

15. If, in the opinion of the General Manager, the Contractor commits a wilful breach of the contract, or fails in carrying out the contract in a satisfactory manner, or if the Contractor shall die or become lunatic or bankrupt during the term of the contract, or make any assignment for the benefit of or composition with his creditors, or shall without the previous consent in writing of the Minister assign or sublet the contract or any part thereof, or any moneys due or to become due thereunder, the Minister may, on giving notice to the Contractor of his intention so to do, absolutely determine the contract without further process, and from and after the delivery of such notice as aforesaid the contract shall be absolutely determined, but without prejudice to any other right or remedy which Her Majesty the Queen may have against the Contractor or his sureties.

16. All disputes arising between the Locomotive Officer and Contractor as to the kind or quality of coal supplied under this contract, or as to the meaning or intention of this specification, shall be referred to the General Manager, whose decision in the matter shall be final and binding on all parties.

By Order.

Wellington, 1st February, 1899.

General Manager.

SCHEDULE of APPROXIMATE QUANTITIES of COAL for which Tenders are invited, and Amount of Deposit and Bond required.

Railway.	Place of Delivery.	Probable Consumption.	Deposit with Tender.	Bond.
Whangarei	Any Station or Siding	800 tons	£30	£100
Kaihu	Dargaville	300 "	20	...
Napier-Taranaki and Wellington	Spit Railway-station	3,000 "	50	100
	Railway Wharf, Foxton	3,500 "	50	100
	" Wanganui	3,000 "	50	100
	New Plymouth Breakwater, or Waitara	3,000 "	50	100
	Railway Wharf, or Breastwork	8,000 "	200	400
Picton	Picton Wharf	300 "	20	...
Nelson	Railway Wharf, Nelson	700 "	30	100
Westport	Any Station on Westport Section	1,500 "	30	100
Greymouth-Hokitika	" Greymouth	2,000 "	30	100
	Lyttelton Wharf, or Malvern Branches	13,000 "	200	400
	Timaru Breakwater, or " Branches	2,500 "	50	100
	Oamaru Breakwater, or any Station	8,000 "	100	200
	between Oamaru and Palmerston			
	Any Station between Port Chalmers	20,000 "	200	400
Hurunui-Bluff	and Gore, inclusive			
	Any Station south of Gore	11,000 "	100	200
Smiths' Coals — Nuts, suitable for smiths' purposes	Lyttelton Wharf	1,000 "	30	100
	Port Chalmers Wharf	700 "	20	...
	Railway Wharf, Orehunga	200 "	10	...
	" Wellington	300 "	10	...
	" Wanganui	200 "	10	...

Where two or more contracts are let to the same Contractor, one bond for £500 will be accepted.

The various companies or owners tender, and the tenders are all considered together. The department then makes a recommendation to the Minister, and the Cabinet decide what coal tender shall be accepted.

75. You surely accept the lowest tender?—Well, there are other considerations which operate.

76. Do you use any imported coal?—No; we do not accept tenders of imported coal, but occasionally, when we have run short, we have taken a small quantity of Newcastle; and when we have run short at Kaihu we bought Newcastle coal from ships coming for timber. But we do not reckon to get any tenders outside the colony.

77. What price do the department pay for the coal?—Various prices. The following list shows the whole of the prices obtained for the present year. It varies very much. Lignite, or brown coal, is very different in price to the bituminous, or West Coast coal:—

Section of Railway.	Tenderer.	Place of Delivery.	Kind of Coal.	Rate per Ton.	Remarks.
Kaipara-Waikato	Taupiri Extended Coal-mining Co. (Limited) ..	Huntly ..	Taupiri Extended ..	5/5	Accepted (about 7,500 tons).
"	Ditto	Kimihia	Taupiri Reserve ..	5/5	Accepted (about 5,500 tons).
"	"	Huntly ..	Waikato	4/9	Accepted (about 4,500 tons).
"	Ralph's Taupiri Coal-mines (Limited)	" ..	Brown coal (screened) ..	5/6	Declined.
"	Ditto	" ..	Brown coal (unscreened)	4/7	"