- (d.) That the rescission of the existing contract shall extinguish all claims and demands that could have been made thereunder by either the Government or the company; and all the Crown land at present reserved from sale for selection by the company (except as regards the area yet to be selected in respect of the portion of the railway already constructed) shall be entirely released from such reservation, and shall be available to be dealt with in any manner the Government may think fit, as from the date of the execution of the new contract; also, that the area of land which the company is entitled to select in respect of the portions of the railway already completed shall be so selected within three months from the execution of the new contract.
- (e.) That the time for the completion of the railway between Patterson's Creek and Jackson's be a period not exceeding four years from date of the new contract.

That the Government be requested to give effect to these proposals, provided the company consents to rescind the original contract and accept a new contract in the terms hereinbefore mentioned.

29th August, 1894.

W. R. RUSSELL,

Chairman, Midland Railway Committee.

MINUTES OF PROCEEDINGS.

WEDNESDAY, 1ST AUGUST, 1894.

Present: Mr. Graham, Mr. G. Hutchison, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner. Order of reference read by the Clerk.

Resolved, on the motion of the Hon. Mr. Seddon, That Captain Russell be appointed Chairman.

Resolved, on the motion of the Hon. Mr. Seddon, That the Public Works Department be requested to prepare a statement showing what it would cost if the Government were to take over and complete all the uncompleted portions of the company's lines of railway.

The Committee then adjourned.

Minutes confirmed.

FRIDAY, 3RD AUGUST, 1894.

Present : Mr. Fraser, Mr. Graham, Mr. Guinness, Mr. G. Hutchison, Mr. McGowan, Hon. Mr. Mitchelson, Captain Russell, Mr. Saunders, Hon. Mr. Seddon, Mr. Tanner.

Minutes of the previous meeting read and confirmed.

Mr. Robert Wilson, C.E., Engineer-in-Chief of the New Zealand Midland Railway, Mr. N. H. M. Dalston, Accountant, and Mr. H. J. H. Blow, Under-Secretary of Public Works, attended the Committee.

Mr. Wilson made a statement, which was taken down by the reporter.

The further consideration of the proposals was adjourned till Wednesday next at 11 o'clock, and the Committee then adjourned.

Minutes confirmed.

WEDNESDAY, 8TH AUGUST, 1894.

Present: Mr. Fraser, Mr. Graham, Mr. Guinness, Mr. G. Hutchison, Mr. McGowan, Captain Russell, Mr. Saunders, Hon. Mr. Seddon, Hon. Sir R. Stout, Mr. Tanner.

The minutes of the previous meeting read and confirmed.

A letter from the Under-Secretary, Public Works Department, enclosing a statement of cost to complete all the uncompleted portions of the Midland Railway Company's lines, was read by the Clerk.

Resolved, on the motion of Mr. Graham, That the evidence be printed, together with the correspondence.

At this stage of the proceedings Mr. G. Hutchison took the chair, during the temporary absence of Captain Russell, on the motion of Mr. Guinness.

Mr. Wilson and Mr. Dalston attended the Committee, and Mr. Wilson made a further statement, which was taken down by the reporter.

The witnesses then withdrew.

After some discussion, Sir Robert Stout proposed, "That, in the opinion of this Committee, no further negotiation should take place between the Government and the company."

Upon the question being put, a division was called for, and the names were taken down as follow:---

Ayes, 3: Mr. McGowan, Captain Russell, Hon. Sir. R. Stout.

Noes, 6: Mr. Fraser, Mr. Graham, Mr. Guinness, Mr. G. Hutchison, Hon Mr. Seddon, Mr. Tanner.

So it passed in the negative.