Enclosure 2 in No. 5

End of Year.	Capital.	Interest receivable.	Receipts from Traffic.	3 per cent. Interest payable.	Amount payable by Government from Sales of Lands.	Balance.
	£	£	£	£	£	£
	300,000	12 000	Traffic receipts for three years pawned to meet interest on the £745,000.	55,500		256 500
1	256,500	10 260		55,500		211 260
2	211 260	8 452		55 500		164,212
3	164,212	6 568		55,500		115 280
4	115,280	4,612	30,000	93 000		56,892
5	56,892	2 276	34,000	93,000		168

Government to purchase half of £745,000 debentures = £372,500.

Land		£618,000
Debentures		372,500
Balance above	..	£245,500
		£168

End of Year.	Capital.	Interest receivable.	Receipts from Traffic.	3 per cent. Interest payable.	Amount payable by Government from Sales of Lands.	Balance.
6	245,668		40,000	74 125	34,125	211,543
7	211,543		45 000	74 125	29,125	182,418
8	182,418		50 000	74,125	24,125	158,293
9	158,293		56,000	74,125	18,125	140,168
10	140,168		61,000	74,125	13,125	127,043
11	127 043		71,000	74 125	3 125	123,918
12	123,918		82,000	74,125		131,793
13	131,793	..	92 000	74 125		149,668
14	149 668		97 000	74,125		172 543
15	172 543		100 000	74 125		198,418
16	198 418		100,000	74 125		224 293
17	224,293		100 000	74,125		250,168

No. 6.

The GENERAL MANAGER, Midland Railway Company, to the Hon. the PREMIER.

SIR,— Christchurch, 14th June, 1892.

In further reference to the proposals to modify the present contract submitted by me on behalf of the company in letter dated the 6th June, I have now the honour to submit, on separate sheets, detailed estimates of traffic on the East and West line, which will, I think, fully sustain the figures relative to traffic given in Statements A and B attached to that letter

Sheet 1 gives details of estimates of traffic for the East and West line made up by me for Statement A of former letter I wish to point out that the figure assumed for local coal-traffic is the same as that calculated by the Royal Commission of 1882. The figure which I give as coal for shipment is one which I have assumed as resulting from the development of the Blackball Coal Company and their arrangements with the direct shipping companies. The rates for coal are taken at such a figure as will compete with sea-borne coal to Lyttelton Harbour I will again draw your attention to the fact that the sum of £70,000 in Statement A of former letter is made up of £60,000 from the East and West line, and £10,000 from the Reefton line traffic.

Sheet 2 shows traffic estimated to meet figures in Statement B of former letter This does not allow for any shipment of coal from Lyttelton, but deals simply with local consumption. Sheet B allows a gain for £10,000 from Reefton line,

Sheet 3 is the estimate of prospective traffic developed some years after the line is opened.

Sheet 4 is the summary of estimates of traffic which are tabulated in the "History of the East and West Coast and Nelson Railway," published by the Railway League. I have given at the foot the average of all these estimates, and also the average net sum available for interest purposes.

Sheet 5 is the detailed estimate of the cost of working the East and West line. This is based on the estimate made by Messrs. Higginson and Maxwell of the cost of working the incline and the short adhesion section included in the proposed deviation at Arthur's Pass. This method of estimating the cost will no doubt meet with your approval, as you mentioned it was likely the estimates of cost of working would be referred to Mr Maxwell.