

1885.
NEW ZEALAND.

KAIHU VALLEY RAILWAY GUARANTEE

(FURTHER PAPERS RELATING TO).

[In Continuation of D.—5c, 1885.]

Presented to both Houses of the General Assembly by Command of His Excellency.

J. E. FULTON, Esq., to the Hon. the MINISTER for PUBLIC WORKS.

SIR,—

Palmerston North, 22nd August, 1885.

I have lately read papers (D.—5c), enclosed, that have been laid upon the table of the House re the Kaihu Valley Railway.

On this subject I wish to make the following remarks, and hope you will have time and patience to read them. I will be as brief as possible :—

In June, 1882, I was employed by Mr. J. M. Dargaville to examine the Kaihu Valley, and make an estimate of the cost of constructing a railway there.

At that time, in making up my estimate, I asked for £70,000, but Mr. Dargaville distinctly stated to me that he had only £60,000 available, and asked whether the railway could not be made for that money.

Now, Sir, as you are aware, railways can be made costing from £2,000 per mile to £20,000 per mile.

After conferring with Mr. Dargaville I compiled a schedule (which is printed in paper D.—5c, presented this session), showing how a very fair railway could be made for the £60,000: £59,320 were my exact figures.

The railway for most of the distance would traverse flat and easy country; for several miles six inches of formation might suffice.

Take 18½ miles of 2½ft. bank—142,376 cubic yards at 1s. 6d.	...	...	£10,678
One mile through the Gorge, Mr. Knorpp's estimate without quantities, No. 8 in D.—5c	...	...	7,000
Bridges and culverts	...	...	4,700

£22,378

During excessive floods slack water might rise over line in places, but only for a few hours, and, for a line of this sort, would be of little consequence.

Again, for the Wellington-Manawatu Railway we have grading and bridges of a similar character done for about £800 per mile.

Take 18½ miles at £800	...	...	£14,800
One mile through Gorge, Mr. Knorpp (as above)	...	...	7,000

£21,700

I estimated formerly, as per schedule above referred to,—

Grading	...	...	...	...	£16,125
Bridges and culverts	...	...	...	...	4,700

£20,825

I have made the above comparative estimates of grading, bridges, and culverts, as of the other items in my original schedule, definite quantities, for estimate may be obtained.

As soon as arrangements with the Government were completed the directors of the Kaihu Valley Railway got their engineer, Mr. H. M. Williams, to provide the following liberal estimate. (The details of this were not printed with the other papers, D.—5c.) They are as follow :—

Copy of Mr. H. M. Williams's Estimate for Kaihu Valley Railway.

<i>Grading.</i> —Wharf, station-ground, earthwork, bush-felling, level crossings, fencing, &c. ...						£29,494	1	6
<i>Permanent-way.</i> —Ballast and sleepers on 19½ miles and 1½ miles of sidings ...						17,269	0	0
<i>Buildings.</i> —Stationmasters' houses, engine-sheds, goods-sheds, stations, platforms, coal-sheds, carriage-sheds, water-supply, smithy, crane, turn-table, weighing-machine, and tools ...						5,354	0	0
<i>Rails and Fastenings.</i> —								
53lb. steel ...						16,800	0	0
Points and crossings ...						480	0	0
Surveys and management ...						4,500	0	0
<i>Rolling-stock.</i> —								
3 locomotives ...						£4,500	0	0
2 first-class carriages ...						600	0	0
3 second-class carriages ...						800	0	0
1 composite smoking carriage ...						250	0	0
2 second-class smoking carriages ...						220	0	0
60 timber-trucks ...						4,800	0	0
16 low-side wagons ...						1,280	0	0
6 high-side goods-wagons ...						480	0	0
2 goods-trucks ...						184	0	0
2 covered goods-trucks ...						184	0	0
2 cattle-trucks ...						160	0	0
Tarpaulins ...						300	0	0
							13,758	0 0
							£87,655	1 6

No. 9 of printed correspondence D.—5c, memorandum from Chairman of railway: He gives my estimate at £59,000, which is asserted to be incorrect, and says Mr. Williams's estimate, after survey, is £87,000.

Mr. Williams's estimate was not made after survey; it was made before July, 1883, and although three years have elapsed, and £10,649 have been spent in wharf extension, &c., the surveys are not finished yet.

Mr. Knorpp, in March, 1885, as stated in his report (No. 8, D.—5c), was unable to get sufficient information to enable him to go into earthwork quantities.

In No. 10 of printed correspondence, D.—5c, I see you have been led to conclude that I have made an incorrect estimate. I would submit that this is not the case.

A good line for timber trade could have been made for the £60,000 if the directors had laid it and the money out economically. 53lb. steel rails, wharf extensions, and the largely excessive amount of rolling-stock they proposed to purchase for the 19½ miles, was not the way to do this.

Herewith also I enclose you a copy of revision of my original estimate that Mr. Dargaville asked for (see his telegram) in June, 1883.

In fairness to myself I trust that you will see your way to lay this communication with it enclosures upon the table of the House, in continuation of the paper D.—5c, which, without the fuller information herein contained, does not fairly represent my position in this matter, and the instructions upon which my estimate was framed.

I have, &c.,

The Hon. the Minister for Public Works.

JAMES E. FULTON.

1885.

NEW ZEALAND.

KAIHU VALLEY RAILWAY GUARANTEE

(FURTHER PAPERS RELATING TO).

[In substitution of No. 10 of D.-5c.]

Presented to both Houses of the General Assembly by Command of His Excellency.[Extract from *New Zealand Herald*, 15th April, 1885.]

REPORT of the Interview of a Deputation from the Kaihu Valley Railway Company (Limited) with the Hon. the Minister for Public Works.

DEPUTATIONS TO THE MINISTER FOR PUBLIC WORKS.

(New Zealand Herald, 15th April, 1885.)

ADVANTAGE was taken of the presence in town of the Hon. Mr. Richardson, the Minister for Public Works, to interview him on a number of subjects, and he was accordingly waited on by several deputations.

KAIHU VALLEY RAILWAY COMPANY.

A deputation, consisting of Mr. R. C. Barstow (Chairman of the Company), Mr. E. Waymouth (Secretary), Mr. E. Mitchelson, M.H.R., Mr. J. M. Dargaville, M.H.R., the Hon. H. Chamberlin, and Messrs. T. Morrin, G. Aickin, and H. Brett, waited on the Hon. the Minister for Public Works.

Mr. Mitchelson called the attention of the Hon. Mr. Richardson to the disabilities under which the company laboured. Through defective legislation they were unable to avail themselves of their endowments as security for their debentures. In the last session a similar reason was urged by Sir Julius Vogel why the Government should relieve the district railway companies in the South, either by enabling them to finance or to take the lines over altogether. Another difficulty was an error made in the estimated cost of the railway by the engineer sent from Wellington. He greatly underestimated the actual cost, having only made a flying survey. They therefore asked the Government to amend the contract so as to correct what was obviously an error of calculation. Failing in this it would be difficult to finance for the construction of the line. Already over £10,000 had been expended by the company, under the impression that they would be able to finance in the manner prescribed by the Act; but unless the difficulties he pointed out were removed, the company would have to suspend operations. Or, as an alternative course, the Government might guarantee debentures, thus enabling them to construct a section of, say, fifteen miles of the line. Were this done, and, say, 4½-per-cent. debentures to the extent of £50,000 guaranteed by the Government, the company would be able to proceed. The line was a most important one, as it would open up more than twenty-five thousand acres of Crown land to which there was no access at present, and the increased value given to the block by the railway would repay the whole cost of construction.

The Hon. Mr. Richardson said he felt assured the Government would be averse to entertaining any proposals which would involve the granting of further concessions to the company. As to amending what he admitted to be a mistaken estimate of the cost of the work, it would be necessary to ask the consent of Parliament; and, as private contracts for the construction of railways were not popular in the House, he questioned whether any relief would be obtained there. He would, however, consult the Government as to a Government guarantee being given to £50,000 worth of the company's debentures, at not exceeding 4 per cent.; but in the present disturbed state of affairs abroad no Minister could pledge himself in regard to finance. This part of the question would rest largely with the Colonial Treasurer. Mr. Knorpp has gone carefully into the matter, and from his report he gathered that £50,000, in addition to the £10,000 already expended, would construct the first portion of the line and open it for traffic, and then the company could avail themselves of a proportion of their endowments in terms of the contract, and complete the line.

