

1889.

NEW ZEALAND.

MIDLAND RAILWAY CONTRACT.

(COPY OF THE CONTRACT ENTERED INTO IN PURSUANCE OF "THE MIDLAND RAILWAY CONTRACT ACT, 1887.")

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

THIS DEED made the third day of August, one thousand eight hundred and eighty-eight, between HER MAJESTY THE QUEEN (who, with her heirs and successors, is and are hereinafter referred to as "the Queen"), of the one part, and "THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED)," a joint-stock company carrying on business in the City of Christchurch, in New Zealand, and elsewhere, and having its head office at No. 79, Gracechurch Street, in the City of London, in England (which, with its successors and assigns, is hereinafter referred to as "the Company"), of the other part.

Date and parties.

WHEREAS, by a deed bearing date the seventeenth day of January, one thousand eight hundred and eighty-five, and made between the Queen, of the one part, and William Chrystall, John Tucker Ford, George Hart, John Thomas Matson, Thomas Shailer Weston, John Honeycomb Cock, Charles Yates Fell, Henry Douglas Jackson, Albert Pitt, and James Sclanders, all therein respectively described and thereafter collectively referred to as "the contractors," of the other part, which said deed is hereinafter referred to as "the original contract," the Queen and the contractors did, in pursuance of the provisions of "The Railways Construction and Land Act, 1881" (thereinafter referred to as "the principal Act"), and of "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884" (thereinafter referred to as "the said Act"), and of all other powers and authorities them thereunto enabling, mutually contract and agree for the construction, maintenance, and working of a line of railway to connect the east and west coasts of the Middle Island, from Springfield, in the Provincial District of Canterbury, to Brunner-ton, in the Provincial District of Westland, so as to connect at Springfield aforesaid with the New Zealand Government railway already constructed and having its terminus there, and at or near Brunnerton with the Government railway already constructed, and connecting Brunnerton aforesaid with the Town of Greymouth; and also a further line of railway from Brunnerton aforesaid to or near Belgrove, in the Provincial District of Nelson, so as to connect there with the New Zealand Government railway already constructed and leading thence to the City of Nelson, and connecting the same with the first before-mentioned line of railway, which two several lines of railway are thereafter referred to as "the said railway," with all necessary buildings, railway works, and other appliances requisite for the same, and for working the said railway upon the terms and conditions and with and subject to the covenants, agreements, provisoes, or restrictions in the said deed now in recital contained:

Recital of original contract of 17th January, 1885.

Recital of assignment to Company of 30th April, 1886.

And whereas, by a deed of assignment bearing date the thirtieth day of April, one thousand eight hundred and eighty-six, and indorsed upon the hereinbefore in part recited deed of the seventeenth day of January, one thousand eight hundred and eighty-five, the contractors did thereby, with the consent of the Governor of New Zealand, testified as therein appearing, assign unto the Company all that the original contract and the full benefit and advantage to arise therefrom upon the terms and with and subject to the covenants, provisoes, and conditions therein contained :

And whereas, by "The Midland Railway Contract Act, 1887," the Governor in Council is empowered in the name and on behalf of the Queen to enter into a contract with the Company for the construction, maintenance, and working of the Midland Railway in the manner therein mentioned, and the said parties hereto are desirous of entering into such contract, pursuant to the provisions of the principal Act and the said Act :

Recital of estimated cost of railway.

And whereas the total cost of constructing the said railway has, for the purposes of the grants of lands to be made under these presents, been estimated at the sum of two million five hundred thousand pounds (the total length of the said railway being estimated at about two hundred and thirty-five miles), of which said sum one million five hundred thousand pounds is the estimated cost of that part of the said railway from Springfield to Brunner-ton, and one million pounds the estimated cost of that part of the said railway from Brunner-ton to Belgrove :

Recital as to valuation of lands.

And whereas the value of the Crown lands out of which lands may be granted to the Company in pursuance of the provisions of the said Act and of these presents has been ascertained in the manner prescribed by subsection (3) of section 8 of the said Act, and the persons appointed by and under the said section have duly made and given their certificate in writing, bearing date the nineteenth day of March, one thousand eight hundred and eighty-eight, and the particulars of such valuation are further set forth upon the map marked "B1," hereunto annexed :

Now, THIS DEED WITNESSETH that in pursuance of the premises and 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,—

Interpretation of terms.

1. In construing these presents, if not inconsistent with the context,—

"Authorised area" means the area of Crown lands reserved from sale under the said Act and out of which blocks of land may be selected by and grants made to the Company, or which may be otherwise dealt with under these presents, and which area is shown on the map hereunto annexed, marked "B1" :

"Blocks" mean the blocks of Crown land respectively delineated and numbered on the said map marked "B1" :

"Certified valuation" means the valuation of the Crown lands within the authorised area :

"Crown grant," or "grant from the Crown," means and includes a certificate of title issued in pursuance of the provisions of "The Land Transfer Act, 1885," or any amendment thereof :

"Lands" mean Crown lands to be selected by the Company, and granted by the Crown to it in accordance with the principal Act, the said Act, and these presents, or which may be otherwise dealt with or disposed of under these presents :

"Mining purposes" mean mining for gold or silver upon Crown lands, with all rights pertaining thereto, and in such manner and with such machinery, works, or other appliances as may be authorised or required under any law or regulations for the time being in force, including the doing of all lawful acts or things incidental or conducive to such mining, and the lawful use or holding of all business, machine, or residence sites, or the construction of water-races, dams, reservoirs, drives, tunnels, or other works of any kind in, on, or under any such lands, and all rights and privileges annexed thereto, or that may be

held or exercised therewith respectively, in accordance with any such laws or regulations as aforesaid :

“Month” means a calendar month :

“Original contract” means the hereinbefore in part recited deed of the seventeenth day of January, one thousand eight hundred and eighty-five :

“Section” means a section of the railway to be constructed, maintained, and worked under these presents, as shown on the map marked “A1,” hereunto annexed, and such further or additional sections as may be hereafter agreed upon between the parties from time to time :

“The Engineer” means an engineer or engineers to be appointed from time to time by the Governor for any of the purposes of the principal Act, the said Act, or these presents :

“The Governor” has the like meaning as is attached thereto by “The Interpretation Act, 1878” :

“The said railway” means the two several lines of railway from Springfield to Brunnerton, and from Brunnerton to Belgrove, mentioned in these presents, and to be constructed, maintained, and worked in accordance therewith, with all necessary buildings, works, and appliances requisite for working the same :

“The principal Act” means “The Railways Construction and Land Act, 1881” :

“The said Act” means “The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884,” and includes the amendments of the said Act so far as the said Act and such amendments are respectively operative :

“To work” or “working” the said railway or any section thereof, or “worked,” means running trains drawn by locomotive engines thereon for the carriage or conveyance for hire of passengers, animals, or goods, and generally in all respects carrying on, upon, and about the said railway the business of railway-carriers in all its branches, so that the said railway shall be open for public traffic, and includes the supply and maintenance of all necessary rolling-stock and equipment for the purpose of such traffic, and the services of all requisite officers, servants, or agents that may be necessary for carrying on the traffic on the said railway, or any section thereof, as the case may be :

And whenever any officer of the Queen is referred to by the title of his office, it shall be understood to refer to the person for the time being holding such office.

2. The Company shall and will, with all convenient speed and within the term of ten years computed from the seventeenth day of January, one thousand eight hundred and eighty-five, or within such further time after the expiration of that period as may be allowed in that behalf under these presents, at its own cost and expense in all things, construct and completely finish a line of railway so as to connect at Springfield, in the Provincial District of Canterbury, with the New Zealand Government railway already constructed and having its terminus there, and at Brunnerton, in the Provincial District of Westland, with the Government railway already constructed and connecting Brunnerton with the Town of Greymouth; and also a further line of railway from a point on the first-mentioned line of railway at or near Brunnerton aforesaid by way of Reefton, in the Provincial District of Nelson, to a point at or near Belgrove, in the said district, so as to connect there with the Government railway already constructed and leading thence to the City of Nelson.

Company to construct railway within ten years from 17th January, 1885, from Springfield to Brunnerton, and from Brunnerton by way of Reefton to Belgrove.

And the Company shall construct the said railway along the line shown in red upon the map marked “A1” hereunto annexed (the same, with certain amendments in the delimitation of the sections shown thereon, being similar to the map marked “A” annexed to the original contract) and known as “the Arthur’s Pass route,” to Brunnerton, and thence by way of Reefton to Belgrove, or as near thereto as practicable, such railway to be constructed and, when com-

pleted, to be maintained and worked in all respects under and subject to the provisions of the principal Act and the said Act, and also under and subject to the terms and conditions of these presents.

Railway to be constructed of sound materials, &c., upon plans and in manner approved of by Engineer appointed by the Crown.

3. The said railway, and all other works in connection therewith which are provided for in this contract, shall be constructed, maintained, and worked under the provisions of these presents, and 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, or such modifications thereof as the Engineer shall from time to time approve; 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 railways of a similar character having single lines of permanent-way, or as may be necessary for any particular work included in this contract; and such construction and maintenance 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.

Subject to the terms of the next succeeding clause hereof the grades on the said railway shall not be steeper than one in forty on the straight, with a sufficient flattening on curves to give equivalent haulage-power, and no curve shall be of a less radius than five chains.

Company not to deviate from line or alter gradients on plans without consent of Governor.

4. The Company shall not, without the consent of the Governor first had and obtained, deviate from the line of railway as surveyed, or alter any gradients upon the said railway as the same are shown upon the plans of that portion of the said railway from Springfield to Brunnerton, deposited in the office of the Minister for Public Works, marked P.W.D. 11554, 11555, 12007, and 12009, copies whereof have been handed to the Company before the execution of these presents: Provided that so much of sheets 45a, 46a, 47a, and 48a of the said plan 11555 as apply to the "incline-line" at Arthur's Pass shall not be deemed to be part of the said plan: Provided also that the Company may construct the incline-line instead of the tunnel-line, if the Governor, after having obtained the opinion of two eminent engineers to be nominated by him, is satisfied that the incline-line when made will be suitable for mineral and other heavy traffic, and in his opinion worked at a satisfactory cost, and if the cost of the construction of the entire line from Springfield to Belgrove shall be less than two million five hundred thousand pounds a reduction shall be made in the grant of land to the Company proportionate to the amount saved by the substitution of the incline-line for the tunnel-line.

Rolling-stock and plant to be at least equal to that in use on Government railways.

5. All rolling-stock and plant to be from time to time used or employed upon the said railway or in connection therewith shall be of at least equal character and strength in all respects to the rolling-stock and plant in general use upon railways constructed by the Government of New Zealand, and so as to be sufficient both in quality and quantity for effectually carrying on the traffic on the said railway as may from time to time be requisite or necessary.

Company to expend £150,000 before 31st December, 1888.

6. The Company will, before the thirty-first day of December, one thousand eight hundred and eighty-eight, or within such extended period after the expiration of that date as may be allowed under the powers hereinafter contained, expend a sum of not less than one hundred and fifty thousand pounds in the construction and execution of permanent works on the said railway, such works to be of a character, in the opinion of the Engineer, that will enable some complete section or sections of the said railway to be fit for traffic as early as possible.

Company to enter into two contracts for portions of lines from Springfield

7. The Company shall enter into and enforce the due performance of a *bond fide* contract or contracts for the construction of a portion of the said railway to commence at Springfield and extend towards Brunnerton, at a cost of not less

than sixty thousand pounds; and of another portion of the said railway to commence at some point to be agreed upon on the present Government line from Nelson to Belgrove and extend towards Reefton, at a cost also of not less than sixty thousand pounds, in addition to the contract already entered into for the portion of the said railway from Brunnerton to a point on the Tere-makau River.

and from Belgrove towards Reefton.

Such contract or contracts shall be entered into as soon as the necessary surveys can be made and tenders obtained, and shall each contain a provision, which shall be of the essence thereof, for the continuous prosecution of the same until the due completion thereof.

Contracts to be entered into as soon as necessary surveys can be made and tenders obtained.

8. The power conferred by the 48th section of the principal Act shall be deemed to extend to and include all works of every kind executed by or on behalf of the Company from time to time under these presents, and all plant, rolling-stock, materials, and things which are or may be used or are intended to be used from time to time 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 office, 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, at its cost, cause the same to be made, executed, or supplied within the period specified in such notice, as the case may require.

Powers under section 48 of principal Act to extend to all works executed by Company.

Power to Governor to require alteration or addition.

9. The Company shall not at any time assign, charge, or dispose of this contract, or any benefit or advantage thereof or thereunder either at law or in equity, without the written consent of the Governor on behalf of the Queen first had and obtained; but this clause shall not be deemed to affect or interfere with or in anywise abridge the powers of borrowing given by the said Act: Provided that the Governor may at any time appoint any person in the colony or elsewhere for the purpose of consenting to any such assignment, and no such consent shall be arbitrarily withheld either by the Governor or by any person so appointed as aforesaid.

Company not to assign contract without written consent of Governor.

10. Upon the construction of the said railway, and upon its being opened for traffic, the Company shall from time to time and at all times use, work, and manage the said railway to the best advantage in all respects, and shall on every week-day cause at least one train for the conveyance of passengers and goods to be despatched each way along and upon the whole extent of the said railway, the time of arrival and departure of each such train at the several termini to be approved by the Governor from time to time under the powers hereinafter contained: Provided that the obligation to run such daily trains shall not be compulsory if at any time any part of the said line is unsafe or dangerous to traffic, and the Company is taking all necessary steps to promptly render the same safe and fit for traffic.

Company to run daily train on railway when open for traffic, except in case of accident.

The provisions of this clause shall extend and apply to any section of the said railway completed and fit for traffic, save in so far as the same are modified by these presents.

Clause to extend to sections of railway fit for traffic.

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,—

11. So soon as the said railway or any section thereof is surveyed and marked out on the ground by the Company the Queen will, with all convenient speed after being requested in writing by the Company under the hand of its manager or agent for the time being so to do, and at the Company's expense, put the Company in possession of all lands then in the possession and at the disposal of the Queen for the purposes of the construction of the said railway of the width and extent necessary for such construction, and of any land adjacent thereto, which may be available and in such possession or at such disposal as

Queen to put Company in possession of lands required for railway or accommodation-works.

Proviso.

Queen to work certain portions of railway for five years on terms.

aforesaid, which in the opinion of the Engineer may be required for side-cuttings, ballast-pits, spoil-banks, and road-approaches and road-diversions, or for the protection in any way of the said railway, or for workshops, stations, or other buildings used in connection with the said railway: Provided that nothing herein contained shall be deemed to require the Queen to cause possession of any land to be so given which is then lawfully held or used for mining purposes, or which may be subject to the terms of any special Act of the General Assembly affecting the same.

12. The Queen will, at the request of the Company, for a period of not more than five years from the date hereof, at her cost, work the portions of the said railway hereinbefore required to be constructed from Springfield and Belgrove respectively as mentioned in clause 7 hereof, and the portions of the said railway to be constructed from Brunnerton eastward for a distance of about nine miles, and from Brunnerton to Ahaura a distance of about twelve miles, or any part or parts of any of such portions which is or are completed and fit for traffic, upon the following terms, that is to say,—

- (a.) The Queen shall be called upon to run only such number of trains as she may consider necessary for the requirements of traffic:
- (b.) The Queen shall maintain only the rails, sleepers, and ballast, and not the formation-works or bridges:
- (c.) The Company shall remove all large slips, and make good any damage which arises from floods or other accidents to the permanent-way or works:
- (d.) The Queen shall pay to the Company 40 per centum of the gross receipts derived from the working of the said portions of railway, and the remaining 60 per centum shall be retained by the Queen, and dealt with as part of the public revenues of the colony:
- (e.) If more rolling-stock than the Queen has at the date hereof on the Nelson and Greymouth Government lines be requisite to work the Company's sections at those places, the Company shall either provide the additional rolling-stock required at its own cost, the Queen keeping the same in repair, or shall pay to the Queen the interest on the cost of providing such additional rolling-stock as may be required.

Company may construct any section of railway which Queen agrees to work.

Company may construct other sections in such order as it thinks fit.

If Queen desires to work any section, terms to be as in clause 12.

If, after five years, Queen desires to work any portion of section, terms of working to be settled as stated.

Company may decline to work any section, and, unless Queen works same, it may remain unworked; but working or non-working not to affect Company's right to earn grants of land.

13. The Company shall construct any particular section of the said railway which the Queen may desire, if the Queen agrees to work the same when completed upon the terms mentioned in clause 12; otherwise the Company to be at liberty to construct all other sections at such times and in such order as it thinks fit, but within the time limited by these presents for the completion of the said railway.

In case the Queen desires to work any section during the said period of five years, such working shall be on the terms hereinbefore set forth in clause 12.

14. If, after the said period of five years shall have elapsed, the Queen desires, at the request of the Company, to work any such portion of the said railway or any section thereof, the terms of such working shall be settled between the parties hereto on the basis of similar arrangements made between the Queen and other railway companies in New Zealand.

At any time before the completion of the said railway the Company may decline to work any section; and, unless the Queen desires, before the expiration of the period of five years hereinbefore mentioned, to work the same on the terms set forth in clause 12 hereof, or, after that period, on the terms mentioned in this clause, such section may remain unworked.

The working or non-working of any section shall not affect the earning by the Company of grants of land in respect thereof.

AND THIS DEED FURTHER WITNESSETH that, in further consideration of the premises and of the mutual covenants herein on the part of the Queen and of the Company contained, it is hereby covenanted and agreed by and between the Queen and the Company as follows:—

Particulars of valuation and blocks

15. The particulars of the certified valuation within the authorised area and the blocks of land which the Company shall from time to time be entitled to select

in accordance with these presents are shown on the map hereunto annexed, marked "B1" (which said map, with the additions herein mentioned, is similar to the map marked "B" attached to the original contract, and referred to in the Third Schedule to "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act Amendment Act, 1886"), which said particulars are hereby declared to be binding on the Queen and the Company.

of land which Company is entitled to select shown on Map B1.

The Company shall not be entitled to make a selection or receive a grant of any land outside the authorised area on any account or claim under these presents or any Act relating thereto.

Company not to make selection or receive grant outside authorised area.

16. Subject to the conditions herein contained, all lands within the limits of the authorised area shall be available for selection by the Company, with the following exceptions:—

Definition of lands within authorised area which Company may select, with exceptions.

- (a.) All lands which at the date hereof are subject to any rights of private ownership, tenancy, or other occupancy, not being a tenancy or occupancy under leases or licenses granted for pastoral purposes; and all lands which have, prior to the first day of January, one thousand eight hundred and eighty-seven, been set apart either temporarily or permanently by or on behalf of the Queen, under any law for any public purpose, or which may at the time such selection takes effect under these presents be lawfully held, used, or occupied for mining purposes, but so that all lands so held, used, or occupied for mining purposes shall be included in the aggregate area mentioned in subsection (c) hereof:

(a.) Exception of private lands, not being pastoral leases or licenses; reserves made before 1st January, 1887; lands held for mining purposes at date of selection.

Provided that nothing contained in this clause shall be deemed to prevent the Company from selecting, in accordance with these presents, the area of land comprised in the existing coal leases on the Blackball Creek and Ford's Creek, subject to all subsisting rights affecting the same.

Proviso as to certain areas under lease.

- (b.) All lands described in the Schedules to "The Westland and Nelson Coalfields Administration Act, 1877."
- (c.) All lands which from time to time in the opinion of the Governor are or may be required for *bonâ fide* mining purposes, and the several purposes connected therewith or incidental or conducive thereto, and which lands shall from time to time be set apart and defined by Proclamations to be issued in that behalf; but no more than ten thousand acres shall be so set apart or proclaimed in one block at any one time; and the lands so set apart and proclaimed from time to time shall not in the aggregate exceed seven hundred and fifty thousand acres.
- (d.) All lands which shall from time to time hereafter be reserved or set apart for purposes of public recreation, or as endowments for charitable or educational purposes, under any law for the time being in force: Provided that no such lands shall be so reserved or set apart unless the situation and extent thereof shall have previously been agreed upon between the Queen and the Company.

(b.) Lands in schedules to Westland and Nelson Coalfields Administration Act;

(c.) Lands required for mining purposes (to be set aside in blocks not exceeding 10,000 acres, and not exceeding in the aggregate 750,000 acres);

(d.) Lands reserved for public recreation, or endowments for educational or charitable purposes; but situation and extent to be agreed on between Queen and Company.

17. It shall be optional for the Company at any time to select lands within the authorised area which are held under lease or license for pastoral purposes; but in every such case such selection shall be subject to all existing rights affecting the same.

Option for Company to select land held under pastoral lease or license, saving existing rights.

18. It shall be optional for the Company, with the consent of the Queen in every case, at any time to select the timber on any lands reserved or set apart as aforesaid under subsections (c) and (d) of clause 16 hereof, in lieu of land at the same value per acre as such lands shall be set down at in the certified valuation, and such area of timber so selected shall be reckoned as if it were an equal area of land selected by the Company: Provided that such option shall not be exercisable so as to in any way interfere with *bonâ fide* mining purposes: Provided also that such option shall not be exercisable over lands the timber on which shall in the opinion of the Governor be or be likely to be required for saw-milling industries in existence at the date when the Queen shall consent to

Option for Company, with consent of Queen, to select timber on land.

Saving of lands and timber required for certain industries.

the exercise of such option by the Company, or where such timber shall be or be likely at any time to be required for holders of timber licenses or miners' rights respectively, or for mining purposes.

Licenses to issue to Company in respect of timber rights.

19. The Queen shall, on the application of the Company, cause a license to be issued to it, defining the area within which and the period for which the Company shall be entitled, subject to these presents, to exercise the right of cutting and removing timber; and every such license shall be issued upon such terms and conditions and subject to such reservations as the Queen thinks necessary or reasonable to give effect to the terms of clause 18 hereof.

Powers and liabilities of Company thereunder.

The Company shall, by virtue of such license, have power for itself, its servants and agents, to enter at any time or times upon any of the lands to which such license applies, and may erect and remove any saw-mills or other machinery thereon, and may cut, stack, and remove the timber from time to time within the period prescribed in such license, and shall at all times remove or otherwise dispose of all lops, tops, and refuse timber, in such manner and time as the Queen may require, and shall so exercise the rights hereby conferred as not to obstruct or injure any railway, highway, watercourse, or works, machinery, or appliances of any kind lawfully held or used for mining purposes which is, are, or may be on any such land.

After the expiration of any period so prescribed as aforesaid the Company shall vacate and deliver up possession to the Queen of all land mentioned or included in any license issued as aforesaid.

Selection and grant of lands to Company not to give riparian rights.

20. The selection by and grant to the Company of any lands within any mining district constituted under "The Mining Act, 1886," which may abut on or include any river or watercourse, shall not be deemed to give the Company, or any person claiming through or under the Company, any right or title to the uninterrupted flow of the water therein, or to give any claim for damage by reason of the interruption of such flow or for the pollution of the water in such river or watercourse by mining operations, or by the deposit of tailings or mining *débris* therein, or to give any further or better title in respect of any such river or watercourse, or the water therein, than would be acquired by any person purchasing lands from the Crown that are or may be subject to the provisions of section 3 of "The Mining Act Amendment Act (No. 2), 1887."

Crown grants to contain provision to effect of clause.

Every Crown grant that may be issued to the Company, or to any person or persons by its direction, or in accordance with these presents, shall have a provision to the effect hereinbefore mentioned set forth therein.

Holder of a miner's right entitled to construct water-races or works for mining purposes on or over railway, subject to conditions.

21. Any holder of a miner's right shall be entitled at any time to cut and construct any head-race, tail-race, tunnel, or channel, or any other work for mining purposes, over, across, or under the said railway, but so as not to interfere with the permanence, stability, or working thereof, and upon and subject to the provisions of "The Mining Act, 1886," and to such other terms and conditions as may be imposed in any case by the Engineer and the Warden of the mining district in which this provision shall become operative.

Holders of miner's right or prospecting license entitled to search for gold or silver on lands within authorised area.

22. Any holder of a miner's right or of a "prospecting license" issued under the provisions of "The Mining Act, 1886," may, subject to the law affecting such miner's right or the terms of such license, enter upon any land within the authorised area, and search for gold or silver therein or thereon, at any time prior to the grant of such lands by the Crown to the Company.

Reservation of right of Crown to resume under "The Mining Act, 1886," lands granted to Company.

23. Nothing contained in these presents shall affect the right of the Queen to resume, pursuant to "The Mining Act, 1886," any lands granted to the Company, as effectually as if the same had been alienated by the Crown by way of absolute sale or lease.

Parties to ascertain and agree upon proportionate cost that construction of sections of railway bears to £2,500,000, being estimated cost of railway. Account to be kept of such cost, and value of land to which Company shall be entitled.

24. With all convenient speed the parties hereto shall ascertain and agree upon the proportion which the estimated cost of construction of the several sections of the said railway, or such other sections as shall be agreed upon between the parties hereto, bears towards the sum of two million five hundred thousand pounds, being the estimated cost of construction of the said railway, so far as the same relates to the lands to be granted by the Queen to the Company; and the amount of such proportionate estimated cost of construction of each respective section when so ascertained shall be entered against such section in an account which shall be kept by the Queen with the Company for that

purpose, which shall also show the value of the land to which for the time being the Company shall be entitled, at the same rate per acre as that named in the certified valuation for the block within which such land is contained. And such account shall be so arranged that the value of the land selected by the Company in respect of each such respective section of the said railway shall be shown as ascertained, in accordance with these presents. Such value shall be equal to fifty per cent. of the proportionate estimated cost of each section of the said railway in relation to the lands to be granted by the Queen to the Company, as hereinbefore mentioned.

Value to be equal to 50 per cent. of proportionate cost of each section of railway.

25. The Company shall be at liberty from time to time, when and as it in its discretion shall think fit, to select any block or blocks of land as defined and set forth on the said map "B1," and available for selection under clause 16 hereof, as it shall have earned or become entitled to in respect of any completed section or sections of the said railway in accordance with the provisions of the said Act and of these presents; and neither the Company nor the Minister for Public Works shall select any lands in alternate blocks, as provided by the said Act.

How Company to select lands to which it becomes entitled.

For the purposes of the said selection the said railway shall be deemed to be divided into the several sections numbered from 1 to 35, as indicated in figures coloured red and in circles upon the map marked "A1," hereunto annexed, the delimitations of the said sections of that portion of the railway from Springfield to Reefton being further detailed in a schedule on the said map; and the delimitations of the remaining sections of the said railway shall be from time to time agreed upon between the Minister for Public Works and the Company.

Railway divided into sections for purposes of such selection.

26. As soon as the block or blocks selected by the Company shall have been surveyed, in accordance with these presents, the Governor shall direct the District Land Registrar of the district in which the land selected is situated to issue a certificate of title to the Company, or to such person or persons as the Company shall direct, in such manner and form as is authorised by law: Provided that the Queen shall not be liable to the Company for any delay in making any such survey or in the issue of any certificate as aforesaid, but the Company shall be entitled, after making any such selection, and subject to the terms of these presents, to enter upon the block or blocks selected. And the Governor shall, as soon as conveniently may be after such selection, issue and give to the Company, or to such person or persons as the Company shall direct, such instrument or authority as may be necessary to define generally the situation and area of the block or blocks so selected.

When selected lands surveyed certificate of title to issue to Company.

Authority to occupy to be also given.

27. Every certificate issued in pursuance of clause 26 of this contract shall be subject to the provisions of the said Act and of these presents respecting the terms and conditions upon which Crown grants may be issued to the Company or any person or persons by its direction.

Certificates issued under clause 26 subject to provisions of said Act and these presents respecting Crown grants.

28. Upon the Company entering into the contracts for the construction of a portion of the said railway commencing at Springfield, and of another portion of the said railway from a point at or near Belgrove and extending towards Reefton, mentioned in clause 7 hereof, to the satisfaction of the Governor or the Agent-General, the Queen shall, as soon as conveniently may be thereafter, cause a grant or grants from the Crown to be made and issued to a trustee or trustees, to be agreed upon between the parties, of such lands as the Company may select, in accordance with the certified valuation, of a value not less than thirty thousand pounds in respect of each such portion; and such trustee or trustees shall have power, if so requested by the Company, to sell, dispose of, or charge or mortgage such lands, and to apply the proceeds thereof in or towards the cost of the construction of the portion of railway in respect of which they shall have been so granted to such trustee or trustees, and for no other purpose: Provided that, upon the completion of any such portion, any lands not already sold by the trustee or trustees shall be vested in the Company, subject only to such charges or mortgages thereupon as shall have been made by the trustee or trustees at the request of the Company as aforesaid; and such lands shall be reckoned as part of the lands which the Company has earned under these presents: Provided also that all land so selected shall be subject to clauses 16 and 29 of these presents.

When Company enters into contracts mentioned in clause 7, grants of lands selected to value of £60,000 may issue to trustees.

Powers and duties of trustees in respect of lands in such grants.

Selections of land by Company not valid for two months, and Minister for Public Works may object to selection on certain grounds.

Proviso that Minister may approve selection before expiry of such two months.

Cost of surveys of lands selected by Company and boundaries common thereto and to lands reserved, to be equally shared between Queen and Company.

Subdivisional surveys of lands dealt with under certain clauses to be borne by Company.

Surveys to be under direction of Surveyor-General, and cost to be settled by him.

Queen not to grant leases or licenses of land in authorised area without consent of Company, except in certain cases.

Company to select lands in blocks or parts of blocks, except in certain cases.

29. Notwithstanding anything contained in these presents as to the right of the Company to select any lands to which it may be or become entitled, no selection shall be valid until a period of two months shall have elapsed after such selection has been made and notified to the Minister for Public Works by the Company; and within such period the Minister for Public Works may object to any such selection in whole or in part, on the ground that the land or part of the land comprised therein is required for any of the purposes set forth in subsections (a), (b), (c), and (d), of clause 16 hereof, or in clause 18 hereof, in which case the selection shall be deemed not to have been made, or, at the option of the Company, the selection may be varied so as to exclude the land objected to, as the case may be: Provided, nevertheless, that the Minister for Public Works may approve any selection at any time before the said period of two months shall have elapsed, by notifying to the Company his assent thereto in writing.

30. The survey of lands selected by the Company or dealt with under these presents shall be made, and the cost of the same ascertained, in the following manner:—

- (1.) The boundaries of the blocks selected by the Company, or to which the Company shall have become entitled, shall be surveyed, and the costs of such survey, and of the survey of boundaries common to such blocks and to the lands to be hereafter reserved or set apart as aforesaid, shall be borne one-half by the Queen and the other half by the Company.
- (2.) In the case of any selection of timber-land by the Company under clause 18 hereof, or of any lands dealt with under clause 33 hereof, the cost solely belonging to the survey of any such selection in the first case, and the whole cost of the survey of lands dealt with under clause 33, shall respectively be borne by the Company.
- (3.) In any case where a part of a block may be selected by the Company any extra cost of survey occasioned by such part-selection shall be borne by the Company.

All such surveys shall be made by or under the direction of the Surveyor-General, whose certificate of the cost thereof shall be binding and conclusive on the parties hereto, and the amount of such cost shall be ascertained and settled as each block is surveyed, or as soon thereafter as possible, and the amount shown to be due by the Company shall, on demand, be paid by it to the Queen, or any of her officers appointed to receive the same.

31. Until the particular lands to be respectively retained or acquired by the Queen and the Company shall be actually ascertained the Queen will not, without the written consent of the Company for that purpose first had and obtained, grant any leases or licenses of or otherwise alienate or deal with any of the lands within the authorised area described as available for selection by the Company, except for mining purposes under the Acts relating to mining, and for cutting and removing timber for saw-milling industries and mining purposes, as hereinbefore mentioned in clause 18 hereof, and also for pastoral purposes under any Act authorising licenses for such purposes, and except as provided in these presents.

32. Except where otherwise provided in these presents, and without prejudice to the special powers conferred on the Company by clauses 18 and 33 hereof, the Company shall select the lands to which it may from time to time become entitled in blocks in the manner following, that is to say,—

- (1.) If the Company is entitled to the whole of the area in any block delineated on the said map marked "B1," within which it may desire to select land, then the Company shall select the whole of the said block.
- (2.) If the Company is not entitled to the whole of the area within the block in which it may desire to select land, then a portion of the said block may be selected, provided that the frontage of the portion so selected shall be proportionate to the frontage of the whole block as the area so selected is proportionate to the area of the whole block. And in its next selection of land to which it may become entitled the

Company shall first select the remainder of the block from which a portion was previously selected, or such portion of the remainder as it may then be entitled to, with proportionate frontage as before mentioned, and so on until the whole of the block is selected.

- (3.) Every such selection shall be subject to the provisions of these presents affecting selections of lands to be made by the Company.

Provided that out of any block of land available for selection by the Company as aforesaid the Queen may, if she thinks fit, grant any portion thereof to the Company which it may be entitled to select for the purpose of laying out a town or village; and the area of such land and the price to be paid for the same per acre shall from time to time be determined by the Queen.

Proviso as to grant of lands for towns or villages in certain cases.

33. So far as respects any lands within the authorised area in the Nelson and Westland Land Districts, on the western side of the main range of mountains, and being available for selection by the Company under clause 16 hereof, the Queen shall, from time to time, on the request of the Company, sell any such lands for cash, or on deferred payments in such manner as may be agreed upon between the Queen and the Company, or may let the same on lease, to any person or persons desirous of purchasing or leasing the same, subject to the following provisions:—

Provision for selling or leasing lands in Westland and Nelson Land Districts west of mountain-range.

- (1.) The Company shall, in writing, authorise such person or persons to make choice of the land required, and such choice shall be made in conformity with the Survey Regulations for the time being in force both as to the shape and frontage, and as to all other particulars. (1.) General.
- (2.) Upon the Company requesting the Queen so to sell or lease any land, the Queen shall forthwith cause the value of such land to be assessed at a price not being less per acre than the certified valuation per acre of the block, and the value of the remainder of the block shall be deemed to be the certified valuation of the whole block, less such assessed value of the portion disposed of. (2.) Assessment of value.
- (3.) In the case of a purchase, the amount to be paid by such person or persons for the purchase of any such land shall be fixed by the Company, but shall not be less per acre than the value assessed by the Queen under the last-preceding paragraph; and on payment by the purchaser to the Queen of a deposit of 10 per cent. of the purchase-money, together with the estimated cost of survey of the land required, the Queen shall cause the same to be surveyed, and, after completion thereof and payment of the balance of the purchase-money has been made to the Queen, and on the further request of the Company in writing, the purchaser shall be entitled to receive a grant of the lands so purchased. (3.) Purchase and completion thereof.
- (4.) In the case of a lease, the rent or royalty and the terms and conditions of the lease shall be agreed upon between the Queen and the Company; and the applicant for such lease shall, at the time of such application, pay to the Queen the estimated cost of survey, and, before the execution of the lease, shall also pay one half-year's rent in advance; and so soon as the Company shall have earned such grants of land as to entitle it to receive a further grant of such value as may be shown by the assessment hereinbefore mentioned of any land so leased as aforesaid, then the Queen shall, on the request of the Company, issue to it a grant of such land, subject to the then-existing lease. (4.) Leases.
- (5.) All purchase-moneys, rents, or royalties received or collected under these provisions shall be paid to the Receiver of Land Revenue of the district in which the land is situated, who shall pay the same into the Receiver-General's Deposit Account; and all such moneys, rents, or royalties shall from time to time be taken into account as provided by these presents, and the whole or part thereof, as the case may be, shall be paid over to the Company on its request, after it shall have become entitled to the same in respect of grants of land earned in accordance with these presents. (5.) Collection and disposal of purchase-moneys and rents.

(6.) Company to collect deferred payments and rents, &c.

(6.) In the event of any lands being sold under this clause upon any system of deferred payments, or being disposed of by way of lease, the duty and cost of collecting or enforcing all such deferred payments, or compelling payment of any rents or royalties, or enforcing the covenants and conditions of any such lease, shall devolve on the Company, which shall collect and receive such payments, rents, or royalties as the agent of the Queen, and shall forthwith pay the same, without any deduction, to the Receiver of Land Revenue as aforesaid, to be dealt with under these presents; and the Queen shall from time to time grant to the Company such power or authority as may enable the Company, in the name and on behalf of the Queen, but at its expense, to recover or receive any moneys due or payable on deferred payments or under any lease, or otherwise to enforce the performance of the covenants and conditions contained or implied in any such lease or contract for purchase on deferred payment.

(7.) Lands sold or let deemed to be selected by Company.

(7.) When any land has been so sold or let by the Queen under these provisions the same shall be deemed to have been selected by the Company, and the value thereof shall from time to time be debited against the Company in the account mentioned in clause 24 at the price at which the same shall have been so assessed as aforesaid.

On selection by the Company of the remainder of a block within which land has been so sold or let, the value thereof shall be the amount of the certified valuation of the whole of such block, less the assessed value of such lands as shall have been so sold or let.

Company may select in blocks, but not under this clause.

Nothing in this clause shall be deemed to prevent the Company selecting any land to which this clause applies in blocks as provided in clause 32; but the Company shall not be entitled to become the purchaser or lessee from the Crown of lands affected by this clause, nor shall this clause extend to any other lands than those in the Nelson and Westland Land Districts as hereinbefore mentioned.

Land not to be sold by Company at less price than shown on certified valuation, except with consent of Queen.

34. No land which shall be granted to the Company, or any person or persons by direction of the Company, or set apart under clause 28 hereof, or dealt with under clause 33, shall be sold at a less price than shall be shown on the certified valuation thereof, except with the consent of the Queen.

After completion of railway, lands not already selected by and granted to Company shall be granted to it. Each selection to be in one grant, and whole to be granted within ten years from 1st January, 1888.

35. After the completion of the said railway the whole or any part of the lands which the Company shall have earned or become entitled to in respect thereof, and not already selected by and granted to or otherwise vested in the Company, shall be granted to it, the legal estate being antevested to the date of selection when the Company shall so require or direct, but so that each separate selection shall, unless with the consent of the Queen, be granted to the Company in one grant only; and the whole of such lands earned by the Company, or to which it shall have become entitled, shall be granted to the Company within ten years from the first day of January, one thousand eight hundred and eighty-eight.

One year after completion of railway, account of moneys received by or due to Company to be made up, and valuation made of unsold lands; and, if aggregate of moneys and valuation does not amount to £1,250,000, only claim of Company to be a right of selection of further land in authorised area to make up difference.

36. Within three months after the expiration of one year from the completion of the said railway an account shall be taken of all moneys theretofore received by and then owing to the Company as proceeds of the land granted to and sold by the Company, or otherwise sold, leased, or disposed of under these presents on its behalf, and as proceeds of its timber and coal, whether by way of purchase-money, rent, or royalty, and a valuation shall be made, either by agreement between the parties hereto or by arbitration as hereinafter provided, of all the land, timber, and coal of the Company then unsold; and if the aggregate of the moneys so received and owing, together with the sum of such valuation, shall not amount to one million two hundred and fifty thousand pounds, or such less sum as shall represent one-half of the actual cost including equipment of the entire railway from Springfield to Belgrove, if the Company shall construct the alternative line mentioned in clause 4 hereof, the only claim of the Company in respect of such difference (if any) shall be a right on the part of the Company, within six months thereafter, to select further land out of the land then remaining unselected, and described as available for selection under clause 16

hereof, to the extent of such land then remaining so available. All such further land shall be valued either by agreement or arbitration as aforesaid, and the Company shall not select any such further land to a value greater than the difference (if any) between the aggregate of the moneys so received and owing, together with the sum of such valuation as aforesaid, and the said sum of one million two hundred and fifty thousand pounds, or such less sum as shall represent one-half of the actual cost including equipment of the entire railway from Springfield to Belgrove, if the Company shall construct the alternative line mentioned in clause 4 hereof.

37. The Company shall at all times during the subsistence of these presents keep proper books, in which shall be shown the situation and area of land sold, leased, or otherwise disposed of by or on behalf of the Company, the price paid or agreed to be paid for the same, or the rent, royalty, or other reward received or agreed to be received in respect thereof, and the name or names of the purchaser or purchasers of the land, or of any lessee or licensee thereof; and also shall at all times keep true and proper accounts of all moneys from time to time received by the Company, whether by way of purchase-money, rent, royalty, or otherwise howsoever, or as proceeds of its timber and coal; and the Company shall from time to time, on the request of the Governor, furnish to the Queen true copies of any entry in any such book or account, or will permit any person authorised in that behalf by the Governor to inspect any such book or account and take copies thereof or extracts therefrom.

Company to keep books of account, &c., and give copies or extracts to Queen.

38. The Queen shall give to the Company and the Company shall give to the Queen mutual running-powers and terminal facilities over the respective lines of railway of the Queen and the Company for carrying traffic on the line of the one party through or on to the line of the other party, and in particular shall give the Company access to the ports of Lyttelton, Nelson, and Greymouth, and to the Government termini at such ports and at Christchurch; but neither party shall have the right to compete with the other party by carrying on the line of the other party traffic originating and terminating on such line. The terms and conditions under which such running-powers and terminal facilities shall operate shall be set out in an agreement to be made under section 5 of the said Act, or if the parties cannot agree, the form and contents of such agreement shall be determined by arbitration, and while no agreement is in existence binding the parties then on terms to be prescribed by regulations to be made by the Governor.

Queen and Company may agree for mutual running-powers over lines of Queen and Company respectively.

39. All by-laws and regulations made under the principal Act or any other Act for the conduct of traffic on the said railway, and for the working and management thereof, shall from time to time be subject to approval by the Governor; and, subject thereto, the maximum tolls, fares, rates, and rents to be charged by the Company for the carriage upon the said railway of passengers, produce, animals, goods, merchandise, articles, matters, and things, and for the storage of goods in any of the Company's sheds or warehouses, shall not exceed the scale for the time being in force upon the Wellington to Masterton Railway with twenty-five per centum added thereto; and until such last-mentioned scale shall have been altered by the Minister, pursuant to the power vested in him in that behalf, shall not exceed the scale set forth in the Schedule hereto attached, with twenty-five per centum added thereto.

By-laws and regulations of Company to be subject to approval by the Governor. Maximum rates and charges not to exceed rates and charges for the time being in force on Wellington to Masterton Railway with 25 per cent. added thereto.

40. The Company shall be at liberty at any time, in the manner prescribed by the principal Act, to reduce the said tolls, fares, rates, and rents, or any of them.

Company may reduce rates and charges, &c.

41. If at any time the Minister for Public Works shall be satisfied that the said tolls, fares, rates, and rents, or any of them, are excessive, he may, by giving one month's notice in writing to the Company, require the tolls, fares, rates, and rents, to be reduced as stated in such notice, and at the expiration of such notice the Company shall make the reduction accordingly.

Minister for Public Works may require reduction in rates, &c., on giving notice to Company.

42. If the Company shall not be able to construct and finish the said railway within the period hereinbefore limited in that behalf, or if it shall not before the said thirty-first day of December, one thousand eight hundred and eighty-eight, have expended one hundred and fifty thousand pounds, as herein-

Power to extend periods for the doing of certain acts.

before provided, the Governor in Council may, by writing indorsed on these presents, if satisfied that the delay has not been caused by the wilful default or neglect of the Company, extend the said periods, or either of them, or the period mentioned in clause 35 hereof, for such time as he shall deem reasonable, and any such extension may be made although the period to be extended has not yet expired, or may be made after such expiration.

Power of purchase may be exercised by Crown at expiration of ten years.

Further power of purchase within ten years in certain events, on giving notice.

43. The power of purchase conferred upon the Governor by the principal Act and the said Act may be exercised at any time after the expiration of ten years from the completion of the said railway.

If under the provisions of the principal Act or the said Act, or under or by virtue of these presents, the Governor shall be entitled to take possession of the said railway or any part thereof, then in lieu of taking such possession he may, if he think fit, exercise the right to purchase the said railway, although the said period of ten years may not have expired, or the said railway may not have been wholly constructed, and such right shall be deemed to arise on his giving six months' notice to the Company of his intention to exercise this right; and thereupon, and without any further notice as prescribed in the principal Act, the price to be paid for the said railway shall be ascertained and determined as provided by the principal Act, except that section 118 thereof shall not apply.

In case of purchase by Queen, certain sums to be included in price paid, such additional sums not to exceed £400,000.

44. In the event of the purchase of the said railway by the Queen, or on her behalf, in accordance with the Acts relating thereto, such a sum shall be included in the price to be paid for such purchase as is equal to the amount which may have been actually paid to the shareholders or debenture-holders of the Company as interest during construction for the period ending the thirty-first day of July, one thousand eight hundred and ninety-seven, the rate not to exceed an average of four per cent. per annum, except in the case of shares or debentures representing five hundred thousand pounds in amount of capital first raised, in regard to which the rate shall be five per cent. The total amount of such interest to be added to the price of the said railway shall not exceed the sum of four hundred thousand pounds.

Company to be represented in New Zealand by person appointed under Part VIII. of "The Companies Act, 1882."

45. The Company shall always be represented in New Zealand by a person or persons duly appointed under Part VIII. of "The Companies Act, 1882," empowered to sue and be sued on behalf of the Company in the Courts of the colony, and to execute deeds and instruments and generally to act for and on behalf of the Company within the colony; and it shall not be competent for the Company to sue the Queen, or any person on her behalf, in any Court elsewhere than in the Courts of the colony, nor shall any arbitration proceedings be commenced, carried on, or concluded elsewhere than in the said colony.

Penalty on Company if not represented.

If at any time the Company shall not be so represented it shall not, so long as not so represented, be entitled to any rights, powers, or privileges conferred by these presents, or any other contract or Act relating to the said railway, and may be compelled, on application to the Supreme Court of New Zealand, to appoint forthwith such a representative person or persons as aforesaid. But nothing herein contained shall be deemed to take away or affect any right of appeal now allowed by law.

Company to maintain office, and give notice of change thereof.

46. The Company shall at all times keep and maintain an office at Christchurch, or in some other town in the colony.

A notification of the position of such office at Christchurch shall, within one month after the date hereof, be given by or on behalf of the Company to the Governor; and, in case of any change in the position of such office at Christchurch or elsewhere, a like notification thereof shall forthwith be given by or on behalf of the Company to the Governor as often as any such change shall be made.

Provision as to service of notices on Company.

Any notice required to be given to the Company under the principal Act or the said Act, or under these presents, may be given by delivering the same at such office as aforesaid; and, if at any time there shall be no such office of which a notification has been given in accordance herewith, then any such notice as aforesaid may be given by delivering the same at the last known office of the Company in New Zealand, or by being affixed on some part of the railway to be constructed under these presents.

47. It is hereby declared and agreed that, if at any time hereafter any dispute, difference, or question shall arise touching the construction, meaning, or effect of these presents, or any clause or thing herein contained, or the rights or liabilities of either of the said parties under these presents, or if the Queen and the Company shall be unable to come to an agreement within the meaning of clause 24 of these presents as to the proportional cost of any section of the said railway to be ascertained as aforesaid, or otherwise howsoever in relation to the premises, then every such dispute, difference, or question shall be referred to the arbitration of two indifferent persons, one to be appointed by each party to the reference, or an umpire to be appointed by the arbitrators in writing before entering on the business of the reference, and, if either party shall refuse or neglect to appoint an arbitrator within three months after the other party shall have appointed an arbitrator, and shall have served a written notice upon the first-mentioned party requiring such party to make an appointment, then the arbitrator appointed as aforesaid shall, at the request of the party appointing him, proceed to hear and determine the matters in difference as if he were an arbitrator appointed by both parties for that purpose; and the award or determination which shall be made by the said arbitrators or arbitrator, or of such umpire if the arbitrators shall disagree, shall be final and binding upon the said parties hereto respectively, so as such arbitrators or arbitrator shall make their or his award in writing within three months after the reference to them or him, or on or before any later day to which the said arbitrators or arbitrator by any writing signed by them or him shall enlarge the time for making their or his award, and so as such umpire shall make his award or determination in writing within one month next after the original or extended time appointed for making the award of the said arbitrators shall have expired, or on or before any later day to which the umpire shall by any writing signed by him enlarge the time for making his award; and also that no action or legal proceedings shall be commenced or prosecuted by either of the said parties hereto against the other of them touching any of the said matters in difference, unless the party to be made defendant to such action or proceedings shall have refused or neglected to refer such matters to arbitration pursuant to the provisions hereinbefore contained, or unless the time limited for making such award as aforesaid shall have expired without any such award being made; and also that all necessary witnesses on behalf of either of the parties to such reference, and all persons claiming through them respectively, shall submit to be examined by the said arbitrators, arbitrator, or umpire, upon oath or affirmation, in relation to the matters in dispute, and shall produce before the arbitrators, arbitrator, or umpire all books, deeds, maps, papers, accounts, writings, and documents within the possession or power of the said respective parties which may be required or called for, and do all other things which during the proceedings on the said reference the said arbitrators, arbitrator, or umpire may require, and that the witnesses on the reference shall, if the arbitrators, arbitrator, or umpire shall think fit, be examined on oath or affirmation; and that the costs of the reference and award shall be in the discretion of the arbitrators, arbitrator, or umpire, who may direct to and by whom and in what manner the same or any part thereof shall be paid; and that the submission to reference and any award made in pursuance thereof may, at the instance of either of the parties to the reference, and without any notice to the other of them, be made a rule or order of the Supreme Court of New Zealand: Provided that, if by the terms of any award made under any such reference as aforesaid any money shall in any manner be payable by the Queen or the Government to the Company, no attachment, or execution or process in the nature thereof, shall be issued by or on behalf of the Company upon any rule or order of the Supreme Court as aforesaid, unless and until the Governor shall on behalf of the Queen at as early a date as practicable have taken all such steps as may be necessary to have such money specially appropriated by the General Assembly to satisfy such award, and the payment of such money shall have been refused by the General Assembly: Provided also that nothing herein contained excepting the provision of clause 44 shall be deemed to control or interfere with any provision for arbitration contained in the said Act or the principal Act.

Provision for arbitration in case of disputes.

Proviso as to mode of providing for money claim against Queen.

Not to interfere with provisions as to arbitration in certain Acts.

Contract to operate as a substitute for original contract as required by "The Midland Railway Contract Act, 1887."

Provision that appointments, instruments, acts, and things to be made or done by Queen or the Governor may be done by the Governor on behalf of the Queen.

Notices to be served on the Queen may be served on the Governor or whom he may appoint.

New Zealand Railway Commissioners deemed to be substituted for Queen or Minister for Public Works in respect of matters provided for by "The Government Railways Act, 1887."

Proviso in case powers of Commissioners cease, or are rescinded.

Mutual rights of parties.

48. It is also declared and agreed that these presents and everything herein contained shall be read and construed subject to the provisions of the said Act and the principal Act, except where the same are hereby expressly modified pursuant to any Act amending the said Act, it being hereby declared that as enacted by "The Midland Railway Contract Act, 1887," these presents shall be and are intended to operate as a substitute for the original contract.

49. Wherever in these presents it is provided that any appointment, instrument, or notice, or any other act or thing, power, or authority whatsoever, may be made, executed, given, done, performed, exercised, or suffered by the Queen, or by or on behalf of the Queen, or by the Governor, then it shall be sufficient if such appointment, instrument, or notice, or other act or thing, power, or authority is made, executed, given, done, performed, exercised, or suffered by the Governor on behalf of the Queen, or in his own name, as the case requires, or by such person or persons as the Governor may from time to time appoint for all or any of the purposes herein mentioned; and also that when any notice or instrument may be given to or served on the Queen by or on behalf of the Company the same may be given to or served on the Governor on behalf of the Queen, or to or on any person appointed by him to receive the same.

50. Wherever in these presents any act or thing is agreed to be done or suffered by or on behalf of the Queen, or the Minister for Public Works, which, under or by virtue of "The Government Railways Act, 1887," is now or at any time hereafter may be directed or required to be done or suffered by the New Zealand Railway Commissioners constituted under the said Act, then, and in any such case, the obligation to do, perform, or suffer such act or thing shall devolve upon the said Commissioners, who shall be deemed to be substituted throughout these presents for the Queen, or the Minister for Public Works, as the case may be, so far as relates to any such act or thing as aforesaid:

Provided that if the hereinbefore-mentioned Act shall be repealed, or the powers and duties of the said Commissioners shall in any manner be determined or be suspended, then the Queen or the Minister for Public Works, as the case may be, shall be entitled to resume the right to do, perform, or suffer any such act or thing as aforesaid, subject to any provision in that behalf made by the General Assembly; and the Queen and the Company shall in any such case as lastly provided for have all such mutual rights and liabilities in respect of any act or thing as aforesaid as if the said Act had not been repealed or the powers and duties of the said Commissioners had not been determined or suspended.

IN WITNESS WHEREOF these presents have been signed by Sir William Francis Drummond Jervois, the Governor of the Colony of New Zealand, in the name and on behalf of the Queen, with the advice and consent of the Executive Council of the said Colony, and the Seal of the Colony and the common seal of the Company have been respectively hereunto affixed, the day and year first before written.

SCHEDULE OF RATES.

| <i>Animals.</i> | For any Distance not exceeding 10 Miles. | | Per Mile after first 10 Miles. | |
|--|--|----|--------------------------------|----|
| | s. | d. | s. | d. |
| Horses, one only | 10 | 0 | 0 | 3 |
| Horses, each additional one belonging to same owner ... | 7 | 6 | 0 | 2½ |
| Cattle, one only | 7 | 6 | 0 | 2½ |
| Cattle, each additional one belonging to same owner ... | 5 | 0 | 0 | 2 |
| Calves (one year old and under), one only | 4 | 0 | 0 | 1½ |
| Calves, each additional one belonging to same owner ... | 2 | 0 | 0 | 0¾ |
| Sheep, goats, pigs, one only | 4 | 0 | 0 | 1½ |
| Sheep, goats, pigs, each additional one belonging to same owner | 2 | 0 | 0 | 0¾ |
| Sheep, goats, pigs, and calves, in large lots, per truck, loaded and unloaded by owner, who takes all responsibility and risk | 15 | 0 | 1 | 0 |

SCHEDULE OF RATES—*continued.*

| | | | | For any Distance not exceeding 10 Miles. | Per Mile after first |
|---------------------------|-----|-----|-----|--|-------------------------|
| <i>Carriages, &c.</i> | | | | | |
| Carriages, two-wheeled | ... | ... | ... | 10 0 | 0 4 |
| Carriages, four-wheeled | ... | ... | ... | 12 6 | 0 5 |
| Drays | ... | ... | ... | 12 6 | 0 5 |

| | | | | s. d. | |
|---|-----|-----|-----|-------|---|
| <i>Goods and Merchandise.</i> | | | | | |
| Per ton per mile (minimum weight, 2cwt.) | ... | ... | ... | 0 | 7 |
| Minimum charge | ... | ... | ... | 1 | 0 |
| In addition to above charges, a terminal charge will be made not exceeding, per ton | ... | ... | ... | 3 | 0 |

| | | | | | |
|---|-----|-----|-----|---|---|
| <i>Grain.</i> | | | | | |
| Grain of all kinds, flour, green horse-feed, per ton per mile (minimum weight, 2 tons) | ... | ... | ... | 0 | 3 |
| In smaller quantities as merchandise, a terminal charge will be made not exceeding, per ton | ... | ... | ... | 3 | 0 |

| | | | | | |
|---|-----|-----|-----|---|----|
| <i>Mineral and Animal Manures.</i> | | | | | |
| Per ton per mile (minimum quantity, 4 tons) | ... | ... | ... | 0 | 2½ |
| Minimum charges, coal, for 3 miles and under | ... | ... | ... | 1 | 6 |
| Minimum charges, coal, over 3 miles and not exceeding 15 miles | ... | ... | ... | 2 | 6 |
| Minimum charges, other minerals (small lots in packages or bags as merchandise) | ... | ... | ... | 1 | 3 |
| Every loading or unloading done by the Company, per ton | ... | ... | ... | 1 | 6 |

| | | | | | |
|---|-----|-----|-----|---|----|
| <i>Wool.</i> | | | | | |
| Undumped, per bale per mile (bale not to exceed 4cwt.) | ... | ... | ... | 0 | 1½ |
| Undumped, for each bale exceeding 4cwt., extra per mile | ... | ... | ... | 0 | 0½ |
| Undumped, minimum charge per bale | ... | ... | ... | 1 | 0 |
| Double-dumped, per bale per mile (bale not to exceed 8cwt.) | ... | ... | ... | 0 | 2½ |
| Double-dumped, for each bale exceeding 8cwt., extra per mile | ... | ... | ... | 0 | 0½ |
| Double-dumped, minimum charge per bale | ... | ... | ... | 1 | 6 |
| Each loading or unloading done by the Company, per bale, undumped | ... | ... | ... | 0 | 4 |
| Each loading or unloading done by the Company, per bale, dumped | ... | ... | ... | 0 | 8 |

| | | | | | |
|--|-----|-----|-----|---|----|
| <i>Timber.</i> | | | | | |
| Sawn timber, per 100ft. superficial, per mile | ... | ... | ... | 0 | 0½ |
| Sawn timber, minimum charge, per 100ft. superficial | ... | ... | ... | 0 | 7 |
| Heavy timber, per 100ft. superficial, per mile | ... | ... | ... | 0 | 1 |
| Heavy timber, minimum charge, per 100ft. superficial | ... | ... | ... | 1 | 0 |
| Australian-timber, rate and a half for each loading or unloading done by the Company, per 100ft. superficial | ... | ... | ... | 0 | 4 |
| A truckload is computed at 5 tons. | | | | | |
| A fraction of a mile is counted as a mile. | | | | | |
| A truck of firewood must not exceed 3 tons. | | | | | |

| | | | | | |
|------------------------|-----|-----|-----|---|----|
| <i>Passengers.</i> | | | | | |
| First-class, per mile | ... | ... | ... | 0 | 3½ |
| Second-class, per mile | ... | ... | ... | 0 | 2½ |
| Minimum charge— | | | | | |
| First-class | ... | ... | ... | 0 | 6 |
| Second-class | ... | ... | ... | 0 | 4 |

Return fares equal one and one-half single fares.

A fraction of a mile is counted as a mile.

Notice is also hereby given that a maximum rent or charge to be made for the storage of goods, produce, or merchandise shall be as follows:—

3—D. 2.

Storage.

On all goods not removed within twelve working hours of their arrival,
per ton per day 2 0

Demurrage.

On all trucks not unloaded by the consignees within four working hours
of their arrival, per truck per day 20 0

Sealed with the Common Seal of the New Zealand Midland Railway Company, Limited, in the presence of } THOS. SALT,
E. BRODIE HOARE, } Directors.

ÆNEAS R. McDONELL,
Secretary.

WILMER M. HARRIS,
Notary Public and a Commissioner of Supreme Court of New Zealand.

Signed by Sir William Francis Drummond Jervois, the Governor of the Colony of New Zealand, in the name and on behalf of Her Majesty the Queen, and sealed with the Seal of the said Colony at a meeting of the Executive Council thereof in the presence of } W.M. F. DRUMMOND JERVOIS.

W. S. REID, Solicitor-General,
Wellington, New Zealand.

FORSTER GORING,
Clerk of the Executive Council.

[Approximate Cost of Paper.—Preparation, nil; printing (1,550 copies,) £11 3s. 6d.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1889.



JAMES MCKERRON
Surveyor General

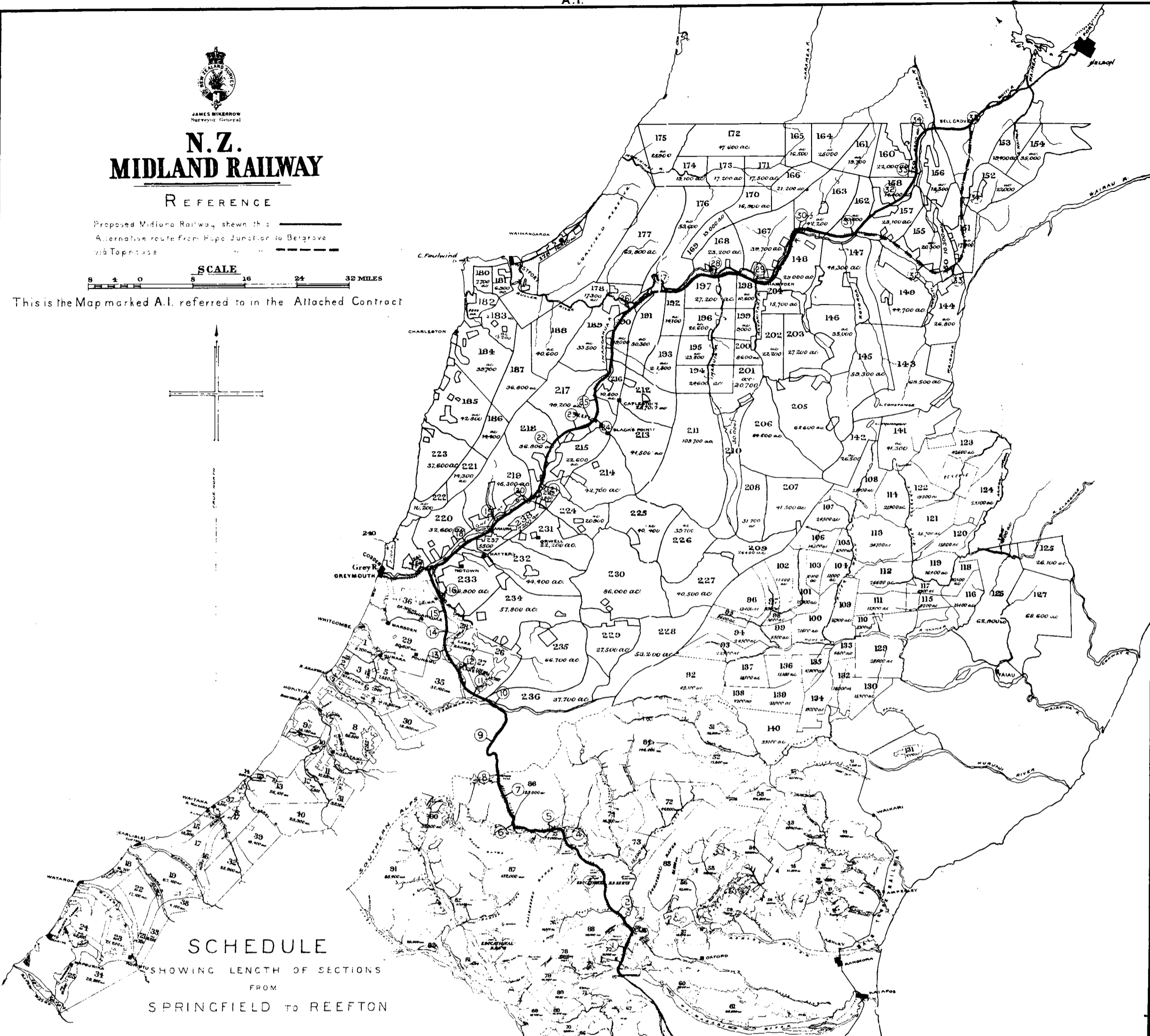
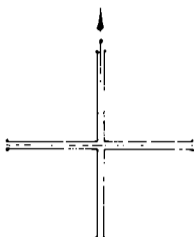
N.Z. MIDLAND RAILWAY

REFERENCE

Proposed Midland Railway shown this
Alternative route from Hope Junction to Belgrave
via Topouse



This is the Map marked A.I. referred to in the Attached Contract



SCHEDULE

SHOWING LENGTH OF SECTIONS
FROM
SPRINGFIELD TO REEFTON

| No | Locality | | Mileage | | No | Locality | | Mileage | |
|----|---------------|---------------|---------|-------|----|--------------|--------------|---------|-------|
| | From | To | From | To | | From | To | From | To |
| 1 | Springfield | Kowhai Bush | 0.0 | 4.50 | 18 | Stillwater | Nelson Creek | 0.0 | 8.0 |
| 2 | Kowhai Bush | Broken River | 4.50 | 10.45 | 19 | Nelson Creek | Araura | 8.0 | 14.0 |
| 3 | Broken River | Slovens Creek | 10.45 | 18.50 | 20 | Araura | | 14.0 | 19.0 |
| 4 | Slovens Creek | Cass | 18.50 | 27.40 | 21 | | | 19.0 | 23.40 |
| 5 | Cass | Waikakariki | 27.40 | 32.10 | 22 | | Little Grey | 23.40 | 29.50 |
| 6 | Waikakariki | Bealeys | 32.10 | 38.0 | 23 | Little Grey | Slab Hut | 29.50 | 34.50 |
| 7 | Spring | Tunnel East | 38.0 | 43.29 | 24 | Slab Hut | Reefton | 34.50 | 39.60 |
| 8 | Tunnel East | West | 43.29 | 46.68 | 25 | | | | |
| 9 | West | Coal Creek | 46.68 | 58.0 | 26 | | | | |
| 10 | Coal Creek | Jacksons | 58.0 | 64.29 | 27 | | | | |
| 11 | Jacksons | Jacksons | 64.29 | 67.50 | 28 | | | | |
| 12 | Jacksons | Lake Town | 67.50 | 75.79 | 29 | | | | |
| 13 | Lake Town | Summit | 75.79 | 77.30 | 30 | | | | |
| 14 | Summit | Summit | 77.30 | 80.10 | 31 | | | | |
| 15 | Summit | Summit | 80.10 | 81.40 | 32 | | | | |
| 16 | Summit | Summit | 81.40 | 84.40 | 33 | | | | |
| 17 | Summit | Summit | 84.40 | 85.80 | 34 | | | | |
| | | | | | 35 | | | | |

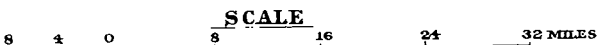


This is a copy of the original A.I. referred to in the Attached Contract
By the Surveyor General
JAMES MCKERRON
Surveyor General
1888



N.Z. MIDLAND RAILWAY

PLAN SHEWING THE SEVERAL BLOCKS WITHIN THE AUTHORIZED AREA VALUED IN TERMS OF SECTION 8 SUBSECTION 3 OF 'THE EAST AND WEST COAST (MIDDLE ISLAND) AND NELSON RAILWAY AND RAILWAYS CONSTRUCTION ACT 1884'



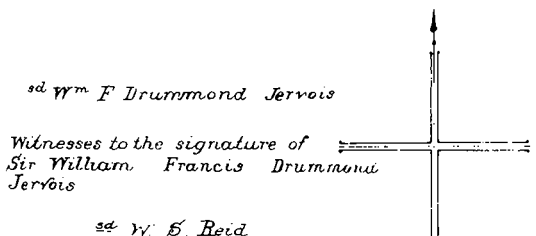
This is the Map marked B.I. referred to in the attached contract

sd Wm F Drummond Jervois

Witnesses to the signature of Sir William Francis Drummond Jervois

sd W. B. Reid

sd Forster Goring Clerk of the Executive Council



This is the Map marked B.I. referred to in the attached contract
sd Tho^s Sutt
sd E Brodie Hoare } Directors
sd Aeneas H Mc Donnell Secretary

SCHEDULE.

Table with columns: No., Area, Value per Acre, Total Value. Includes sub-sections for WESTLAND DISTRICT, CANTERBURY DISTRICT, AMURI DISTRICT, and NELSON DISTRICT.

Table with columns: No., Area, Value per Acre, Total Value. Includes sub-sections for WESTLAND TOWNS and NELSON TOWNS.

In accordance with Section 3 Subsection 3 of the East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act 1884 we have ascertained the values of the Crown lands out of which lands may be granted to the New Zealand Midland Railway Company... in pursuance of that Act and the Amendments thereof and such values are set forth in this map and Schedule whereby it is shown that 613,300 acres of Rural lands are valued at prices above ten shillings per acre the aggregate value of which lands amounts to the sum of £57,720 and the remainder of the Rural lands are valued at the price of ten shillings per acre the town lands being separately set forth in the Schedule dated this 19th day of March 1888

sd James Mc Kerrow Surveyor General
sd John McCall Clerk for the Company
sd the Hon the Attorney General Wellington

