

No. 34.

The RAILWAY COMMISSIONERS to the Hon. the MINISTER for PUBLIC WORKS.

New Zealand Government Railways, Head Office, Wellington,
28th July, 1893.

Memorandum for the Hon. the Minister for Public Works.

Re Midland Railway : Proposals for a New Contract.

THE Commissioners have the honour to report to you on the proposals contained in the Under-Secretary for Public Works' memorandum of the 18th instant, supplemented by the information contained in his further memorandum of 27th instant, with plans for reference which are returned herewith.

The Commissioners suppose that the company does not propose to provide any rolling-stock for the Motueka line, although you speak of "additional" rolling-stock, and that the Government, therefore, would have to provide what is needed if it works it.

Motueka Extension.

The plan of the company's line from Belgrove shows a line of about 6 miles 7 chains in length, reaching to Norris's Gully, which we believe is partly constructed; but it is not stated in your memoranda what additional length would be required to reach the Motueka Valley, although we presume this might be done in three or four miles. The data supplied, therefore, do not afford us any opportunity of expressing an opinion as to whether the cost of the proposed railway is reasonable, having regard to the works involved.

As regards the traffic which may be expected, the Commissioners have had the matter inquired into locally, and learn that at the present time a total quantity of about six hundred tons of goods per annum might be expected on the line, with a possibility of such traffic doubling in a few years when railway communication is available. The passenger traffic under these circumstances must also be exceptionally light, and would not exceed a few hundred pounds per annum for many years. The country opened up by the railway is hilly, with narrow valleys in between of limited extent, and therefore gives no scope for much settlement. The Commissioners do not think, therefore, that there would be any prospect of this extension paying the expenses of working. In addition to whatever small loss in working there might be, there would be no interest obtained on whatever sum the Government might pay for the railway.

There would be no difficulty in working the line at the sole risk and expense of the company and handing over the receipts.

The proposal to give the company 40 per cent. of the receipts, and to bear the greater part of the expense of working, is one which the Commissioners see no sufficient reason for the Government adopting, so far as they have been informed in the correspondence.

Springfield Extension.

As regards the Springfield extension, which the Commissioners have been working for the Government, there has as yet been no traffic on it which will pay for a third part of the very moderate cost of running a train once a week; and, until the line is through, the company's materials, and the traffic ensuing from the construction if proceeded with, are likely to be nearly all that can be expected for some years.

The proposal to give the company 40 per cent. of the receipts, and to bear the greater part of the expense of working, is one which the Commissioners see no sufficient reason for the Government adopting, so far as they have been informed in the correspondence.

There would be no difficulty in working the line at the sole risk and expense of the company, and handing over the receipts. This was a system pursued by the Railway Department in working the district railways for some years before their purchase.

JAMES MCKERROW,	} Railway Commissioners.
J. P. MAXWELL,	
W. M. HANNAY,	

No. 35.

The UNDER-SECRETARY for PUBLIC WORKS to the Hon. the MINISTER for PUBLIC WORKS.

Public Works Office, 1st August, 1893.

Midland Railway : Proposals for New Contract.

IN accordance with your instructions, I have perused the new draft contract submitted by the Midland Railway Company, and beg to remark thereon as follows :—

The new contract contains numerous deviations from the existing contract, as under :—

Clause 2 : This clause provides for an extension of time for five years from an undefined date. If the date of signing the new contract is filled in as the date from which the five years is to be computed, the extension would amount to between three and a half and four years, supposing that the new contract is signed about September or October next. This applies to the East and West line. The extension of time for the Belgrove-Motueka Section is three years less than this; but for the Motueka-Reefton Section no time for completion is fixed at all.

Clause 3 : In this clause the word "reasonable" is introduced before the words "satisfaction of the engineer" in reference to the construction and maintenance of the line being to the satisfaction of an engineer to be appointed by the Government.

Clause 9 : Entirely new provisions are introduced by this clause regarding the working of the disjointed sections of the railway until the main East and West line is completed through.

The existing contract only provides for the working of the Springfield and Belgrove Sections, and the sections from Brunnerton eastwards for a distance of nine miles, and from Brunnerton to Ahaura; and only as regards these for a period of five years from 3rd August, 1888, which period expires on Thursday next.

The new draft contract provides for the working of the East and West line, from Springfield to the Bealey, until the line is completed right through, and for the Belgrove Section until the same is purchased by the Government.