

seventy-five thousand pounds (£575,000), exclusive of the cost of such materials and rolling-stock as aforesaid, the said Contract No. 2 shall be annulled, cancelled, and of no effect.

In witness whereof Sir George Ferguson Bowen, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, the Governor of the said Colony of New Zealand, hath, in the name and on behalf of Her Majesty the Queen, hereunto set his hand, and hath caused the Seal of the said Colony to be hereunto affixed; and James Brogden hath, under and by virtue of a power of attorney from the said Alexander Brogden, James Brogden, and Henry Brogden, dated the tenth day of August, one thousand eight hundred and seventy-two, hereunto set their hands and seals the day and year firstly hereinbefore written.

Signed by Sir George Ferguson Bowen,
Governor of the Colony of New Zealand, and
the Seal of the Colony affixed hereto in the
presence of

G. F. BOWEN,
Governor.

J. D. ORMOND.

Witness—
WILLIAM FOX.

Signed, sealed, and delivered by the said
Alexander Brogden, James Brogden, and Henry
Brogden, by their attorney, the said James
Brogden, in the presence of

ALEXANDER BROGDEN,
By his Attorney, James Brogden.
(Seal.)
HENRY BROGDEN,
By his Attorney, James Brogden.
(Seal.)
JAMES BROGDEN.
(Seal.)

FURTHER CORRESPONDENCE PRELIMINARY TO RAILWAY CONTRACTS.

Extract from Appendix to the Journals of the House of Representatives, D.-19c, 1872.

MESSRS. TRAVERS and OLLIVIER to the HON. the MINISTER for PUBLIC WORKS.

SIR,—

Wellington, 15th March, 1872.

Some few days ago the Messrs. Brogden placed in our hands the general conditions upon which the Government proposed that they should tender for the construction of the lines of railway submitted to them under Contract No. 3. We were informed by Mr. Brogden that, immediately on receiving those conditions from you, he intimated that he could not tender under them, and he has instructed us to forward you a draft of conditions, &c., in a form which he conceives to be reasonable as between both parties, and under which he will be prepared, when supplied with the necessary data, as provided by the contract, to tender for the construction of the proposed works. As matters of this kind ordinarily come under the consideration of engineers, we would suggest that the Engineer-in-Chief should be placed in communication with Mr. Brogden respecting them, in order to avoid unnecessary delay in adjusting any disputed points. We may state, however, that the accompanying conditions have been prepared from conditions settled by eminent engineers in England in connection with both home and foreign railways.

We have, &c.,

The Hon. the Minister for Public Works.

TRAVERS AND OLLIVIER.

MEMORANDUM by ENGINEER-IN-CHIEF and ATTORNEY-GENERAL.

It is found that to several of the general conditions hitherto introduced into railway contracts here Mr. Brogden objects, and it is necessary that the Government shall determine what is to be done as to his objections, and say whether the printed conditions are to be altered to meet his objections or not. The following are the more important:—

1. Mr. Brogden wants an arbitration clause providing for the appointment of three arbiters; but would agree to an arbiter being named in the contract.
2. Mr. Brogden objects to the power granted, in clause 12 of printed conditions, to the Minister, to determine absolutely the contract in case of breach, consenting only to the alternative provided, that the Minister may take the work out of the Contractors' hands.
3. Objects to the Government having power to omit works without paying him 10 per cent. anticipated profits.
4. Objects to making good damage done by floods and force of waves, unless bad workmanship or bad arrangements should have caused it.
5. Objects to truck-system clause.
6. Objects to Minister being able to suspend payments for a month to make inquiry.
7. Proposes that Minister shall be able to pay for extra work done without written authority, but which Engineer approves in writing within one month.
8. Objects generally to the Engineer being the arbiter.

Until these are determined, the Engineer-in-Chief and the Attorney-General are unable to settle the general conditions.

JOHN CARRUTHERS,
Engineer-in-Chief.
JAMES PRENDERGAST.

Public Works Office, 25th March, 1872.