

1888.
NEW ZEALAND.

MIDLAND RAILWAY CONTRACT

(CABLEGRAMS BETWEEN THE PREMIER AND THE AGENT-GENERAL RESPECTING).

Laid on the Table by the Hon. Sir H. A. Atkinson, with the Leave of the House.

The AGENT-GENERAL to the PREMIER.

7th May, 1888.

MIDLAND: Burchell objects to many deviations from original contract and Committee draft. Nevertheless, my opinion is could be arranged, as selection clause accepted and incline-line sheets waived; but at present three objections vital—namely, proviso clause 38, because fatal obtaining money; also, clause 39, because alleged reduces rates thirty seventy per cent.; also clause 4 present shape, but supposing other objections arranged, company ready make alternative proposal. Strongly instruct whether you wish me telegraph particulars minor objections until it is decided whether three allowed.

The PREMIER to the AGENT-GENERAL.

11th May, 1888.

MIDLAND: Proviso clause 38—Will consent to insert understanding to make reasonable agreement for running-powers, and if parties cannot agree reference to arbitration. Clause 39—Alteration makes no reductions, but willing to accept clause 12 existing contract. Clause 4—Await company's proposals. Cannot agree enter negotiation by cable except at expense of company.

The AGENT-GENERAL to the PREMIER.

16th May, 1888.

MIDLAND: Firstly, clauses 38, 39—Company agrees message received. Secondly, clause 4—Further proviso asked, company may, subject to Governor's approval, survey alternate line over Arthur's Pass upon Abt system, avoiding tunnel; whereupon, supposing approved and cost entire railway reduced below 2½ millions, land-grant reduced proportionately. Lastly, if you accept this, company waives other points, allows Agent-General settle form amendment, and affixes seal.

The PREMIER to the AGENT-GENERAL.

19th May, 1888.

Does company mean, if steep grade approved, that they will reduce land-grant by amount saving thus effected in cost line from beginning to end of deviation?

The AGENT-GENERAL to the PREMIER.

19th May, 1888.

MIDLAND: No; their hypothesis was that Abt line, if found practicable and approved, might make saving between £250,000 and £400,000 construction and equipment entire railway Springfield-Belgrove. Hereupon I insisted land-grant must proportionately reduced.

The PREMIER to the AGENT-GENERAL.

21st May, 1888.

If Abt line finally adopted would total land-grant be reduced proportionately sum saved?

The AGENT-GENERAL to the PREMIER.

22nd May, 1888.

MIDLAND: Yes, provided you clearly understand saving calculated over construction equipment entire railway, not merely Abt. Thus, supposing Abt saved £400,000, but Brunnerton exceeded £100,000, then £300,000 would measure proportionately reduction land-grant. Secondly, company declines paying messages. Instruct whether you wish me cease cabling.

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