

If the Government will entertain a proposition during next Session on the principle of a guaranteed rate of interest, sufficient to produce in the London market the sum necessary for the purpose, I am prepared as the Financial Agent in Australia of English capitalists, also of a company (which is duly registered in London) with a capital of a million sterling, to undertake to raise the necessary capital, and construct and open for traffic (at our own cost) any railways in New Zealand.

I may be permitted to state, that I possess exceptional advantages for acting in this matter as I am the accredited agent of gentlemen residing in England who possess large means, and who are at present engaged in the construction of railways and telegraphs, and other public works, in and out of England. I may also add, my credentials are satisfactory to the Tasmanian Government, with whom I am now negotiating to construct the main trunk line through this island.

I should be happy, should business result, to furnish you with the names of our directors, solicitors, and parliamentary agents, or any other information in my power in connection with railways.

I may also be allowed to state, that a division of profits over a certain amount, to be hereafter agreed upon between the Government and the capitalists, can be arranged for. Also that arrangements for taking land can be made and that preliminary agreements can be made, that works shall commence or material shipped within six months from the time of the concession arriving in London.

If the Executive will consider this at an early date, I shall feel obliged; a letter addressed to the care of my solicitors, Messrs. Giblin and Dobson, Hobart Town, will at once receive attention.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

AUDLEY COOTE.

No. 9.

Mr. COOPER to Captain AUDLEY COOTE.

SIR,—

Public Works Office, Wellington, 25th October, 1870.

I have the honor, by the direction of Mr. Gisborne, to acknowledge the receipt of your letter of the 27th of August last, submitting, on behalf of an English company and others whom you represent, a proposal for the construction of railways in New Zealand.

The Government are unable, in the absence of details, to form any definite conclusion relative to the general offer which you make; but in the event of your being able to make any specific proposal, they will be glad to take it into their careful consideration.

In the event of your visiting New Zealand, you will no doubt be able to gather such information as will enable you to determine whether or not you should make such proposal. It must however be distinctly understood that the Government are not in a position to ask you to visit this Colony for this purpose, or to undertake any responsibility for your doing so, and that the question of your incurring the necessary cost and responsibility is a matter altogether for the decision of yourself, or of those whom you represent.

I am to express regret that the pressure of public business during and since the recent Session has caused this delay in replying to your letter.

I have, &c.,

G. S. COOPER,
Under Secretary.

Audley Coote, Esq., Hobart Town, Tasmania.

No. 10.

Captain AUDLEY COOTE to Mr. COOPER.

169, Premier Terrace, William Street,

SIR,—

Sydney, 5th December, 1870.

I have the honor to acknowledge the receipt of your reply to my letter of the 27th August last, wherein you state you have been directed by Mr. Gisborne to inform me the Government are unable, in the absence of details, to form any definite conclusion relative to the general offer, but, in the event of my being able to make a specific proposal, the Government will be glad to take it into their careful consideration.

Permit me now to inform you I have been instructed by the projectors of the Tasmanian Main Line Railway Company, which Company is duly registered in London, to submit, for the approval of the Government, the following terms for the construction of the New Zealand railways:—

I am prepared to undertake, on behalf of the above Company, to construct, maintain, and open for public traffic, "at our own cost," any railways in New Zealand, upon the Government guaranteeing to the Company the payment of interest, at the rate of $5\frac{1}{2}$ per cent. per annum on the capital as it is raised and expended in the Colony, for a period of thirty-five years from the opening of the lines for traffic.

The Company will bind themselves to divide with the Government the nett profit realized beyond 7 per cent. on the amount of capital expended.

As I am at present not aware of any Act having passed the Legislature of New Zealand on the guarantee principle, will you inform me if such an Act does exist; if so, will you be kind enough to send one for my perusal? If such an Act has not become law in New Zealand, will you inform me if it is the intention of the Government to adopt the principle during next Session, and about what time Parliament will meet again.

I may be permitted to state I have the influence of capitalists in England, whose powers I hold, consisting of gentlemen whose mercantile and social position will afford to the Government confidence in their ability to carry out that which they undertake. I may add, the Tasmanian Main Line Railway Bill has passed both Houses of the Legislature, and the concession has been duly signed on behalf of my principals.