

enumerated in the original contract, and have resolved that it is necessary to confine future negotiations to the railway between Springfield and Jackson's, the Belgrove Section being arranged to be completed to a point at the junction of Norris Gully and the Motueka Valley.

I have also heard a report that the Sub-Committee have proposed to reduce the land-grant allocated to the section between Patterson's Creek and Jackson's, viz., the £618,250. I have the honour to point out, for further consideration of the Sub-Committee, that the financiers in London have based their offer of capital to the company on this sum of £618,250, and any alteration in this amount might endanger their present agreement with the company.

Desirous of amicably settling this question if possible, I beg to suggest, for the consideration of the Committee, that, instead of reducing the B1 land-grant value allocated under the existing contract for the Patterson's Creek to Jackson's Section, they should stipulate that the company, as a compromise, is to finish the extension of the Belgrove Section, receiving instead of land-grant half the cost of the extension in $3\frac{1}{2}$ New Zealand Government debentures, and when this extension is completed and in working-order the company to hand it over to the colony as a free gift.

I have, &c.,

THE NEW ZEALAND MIDLAND RAILWAY COMPANY,
ROBERT WILSON,
Engineer-in-Chief and General Manager.

The Hon. the Premier, Wellington.

The UNDER-SECRETARY, Public Works to the CLERK, Midland Railway Committee.

Public Works Department, Wellington, N.Z., 22nd August, 1894.

SIR,—

Midland Railway: Proposals for a New Contract.

I have the honour to acknowledge the receipt of your memo. of yesterday's date, forwarding a print of the evidence taken by your Committee on the above subject, and kindly offering the department an opportunity of revising its estimates if considered necessary.

I have submitted the matter to the Engineer-in-Chief, and beg to enclose, for the information of the Committee, a copy of a memorandum written by him on the subject.

I have, &c.,

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

The Clerk, Midland Railway Committee, House of Representatives.

MEMORANDUM for the ENGINEER-IN-CHIEF.

Public Works Department, Wellington, N.Z., 22nd August, 1894.

RE attached letter of Midland Railway Committee, I have looked through the evidence, and I do not think there is any necessity to modify our estimates. Mr. Wilson practically accepts them as correct for Springfield to Jackson's, and, as he has no better information apparently than Mr. Blair and Mr. Napier Bell had when they revised the estimate of the Reef-ton-Belgrove Section, I see no reason to accept the additions now made by Mr. Wilson.

The estimate to complete the line to junction of Norris Gully with Motueka Valley is £35,000.

P. S. HAY.

UNDER-SECRETARY,—

For your information, the estimates submitted to the Committee are as near as can be arrived at with the information now in possession of the department.

22/8/94.

W. H. HALES.

The ENGINEER-IN-CHIEF, Midland Railway, to the CHAIRMAN, Midland Railway Committee.

SIR,—

Wellington Club, Wellington, N.Z., 23rd August, 1894.

I have the honour to confirm a statement made by me before the Sub-Committee yesterday, to the effect that as a further compromise the company is prepared to complete the Belgrove Section to the junction of Norris Gully and the Motueka Valley without further payment of land-grant for that section, and when so finished hand the same as a free gift to the colony. This offer was made on condition that the land-grant value on the East and West Coast Section is not altered from the sum fixed by contract, viz., £618,250. The offer is equal to a gift in works-expenditure of £60,000, made up as follows:—

	£
Cost of executing works on section	60,000
Estimated cost to complete	30,000
	90,000
Deduct land-grant received	30,000
	£60,000

I have, &c.,

THE NEW ZEALAND MIDLAND RAILWAY COMPANY,
ROBERT WILSON,
Engineer-in-Chief and General Manager.

The Chairman of Special Committee, New Zealand Midland Railway Company.