

No. 6.

The UNDER-SECRETARY for PUBLIC WORKS to the GENERAL MANAGER, Midland Railway Company.
Public Works, Department, 18th October, 1892.

SIR,— *Re Midland Railway: Proposals for a new Contract.*

I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 13th instant, making certain proposals for a new contract to facilitate the construction of the above-mentioned railway, and in reply to state that the Government is unable to see its way to entertain the same, as they appear to the Cabinet to be quite unreasonable.

I have, &c.,

R. Wilson, Esq., C.E., General Manager,
New Zealand Midland Railway Company, Wellington Club.

H. J. H. BLOW,
Under-Secretary for Public Works.

No. 7.

The GENERAL MANAGER, Midland Railway Company, to the Hon. the MINISTER for PUBLIC WORKS.
SIR,— Wellington Club, Wellington, N.Z., 19th October, 1892.

I have the honour to request the Government to favour me with a definite reply to my letters asking for an extension of the contract-time to complete the railway. I am in receipt of a cable from my directors asking for this information. I trust the Government will, therefore, reply without further delay.

I have, &c.,

ROBERT WILSON,
Engineer-in-Chief and General Manager,
New Zealand Midland Railway Company (Limited).

The Hon. the Minister for Public Works, Wellington.

No. 8.

The GENERAL MANAGER, Midland Railway Company, to the Hon. the MINISTER for PUBLIC WORKS.
SIR,— Wellington Club, Wellington, N.Z., 19th October, 1892.

I have the honour to acknowledge the receipt of your letter of the 18th instant, declining the proposals contained in my letter of the 13th instant. I regret the Government will not entertain the offer submitted. It would have greatly facilitated negotiations and a speedy settlement of the present difficulty had the Government suggested other methods of dealing which would be acceptable to them, and such as they would be prepared to place favourably before Parliament, instead of confining their communication to a refusal of the terms offered.

As it is the desire of the company to arrive at a basis of agreement satisfactory to the colony, and one that will enable the company to proceed with the construction of the railway between the east and west coasts without delay, I have now the honour, on behalf of the company, to submit further and modified proposals on the basis of the Government purchasing, by the issue of bonds, the balance of the land-grant for the section of railway between Springfield and Jackson's. The following proposals are subject to the approval of my directors:—

Modified Proposals.

The company to consent to the release of the entire reserve land area, and are to sell to the Government the balance of the land-grant available for the East and West Coast section of the railway, amounting to £618,250 B 1 waste-land value, for the sum of £772,812, being an increase of £154,562, or about 25 per cent.

The colony to guarantee interest at $3\frac{1}{2}$ per cent. on £250,000 new share capital to be at once issued by the company. It would then be enabled to raise the balance of the capital required to finish the line by debentures, secured on the line constructed out of the new capital and the land-bonds.

It is proposed that the extra expenditure of £30,000 at the Belgrove Section should be endowed with a land-grant of £15,000 B 1 value, in a similar manner to the grant for Springfield and Belgrove Sections under the present contract.

The other questions relative to taxation and traffic charges mentioned in my letter of the 13th instant, I suggest, can be discussed fully at a later period.

I must request the Government to give their earliest consideration to the main proposals relative to finance, and shall be obliged if they will state in reply what modifications, if any, they wish to make these proposals acceptable, and to enable me to submit some definite offer to my directors, with a view of arriving at a conclusion relative to the future action of the company.

I have, &c.,

ROBERT WILSON,
Engineer-in-Chief and General Manager,
New Zealand Midland Railway Company (Limited).

The Hon. the Minister for Public Works, Wellington.