

I now have the pleasure of enclosing you their views upon the matter, which you will perceive are very similar to those which I entertain, and which I expressed to you.

As I feared, the Messrs. Fox, on studying Mr. Wrigg's report and estimate, arrived at once at the conclusion that (as indeed admitted by Mr. Wrigg himself in the sixth, seventh, and eighth paragraphs of his railway report) that gentleman's calculations are unreliable, especially those referring to quantities of work to be done, which they must necessarily be in the absence of proper longitudinal or cross sections, or of a plan of the proposed line.

Respecting Mr. Wrigg's prices for proposed work, my experience in New Zealand, Queensland, and America would cause me to add 50 per cent. to Mr. Wrigg's total amount of £871,637 for 3 feet 6 inch gauge railway and equipment complete.

As Mr. Wrigg states in the 83rd paragraph of his railway report, the small proportion of agricultural land along the proposed line is not sufficient inducement to capitalists to undertake the work "unless the mines and minerals are likewise included;" and it now seems that the coal formations within reach of the line, suitable for steam purposes, are excluded from the lands proposed to be conceded to the railway company or contractors.

Moreover, persons here interested in the condition and prosperity of the Province of Nelson are not ignorant of the present Superintendent of the Province having, when addressing a public meeting in Nelson towards the close of the year in reference to the probable revenue of the Province, stated regarding the land revenue that much was not looked for from that source, because "all the available agricultural land in the Province had already been sold, and the money spent." I need scarcely remark that the item of revenue of the proposed railway company based, in Mr. Wrigg's report, on the consumption of 35,000 tons of coal per annum by the Panama Steam Packet Service can no longer be relied upon.

But even were not the data supplied you by the Nelson Government quite insufficient, as it is, to satisfy capitalists or engineers, or to induce inquiry into the merits of the enterprise, my experience is that no such scheme, where the capital invested is not guaranteed a reasonable amount of interest, say 5 or 6 per cent., by the General Government, will be entertained here or embarked in.

The railway policy of the Indian Government—I refer to their guarantee system—would seem to be that best suited for New Zealand; or, if such be not adopted, it will be best that the Government or Governments construct the railways itself or themselves, as in the Australian colonies.

Very much regretting that I am compelled to write so unfavourably of the proposed undertaking as in its present shape I am obliged to do,

I have, &c.,

A. FITZGIBBON, M. Inst. C.E.

John Morrison, Esq., London.

Sub-Enclosure 3 to Enclosure in No. 4.

Colonel MAUDE, London, to JOHN MORRISON, Esq., London.

DEAR SIR,—

Army and Navy Club, April 5, 1869.

With reference to our conversations upon the subject of the formation of a railway from Nelson to Greymouth, in the Middle Island of New Zealand, I beg to inform you that I have communicated confidentially with Henry Barnet, Esq., M.P. (of Barnet, Hoare, Hanbury, and Co.), and also with Viscount Bury, M.P.; both gentlemen have promised their cordial co-operation, and the former has offered introductions to the leading City brokers, Messrs. Capel and Co., and Messrs. Barnet and Ellis, with a view to ascertaining the best mode of forming a powerful company in London for the purpose.

But these gentlemen have both strongly advised me to write to you, and ask you to be so kind as to furnish us with the fullest details in your possession of the conditions, &c., &c., under which the company would be incorporated, as regards the Government of Nelson, New Zealand; also with any plans reports, &c., of the country, minerals, &c., &c.

I have therefore to request that you will, at your earliest possible convenience, furnish me with the above details, in confidence, and that you will allow me to assemble a small number of gentlemen at an early date, selected from those of my acquaintance whom I name below, and who might, upon satisfying themselves of the probable success of the undertaking, be likely to take a more or less active part in such an enterprise, either as directors or otherwise; not merely from the pecuniary advantages which may fairly be expected to accrue to the promoters of such a work, but also from an appreciation of the enormous advantages, both to the Colony and to the labourers whom we should take or send thither for the purpose, and upon the terms to be hereafter specified.

I have, &c.,

FRANCIS C. MAUDE, Colonel.

John Morrison, Esq., London.

Henry Barnet, Esq., M.P.
The Duke of Manchester
Lord Bury, M.P.
Lord Colchester
Sir Andrew Waugh
Major-General Kavenagh
Edwin Clark, Esq., C.E.
Robert Baxter, Esq.

Major H. Jelf Sharp
Lightly Simpson, Esq.
Major-General Alexander
Sir W. Wiseman
Honorable Reg. Capel
Thomas Briggs, Esq.
Sir Charles Clifford
Sir George Grey

And others.