

ESTIMATED COST of WORKING the EAST and WEST COAST LINE, with Incline over Arthur's Pass. (The cost of working is based upon the estimates made by Messrs. Higginson and Maxwell, in their report dated the 1st April, 1892, on the substitution of the incline for the tunnel line.)

Messrs. Higginson and Maxwell's figures are as follows:—

190,000 gross tons, west to east.
120,000 gross tons, east to west.

310,000 total tons.

Cost of working the incline, nine miles, £13,800 per annum.

Cost of working the adhesion section, from Otira to Jackson's, £5,500 per annum.

Cost per ton on incline section, $\frac{£13,800}{310,000 \text{ tons}} = 10\cdot67d.$ for nine miles, $\frac{10\cdot67}{9} = 1\cdot18d.$ per ton per mile.

Cost of the adhesion section, $\frac{£5,500}{31,000 \text{ tons}} = 4\cdot26d.$ per ton for twelve miles; $\frac{4\cdot26}{12} = 0\cdot35d.$ per ton per mile.

For Estimate No. 1 the cost of working will, on this basis, be as follows:—	Gross Tons.
West to East—154,130 tons net, rolling-stock, 102,752	256,822
East to West—40,580 tons net, rolling-stock, 27,052	67,632
Empty trucks to meet difference of traffic east and west ..	75,700

Total gross traffic

400,214

Giving 256,822 tons gross traffic, east to west.

143,332

west to east.

400,214 tons.

Cost of working east to west, and west to east:—

West to East—Adhesion, 256,882 gross tons, × 85 miles × 0·35	£31,842	0	0
" Incline, 256,882 gross tons, × 9 miles × 1·18	11,367	0	0
East to West—Adhesion, 143,332 gross tons, × 85 miles × 0·35	17,767	0	0
" Incline, 143,332 gross tons, × 9 miles × 1·18	6,342	0	0

Total cost of working traffic on estimated quantity, as per Statement No. 1 £67,318 0 0

NOTE.—Sheet No. 1, gross revenue, £129,224; working-expenses, £67,318, or 52 per cent.

No. 7

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

SIR,—

Wellington Club, Wellington, 8th July, 1892.

I have the honour to submit a further modification of the proposals submitted by me on behalf of the company in letter dated the 6th June, 1892.

This modification affects paragraph (c) of that letter. The alteration will read as follows:—

(c.) The Government to guarantee 3 per cent interest on £1,600,000 new share capital, which is to be used to complete the East and West Coast Railway and extend the Belgrove section, now under construction, into the Motueka Valley. The Government to pay to the company the sum of £618,000, the value of the balance of land grant on the East and West Coast Railway. The payment is to be made in annual amounts, commencing five years from the date of signing an amended contract, and extending over the following ten years. These payments may be made in Government stock, bearing interest at 3½ per cent, and issued to the company at the market price of such stock at the date of issue. This amount of £618,000 to be used by the company to redeem the present debentures, and is to be taken by the company as a part payment on account of the purchase of the railway, should the Government at some future time exercise its right to purchase as provided in the contract."

This modification is so advantageous to the colony that I trust it will receive every consideration, and I have the honour to request, on behalf of the company, that the Government will lay the proposals before Parliament, and ask for a special Committee to investigate and consider them.

I have, &c.,

ROBERT WILSON,

Engineer-in-Chief and General Manager,

New Zealand Midland Railway Company.

The Hon. the Premier.

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