholder for 12s. per cent. more than the average, gives up entirely any increase of revenue beyond that, and throws into the common pot the special security he has got, taking, in point of fact, 7-17ths, instead of the whole of it. Let us assume for a moment that it is £50,000. At present that £50,000 belongs to him and to no one else. It is now proposed that he shall throw that £50,000 in the general pot, and take his share, which would be 7-17ths instead of the whole of it. The equipment bondholder would have that large amount of