

1885.

NEW ZEALAND.

KAIHU VALLEY RAILWAY GUARANTEE

(PAPERS RELATIVE TO).

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

No. 1.

MESSRS. IZARD and BELL to the Hon. the MINISTER for PUBLIC WORKS.

Kaihu Valley Railway Company.

SIR,—

Wellington, 19th July, 1882.

We have the honour to transmit herewith for perusal and approval of the Crown Law Officers a draft of the contract proposed by the above company under "The Railways Construction and Land Act, 1881," as to be amended by the Bill now passing through the House.

We some time since addressed a letter to the Hon. the Premier on behalf of the promoters of the company, to which we would refer.

The plan of lands to be made available for grant to the company will no doubt be shortly prepared. We cannot, of course, send such a plan at present, as its details must probably depend on further arrangements.

We have the honour to request that, if the Government approve, as we understand they do, of the company having a contract for the construction of the railway, you will direct the draft to be perused and settled by the Crown Law Officers.

We have, &c.,

The Hon. the Minister for Public Works, Wellington.

IZARD AND BELL.

Enclosed is a plan of the proposed line and a report of Mr. James E. Fulton, A.M.Inst.C.E., upon the line and the probable cost thereof.—I. and B.

Enclosure 1.

J. E. FULTON, Esq., A.M.Inst.C.E., to J. M. DARGAVILLE, M.H.R.

SIR,—

Wellington, 24th June, 1882.

I have the honour to report that, in accordance with your instructions, I have examined the route of the proposed Kaihu Valley Railway.

From the Town of Dargaville, on the west bank of the Wairoa River, the line will pass along flat and nearly level ground for a distance of one and three-quarter miles; it will then cross the Kaihu River to the left bank; from thence it will continue up the valley, traversing comparatively flat country, occasionally intersected by small creeks and swamps, to the proposed station site, thirteen and a half miles; thence recrossing the Kaihu River, which it follows up on the right bank to eighteen and a half miles, where it again crosses to the left, on which side of the river it continues to the terminus at nineteen and a half miles.

From Dargaville to sixteen miles the railway will be easy of construction, with very slight gradients. From sixteen miles to the terminus at nineteen and a half miles the line will pass over steep sidling ground, involving heavier works. The grade also will be somewhat steeper than on the first portion, but will probably in no case exceed 1 in 60.

I estimate the cost of constructing this railway, with a reasonable amount of rolling-stock, to be £59,320, as per schedule attached. Attached also is a plan (on which the railway is drawn in black) showing the various blocks of land through which the line will pass.

I have, &c.,

JAMES E. FULTON,
A.M.Inst. C.E.

J. M. Dargaville, Esq., M.H.R.

SCHEDULE.

ESTIMATED cost of constructing the proposed Kaihu Valley Railway, as shown on the plan herewith: Formation, 215,000 cubic yards at 1s. 6d., £16,125; improvements to present wharf, £500; bridges and culverts, £4,700; station-buildings, £1,500; sleepers, 40,000 at 2s., £4,000; 40-lb. steel rails and fastenings, 1,440 tons at £9, £12,960. Rolling-stock: 2 four-wheel tank engines, £2,000; 6 four-wheel carriages, £1,920; 20 timber-trucks, £1,400; 12 wagons, £1,200; 3 brake-vans, £450. Platelaying—viz., 35,200 lineal yards at 4s.—£7,040; bush-felling, £1,500; surveys, £1,200; engineering and office, at 5 per cent., £2,825. Total, £59,320. — JAMES E. FULTON, A.M.Inst.C.E., 24th June, 1882.

No. 2.

The UNDER-SECRETARY, Public Works Department, to Messrs. IZARD and BELL.

GENTLEMEN,—

Public Works Office, Wellington, New Zealand, 21st July, 1882.

I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 19th July, forwarding the draft contract and plans of the proposed Kaihu Valley Railway, to be constructed under "The Railway Construction and Land Act, 1881," which will be considered.

I have, &c.,

JOHN KNOWLES,

Under-Secretary for Public Works.

Messrs. Izard and Bell, Wellington.

No. 3.

Messrs. IZARD and BELL to the Hon. the MINISTER for PUBLIC WORKS.

Kaihu Valley Railway Company.

SIR,—

Wellington, 25th July, 1882.

Referring to our letter of the 19th instant on the above matter, we have now the honour to enclose a plan showing Government land which is adjacent to the terminus of the proposed line and available for grant to the company in aid of the cost of construction as provided by "The Railways Construction and Land Act, 1881." The portion coloured pink is that part of such lands which the directors propose should be so granted to the company.

We are informed that some objection may be offered with reference to the block marked "surveyed land" in pencil on the plan on the ground that it has been surveyed by the Government. We are, however, instructed to submit that it is essential that this block should be included, and that the company could not undertake the construction of the railway without it. The block is not now worth a large sum, but it will be greatly enhanced in value by the construction of the proposed railway. The immediately-surrounding country is of little value, and the proposed increased area would in no way be an equivalent to the company for the loss of the surveyed block.

The company would not object, if the Government insist, that in estimating the value of lands to be granted to the company, the expense already incurred by the Government in connection with this block should be taken into consideration; nor would they object to any reasonable restrictions as to the manner in which and the time within which it should be sold. It is expected that the first section of the line will be completed and open for traffic within a year.

We trust that the Government will see its way to provide in the contract for the grant to the company of the land coloured pink on the enclosed plan.

We have, &c.,

The Hon. the Minister for Public Works, Wellington.

IZARD AND BELL.

P.S.—We understand that the Hon. the Minister for Lands and the Secretary for Crown Lands have been informed of the above proposals.—I. and B.

No. 4.

The ASSISTANT UNDER-SECRETARY, Public Works Department, to Messrs. IZARD and BELL.

GENTLEMEN,—

Public Works Office, Wellington, New Zealand, 29th July, 1882.

I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 25th July forwarding plan of land adjacent to the proposed Kaihu Valley Railway.

I have, &c.,

C. T. BENZONI,

Assistant Under-Secretary for Public Works.

Messrs. Izard and Bell, Wellington.

No. 5.

Messrs. IZARD and BELL to the UNDER-SECRETARY, Public Works Department

Kaihu Valley Railway Company.

SIR,—

Wellington, 8th August, 1882.

As we understand that the Solicitor-General requires evidence of the formation of the company, we have the honour to enclose—(1) Certificate of the incorporation, dated the 12th July, 1882; (2) list of persons who signed the memorandum of association. We have the honour to request that both documents may be returned to us when seen and noted.

We have, &c.,

The Under-Secretary for Public Works, Wellington.

IZARD AND BELL.

Enclosure 1 in No. 5.

NEW ZEALAND.

Certificate of Incorporation of the Kaihu Valley Railway Company (Limited) under "The Joint-Stock Companies Act, 1860."

I, DAVID MITCHELL LUCKIE, Registrar of Joint Stock Companies, do hereby certify that the Kaihu Valley Railway Company (Limited) is incorporated under "The Joint-Stock Companies Act, 1860."

Given under my hand at Wellington, this twelfth day of July, one thousand eight hundred and eighty-two.

D. M. LUCKIE,

Registrar of Joint-Stock Companies.

Enclosure 2 in No. 5.

KAIHU VALLEY RAILWAY COMPANY.

LIST of signatures to memorandum of association—showing names, occupation, and residence of subscribers; number of shares held by each; and signatures of attesting witnesses in whose presence the several subscribers signed.—E. Mitchelson, merchant, Auckland; 100 shares; John Chambers, witness. Thomas Morrin, merchant, Auckland; 100 shares; John Chambers, witness. J. M. Dargaville, merchant, Parnell; 100 shares; James Farmer, witness. Robert Clapham Barstow, gentleman, Epsom; 100 shares; William Black, witness. Henry Brett, journalist, Auckland; 100 shares; J. D. Davies, witness. Graves Aickin, chemist, Auckland; 100 shares; William Black, witness. Henry Chamberlin, gentleman, Auckland; 100 shares; William Wood, J.P., witness. A. Dargaville, lady, Parnell; 50 shares; James Farmer, witness. E. Waymouth, merchant, Parnell; 25 shares; William Black, witness. Charles C. Dacre, merchant, North Shore; 25 shares; William Black, witness.

I hereby certify that the above is a true and correct list of the signatures to the memorandum of association of a company called "The Kaihu Valley Railway Company (Limited)," incorporated under "The Joint-Stock Companies Act, 1860," and registered at Wellington on the 12th day of July, 1882.

WALTER TILSLEY,
Law Clerk, Wellington.

No. 6.

The UNDER-SECRETARY, Public Works Department, to Messrs. IZARD and BELL.
GENTLEMEN,—Public Works Office, Wellington, New Zealand, 9th August, 1882.

I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 8th August, forwarding certificate of incorporation and list of names of persons signing memorandum of association of Kaihu Valley Railway Company (Limited), and to thank you for the same.

I have, &c.,

Messrs. Izard and Bell, solicitors, Wellington.

JOHN KNOWLES,
Under-Secretary for Public Works.

No. 7.

MESSRS. IZARD and BELL to the UNDER-SECRETARY, Public Works Department.
Kaihu Valley Railway Company.

SIR,—

Wellington, 15th August, 1882.

We have the honour to enclose—(1) Draft contract, Her Majesty the Queen with the above company, as approved by the Government, (2) engrossment of same executed by the company.

You will observe that the date has been left blank, to be filled in when His Excellency signs. It is expected that the Railways Construction and Land Act Amendment Act will pass to-day, or to-morrow at latest, and it is earnestly hoped that His Excellency's signature may be obtained immediately after the Bill becomes law, as the contract has to lie on the table of Parliament for fourteen days.

We have, &c.,

The Under-Secretary for Public Works, Wellington.

IZARD AND BELL.

Enclosure 1 in No. 7.

THIS DEED made the twenty-first day of August, one thousand eight hundred and eighty-two, between Her Majesty the QUEEN (who, with her heirs and successors, is and are hereinafter included in the expression "the Queen"), of the one part, and the KAIHU VALLEY RAILWAY COMPANY (LIMITED) (which, with its successors and assigns, except where the context otherwise requires, is and are hereinafter included in the expression "the company") of the other part.

WHEREAS the Company has been established for the purposes (amongst other things) of constructing and maintaining a line of railway from a point on the bank of the Wairoa River north of the confluence of the Kaihu and Wairoa Rivers, and thence up the Kaihu Valley, to such point or points, place or places, as the directors should determine, with all necessary buildings, railway works, and other appliances requisite for the same, and of working the said railway, and especially of carrying thereon of passengers, animals, and goods for hire, and generally in other respects of carrying on the business of a railway company in all its branches, with power to contract with any other company or authority with respect to running powers, interchange of traffic, or otherwise: And whereas the said railway is intended to be constructed as nearly as may be along the line shown in red upon the map marked A hereunto annexed, and is estimated to be of the length of nineteen and a half miles or thereabouts, and the said line is intended to connect with a navigable river called the Wairoa River, which flows into the northern part of an arm of the sea known as the Kaipara Harbour: And whereas on the shore of the southern part of the said arm of the sea known as the Kaipara Harbour is the Town of Helensville, which is the present northern terminus of the Auckland-Helensville Railway, being a line of railway heretofore constructed by the Government of New Zealand: And whereas the Governor of New Zealand, acting therein with the advice of the Executive Council of the colony, and in pursuance of the provisions of "The Railways Construction and Land Act, 1881" (hereinafter in these presents termed "the said Act"), as amended by "The Railways Construction and Land Act Amendment Act, 1882," has agreed with the company for the construction and working of the said proposed line of railway upon the terms and conditions hereinafter set forth:

Now, this deed witnesseth that, in consideration of the covenants hereinafter contained on the part of the Queen, the company doth hereby covenant with the Queen in manner following, that is to say :—

1. The company shall and will, with all convenient speed, and within the term of five years computed from the date of these presents, at its own expense in all things, construct and thereafter maintain and work a line of railway between a point on the bank of the Wairoa River north of the confluence of the Kaihu and Wairoa Rivers, thence up the Kaihu Valley, a distance of about nineteen and a half miles, to such point as the directors of the company shall determine, with the approval of an engineer appointed for that purpose by the Governor (hereinafter throughout these presents referred to as “the engineer”), and will construct such line of railway along the line shown in red upon the map marked A hereunto annexed, or as near thereto as practicable: such railway to be constructed, and, when completed, to be worked, in all respects under and subject to the provisions of the said Act.

2. The railway to be constructed, maintained, and worked under the provisions of this contract; and all other works in connection with the said railway which are provided for in this contract shall be well and faithfully constructed of sound materials, and of sufficient strength and durability, having regard to the nature of such works, upon plans, both general and detail, to be from time to time approved of by the engineer, and so that the details shall, as nearly as may be, conform to the approved standard drawings in use on the New Zealand Government railways, and that the specifications shall accord as nearly as may be to the standard specifications of the Government of New Zealand for the time being used in respect of the construction of railways having single lines of permanent way, or as may be necessary for any particular work included in this contract; and such construction shall in all things be to the satisfaction of the engineer, it being the intent and meaning of this provision that all such plans and specifications, when approved by the engineer, or as the same may be altered or modified subject to his approval, shall form part of this contract as effectually as if the same had respectively been attached hereto at the date of the execution hereof.

3. All rolling-stock and plant to be from time to time used or employed upon the said line or in connection therewith shall be of like character and strength in all respects to the rolling-stock and plant in use upon railways constructed by the Government of New Zealand.

4. The power conferred by the 48th section of the said Act shall be deemed to extend to and include all works of every kind executed by or on behalf of the company under this contract, and all plant, rolling-stock, materials, and things which are or may be used, or are intended to be used, in or upon the said works; and if at any time the Governor shall be advised that some addition, alteration, or repair is necessary or requisite to or upon the said railway or all or any of the works aforesaid, or to the rolling-stock, plant, and materials used or intended to be used thereon, then, for the purpose of more effectually carrying out this contract, he may, on behalf of the Queen, direct the engineer to take such steps as may be necessary to have such addition or alteration made or repair effected; and, upon delivery to the company, at its registered office in Auckland, of a notice in writing from the engineer specifying the nature and extent of the addition, alteration, or repair required, or the class and character of the rolling-stock, plant, or material to be supplied, the company shall cause the same to be made, executed, or supplied within the period specified in such notice, as the case may require.

And this deed further witnesseth that, subject to the provisions of the said Act, and in consideration of the premises, the Queen doth hereby covenant with the company in manner following, that is to say :—

5. Subject to the provisions of “The Harbours Act, 1878,” it shall be lawful for the company to build a bridge or bridges over the Kaihu River according to plans to be approved by the engineer; and also to build a breastwork and wharf on the bank of the Wairoa River at the point of junction of the railway and the Wairoa River, according to plans to be approved by the engineer.

And whereas, there being no land adjoining the proposed line of railway available under the provisions of the said Act, the land set apart for selection as hereinafter mentioned is so set apart under the provisions of section 101 of the said Act :

Now it is hereby further agreed between the Queen and the company,—

6. That, as soon as conveniently may be after the execution of this contract, the lands shown by a red border and colour on the map hereunto annexed, and marked B, shall be withdrawn from sale and set apart to be granted to the company under the powers and to be dealt with in manner respectively provided by Parts I. and V. of the said Act, and that the selection of such land for the purposes of the said Act and of this contract shall, after the construction of the said railway or of any completed section or sections of the same, be conducted and carried out as follows, that is to say :—

- (a.) For the purposes of such selection, the estimated cost of constructing the said line of railway shall be the sum of £3,000 per mile throughout its whole length, estimated at nineteen and a half miles.
- (b.) For the purposes of such selection, the value of the lands shall be ascertained in the manner prescribed by section 102 of the said Act, but to the “estimated market value” of the land as defined in the said section there shall be added the value to the company of the surveys already made of, and roads already constructed through, the said lands.
- (c.) For the purposes of such selection as aforesaid, the said line of railway shall be divided into sections, and, when and so soon as the Minister for Public Works for the time being shall be satisfied that the said line of railway, or any section thereof which can be usefully worked for public traffic, has been completed and is fit for such traffic in accordance with the said Act, the company shall be at liberty to select and shall receive a grant for so much of the said land as they may be entitled to in respect of the number of miles of the said railway comprised in such completed section; and, if there shall be

any difference or dispute as to the area the company is entitled to select, the decision of the Governor shall be binding and conclusive on the company, and every such selection shall be subject to the approval of the Governor.

Every grant made under the last-preceding clause shall be subject to the provisions of "The Railways Construction and Land Act, 1881," respecting the terms and conditions upon which grants of Crown lands may be made to a company thereunder.

In dealing by way of sale or otherwise with any land which shall become vested in the company pursuant to any such selection as aforesaid, the company shall conform to the rules and regulations set forth in the First Schedule hereto:

Provided, however, that this and the two last-preceding clauses shall not have any force or operation so as to give the company any right, title, interest, or claim in or to the land proposed to be withdrawn from sale as aforesaid, unless and until the allocation of the land so set aside and intended to be granted to the company shall be approved by the General Assembly of New Zealand in the manner prescribed by sections 13 and 14 of the said Act.

7. And it is hereby further agreed that the power of purchase conferred upon the Governor by the said Act may be exercised at any time after the expiration of three years from the completion of the said railway.

8. And it is hereby further agreed that the maximum tolls, fares, and rates to be charged by the company for the carriage upon the said railway of passengers, produce, animals, and goods, and for the storage of goods in any of the company's sheds or warehouses, shall be according to the scale set forth in the Second Schedule hereto, or according to the scale for the time being in force on the Auckland-Helensville Railway.

9. And it is hereby lastly agreed that, in case this contract or any provision thereof shall be avoided or modified either wholly or in part by a resolution or resolutions to be passed by the General Assembly of New Zealand in the manner prescribed by the said Act, the company shall not have any claim or demand upon or against the Queen or the Governor of New Zealand for any loss or damage by reason of such avoidance or modification, or in consequence of the operation of any such resolution; and any property, estate, right, or interest acquired by the company from the Queen or the said Governor under or by virtue of the said contract or provision shall, to the extent and in the manner specified in any such resolution, be and be deemed to have again become the property or estate of the Queen or the Governor, or to revest in the Queen, as the nature of the case may require.

And, further, that nothing contained in this contract shall be deemed in any way to abridge, control, modify, or supersede any power, remedy, or authority which under the said Act is vested in or may be exercised by the Governor in Council, or the Governor, or the Minister for Public Works.

The word "Governor" in this contract has the like meaning as is attached thereto by "The Interpretation Act, 1878."

In witness whereof these presents have been executed by the parties hereto on the day and year first above written.

The seal of the company was hereunto affixed this twenty-first day of August, one thousand eight hundred and eighty-two, by two of the directors of the company, in the presence of—

J. M. DARGAVILLE,
E. MITCHELSON,
Directors.

L. B. LINKLATER,
Secretary to the Company.

(L.S.) Seal of the Kaihu Valley Railway
Company (Limited).

Signed by Sir James Prendergast, Administrator of the Government of the Colony of New Zealand, with the advice of the Executive Council thereof, on behalf of Her Majesty the Queen, and sealed with the Public Seal of the said Colony, in the presence of—

JAMES PRENDERGAST,
Administrator of the Government of the
Colony of New Zealand.

FORSTER GORING,
Clerk of the Executive Council.
21st August, 1882.

(L.S.) Seal of the Colony.

FIRST SCHEDULE.

1. No sale of land shall be held until after thirty days' public notice of the time and place thereof shall be given in at least one Auckland newspaper.

2. Sales of land may either be by auction or by applications receivable on a given day. In the event of more than one application for the same section of land on the same day between the hours of 10 a.m. and 4 p.m., the land applied for shall be put up to public auction, and the bidding at such auction shall be limited to the applicants.

3. Pastoral land—that is, the higher slopes on the hills—to be surveyed generally, so far as the natural features will permit, in sections at least twice the depth to the breadth, the depth running back with the slope of the hills.

Sand-hills to be deemed pastoral land, and may be surveyed in such areas as the company may deem best.

4. Governor to have the right of selecting, free of cost, in each town and village, on land acquired by the company, an area not exceeding three acres for post and telegraph offices, court-house, police-station, and other public buildings; also an area not exceeding five acres for a school site.

At cross roads or other suitable places in rural districts Governor to have the right of selecting, free of cost, five acres for a school site, at distances four or five miles apart.

5. The surveys of lands to be conducted on the New Zealand system of surveys, so that the plans, traverse reductions, and field-books may be conformable with the public survey records of the colony from which the descriptions of title are taken.

6. All record surveys and classification of agricultural and pastoral land to be subject to the approval of the Surveyor-General or officer nominated by him.

7. All agricultural and pastoral lands, and not less than one-fourth of the area set apart for town, village, and suburban lands, shall be offered for sale not later than twelve months after the railway-line has been opened for traffic to the locality of such lands.

8. The price of agricultural and pastoral lands shall not be less per acre than the valuation already made in terms of section 102 of the said Act.

9. All lands shall be surveyed, mapped, and lithograph plans of sections published before being advertised for sale.

Witness—

L. B. LINKLATER.

FORSTER GORING,
Clerk of the Executive Council.
21st August, 1882.

J. M. DARGAVILLE,
E. MITCHELSON,
Directors.
JAMES PRENDERGAST.

SECOND SCHEDULE.

SCALE OF FARES AND CHARGES.—Vide *New Zealand Gazette*, No. 87, 24th October, 1881, pp. 1339–1374.

Enclosure 2 in No. 7.

BOND for £10,000.—The KAIHU VALLEY RAILWAY COMPANY (LIMITED) to Her Majesty the QUEEN.

Know all men by these presents that the KAIHU VALLEY RAILWAY COMPANY (LIMITED) (hereinafter called “the said company”) is held and firmly bound unto Her Majesty the Queen in the sum of ten thousand pounds (£10,000) sterling, to be paid to Her Majesty, her successors or assigns, for which payment, well and truly to be made, the said company hereby binds itself, its successors and assigns, firmly by these presents. Sealed with the seal of the said company. Dated this twenty-eighth day of August, one thousand eight hundred and eighty-two.

The common seal of the Kaihu Valley Railway Company (Limited) was hereunto affixed by Joseph McMullen Dargaville and Edwin Mitchelson, two Directors of the said Company, in the presence of—

L. B. LINKLATER,
Secretary to the Company.

J. M. DARGAVILLE,
E. MITCHELSON,
Directors.

(L.S.) Seal of the Kaihu Valley Railway Company (Limited).

WHEREAS by a contract under seal, bearing date the twenty-first day of August, one thousand eight hundred and eighty-two, and made between Her Majesty the Queen, of the one part, and the said company, of the other part, under and in pursuance of the provisions of “The Railways Construction and Land Act, 1881,” and “The Railways Construction and Land Act 1881 Amendment Act, 1882,” the company did, amongst other things, covenant with Her Majesty that the company should and would, with all convenient speed, and within the term of five years, computed from the date of the said contract, at its own expense in all things, construct and thereafter maintain and work a line of railway between a point on the bank of the Wairoa River north of the confluence of the Kaihu and Wairoa Rivers; thence up the Kaihu Valley, a distance of about nineteen and a half miles, to such point as the directors of the said company should determine, with the approval of an Engineer appointed for that purpose by the Governor; and should construct such line of railway along the line shown in red on the map marked A annexed to the said contract, or as near thereto as practicable: Now the condition of the above-written obligation is such that if the company shall, before the thirty-first day of December, one thousand eight hundred and eighty-three, lay out and expend in the construction of the said line of railway, and in accordance with the provisions of the said contract, a sum or sums of money not less in the aggregate than the sum of ten thousand pounds (£10,000), then the above-written obligation to be void, otherwise to remain in full force and effect.

The common seal of the Kaihu Valley Railway Company (Limited) was hereunto affixed by Joseph McMullen Dargaville and Edwin Mitchelson, two Directors of the said Company, in the presence of—

L. B. LINKLATER,
Secretary to the Company.

J. M. DARGAVILLE,
E. MITCHELSON,
Directors.

(L.S.) Seal of the Kaihu Valley Railway Company (Limited).

No. 8.

Report of INSPECTING ENGINEER, Public Works Department, to the ENGINEER-IN-CHIEF.

Kaihu Valley Railway.

SIR,—

Auckland, 18th March, 1885.

As directed by Sir J. Vogel, I have the honour to report on the position and prospects of the Kaihu Valley Railway.

The position is that a wharf has been built at the river (Wairoa) terminus, station reclamation made, stationmaster's house built, and the formation completed to 0 mile 41 chains, for which £4,109 has been paid, and £781 for sleepers; all other expenses up to the end of February, 1885, amount to £5,759: total expenditure £10,649. Contract plans are ready up to 7 miles 65 chains, with exception of an easy piece, 2 miles 40 chains long, through Native property, where levels were not allowed to be taken at the time, but of which surveys and levels have since been taken by the Government Survey Department, and which are available for use by the railway company.

The line has been pegged out and levelled to 16 miles 15 chains, but the levels have not been checked, and therefore the longitudinal section has not been plotted. Thence to the upper terminus, to 19 miles 40 chains, a preliminary survey without levels has been made. From the lower terminus to 17 miles the line passes along the valley of the Kaihu River through moderately-easy country, where, however, the high floods make it necessary for the first eight miles to keep the banks from 3ft. to 7ft. above the surface of the ground, which consists greatly of kahikatea, flax, and ti-tree swamps. From 17 miles 20 chains to 18 miles 10 chains the line has to pass through what is termed the gorge, where the narrow and tortuous valley of the river, hemmed in by precipitous hills on both sides, will cause considerable expense in rock-cuttings, banks, and river revetments for a distance of 70 chains. This part is similar to parts of the Pakuratahi on the Wellington and Masterton Railway. Before any definite estimate of the cost of it can be made it is absolutely necessary to have surveys, supported by sections and cross-sections, of both sides of the river taken. Having walked along the traverse line, it appears to me that a workable line cannot be constructed through this length under £7,000, as it may be necessary to tunnel about six chains through one of the spurs. From 18 miles 10 chains to 19 miles 40 chains easier ground can be chosen.

Mr. H. Morton Williams, the engineer to the company, has made the following approximate estimate: Grading, £29,494; permanent-way, £17,267; buildings and tools, £5,354; rails, &c., £16,800 (53lbs); points and crossings, £480; rolling-stock, £13,756; contingencies, £4,500: total, £87,655. This estimate will probably be sufficient if the gorge portion can be completed at a cost of £7,000 for formation.

The upper terminus of the company's line will be about 200ft. above sea-level, and the ground beyond allows an additional rise of 250ft. in about three and a half miles; after this the ground rises rapidly 750ft. in three and a half miles to the table-land, which is about 1,300ft. above sea-level and twelve miles long by four miles wide, without a break through it, and which is joined on the east by the Tatamoe Range and on the west by the Maunganui Bluff. It is evident that the table-land cannot be reached by a practical line from the company's upper terminus, and thus the Kaihu Valley Railway cannot be profitably extended to more than three and a half miles from it. By a judicious selection a good road can be obtained from the table-land to this terminus. This table-land is good land covered with mixed bush, containing taraire, rata, and some totara, but no kauri, and promises to become good pastoral and agricultural land. There is some very good land in the valleys of the Kaihu and its tributaries, and on their eastern slopes and round the Maunganui Bluff; to the west the land is very poor up to the sea-coast. There is a large quantity of very fine kauri timber, estimated at about 260,000,000 superficial feet, in the Kaihu basin. The first portion of this will be tapped at about eight miles from the lower terminus, and the line goes through kauri bush from thirteen miles to the upper terminus; the average distance for this to be carried by railway will be sixteen miles, which, at the rate of 1s. 1½d. for haulage and charges per 100 superficial feet, will produce £146,250, say, in ten years, or £14,625 per annum. To this add profit on timber on company's land, £30,000; estimated value of land which will be handed over to the company, £12,550; total value of traffic, timber, and land, say, in ten years, £188,000, or £18,880 per annum. Deducting £5,880 per annum for traffic and other expenses, leaves £13,000 per annum gross receipts on, say, £90,000, or, say, 14 per cent. In this is not included receipts from any traffic (except from timber) of goods and passengers, which will increase with the settlement of the surrounding country, including the table-land, and will, no doubt, eventually alone return a fair dividend on the cost of the railway.

As directed, I have spent several days in examining the Government kauri forests to the north of the company's land, and find that on the seaward side of the table-land they extend for a length of ten miles, averaging from half a mile to a mile in width in the valleys of the Waipoua, Waimamuku, and Wairau Streams. They are not so dense with kauri trees as in the Kaihu basin, but there are several patches from twenty to thirty acres where the kauri trees stand very close together. They may contain some 200,000,000 superficial feet of kauri timber. All the streams drain to the West Coast, and the timber will have to be taken to the coast. It may be for the present advisable to preserve these forests by strict regulations and supervision until their increased value will pay for the cost of removal.

I have, &c.,

C. B. KNORPP,
Inspecting Engineer.

The Engineer-in-Chief, Wellington.

No. 9.

MEMORANDUM of the CHAIRMAN, Kaihu Valley Railway Company (Limited).

MR. FULTON's estimate of cost on which Government subsidy of 30 per cent. calculated, £59,000; Mr. Williams's, engineer for company, after survey, £87,000; Mr. Cooke's (directed to cut down to lowest possible figure), £76,000; Mr. Ware's (own estimate), about £90,000.

The 30-per-cent. allowance should be granted upon Mr. Williams's estimate, or company would be content to accept Mr. Knorpp's valuation. Mr. Knorpp has seen all plans, &c., made for the company.

Under existing Act company do not get any grants until portions of line have been completed and approved by Government engineers, so that the 30 per cent. is not available for constructing the line but only for reimbursement of cost. Owing to necessity of getting the ballast at about twelve and a half miles, £60,000 would have to be spent before any portion of subsidy available.

Government own 350,000 acres of land, all of which will be more or less benefited by the line; at least 350,000,000ft. of kauri timber must come down it. Some of the land is of splendid quality. Mr. Rolleston, after riding through it, told the writer that some was equal to anything on the Waimate Plains or in Canterbury; and Mr. Federli, in his printed report, stated that the land at the head of the Kaihu Valley was the best that he had seen for growth of subtropical fruits.

English capitalists had expressed their readiness to provide funds for the construction, the promoters retaining an interest, but have been deterred by two causes: first, the great differences in survey valuations; secondly, by the fact of the Natives—through whose land the Government have a reserve of a chain wide, half of which was allotted for the railway—having obstructed the Government surveyor, and brought an action against him in the Supreme Court for trespass; hence great delay was caused in completion of company's plans and survey, and much expense caused them.

The company now ask for increased subsidy, power of raising money on security of same for construction of line, and extension of time for completion of undertaking.

Auckland, 13th April, 1885.

R. BARSTOW,
Chairman.

No. 10.

[Extract from *New Zealand Herald*, Auckland, 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, $4\frac{1}{2}$ 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.