

Enclosure 1 in No. 3.

Mr. R. WALKER to the Hon. the PREMIER.

Nelson and the West Coast Railway.

Westminster Chambers, Victoria Street, S.W., London,

11th May, 1875.

SIR,—

A fortnight ago Mr. Maxwell Berry introduced the question of the construction of this line to me, and, after due consideration of the proposals entertained in the “conditions and stipulations” (which I am given to understand Mr. Berry left with you) for the formation of a company in London, having for its objects the building of the said line, I beg to say that I am prepared to enter into a contract, and form a company for the construction of the line on the following terms:—

1. My engineer to agree on the spot with the New Zealand Government engineers the prices to be allowed for the various descriptions of work.

2. That an additional sum, equal to 10 per cent. on the gross amount of such works, should be allowed for expenses in the formation of the said company, and for the costs incurred in providing the funds for constructing the line.

3. That the whole sum thus raised by the company shall be paid over to the New Zealand Government (less 10 per cent. allowed for costs), who shall hold the same as trustees for the shareholders.

4. That the New Zealand Government shall pay the contractor as the works proceed, on the certificate of the engineer to be appointed by the New Zealand Government, as provided for in section 4 of stipulations, &c.

5. That the New Zealand Government shall pay interest on the money subscribed for building the said line of railway at the rate of 5 per cent.; this payment to continue during the construction of the said line.

6. That on the completion of the said railway the New Zealand Government shall take a lease of the same, paying a rental equal to $5\frac{1}{2}$ per cent. on the gross amount of the contract, plus 10 per cent. allowed, as per clause 2.

7. That the New Zealand Government shall pay all costs and charges attending the working of the line.

8. The company agree to complete the line within seven years from the date of commencing the works under the contract.

9. The New Zealand Government shall have the option of opening and working (under arrangement to be more fully set forth in an agreement to be made between the proposed company and the New Zealand Government) each section of the line as the same is completed.

Mr. Berry has given me to understand that your mission to England does not authorize your concluding a contract with any one for the construction of the proposed railway, and that any offer made is dependent, in the first place, upon the sanction of the New Zealand Government and Parliament; and in the second place, as to the prices to be allowed for the works, allowing sufficient inducement to the contractors to go to New Zealand for work. As there is an uncertainty as to the first condition, I do not think it prudent to go out to New Zealand at present and test the specifications. As to the second condition, Mr. M. Berry informs me that he is on the point of leaving for New Zealand, with the primary object of working with those interested in the construction of this much-needed line. On satisfactory arrangements for the payment of expenses being concluded, I shall be prepared to go to New Zealand with my engineer, and conclude a contract with the Government. Should you desire to have any personal explanation from me on any point, I shall be happy to keep any appointment you make for me.

I have, &c.,

ROBERT WALKER.

The Hon. Julius Vogel, C.M.G.,

87, Gloucester Place, Portman Square.

Enclosure 3 in No. 3.

The Hon. the PREMIER to Mr. R. WALKER.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

17th May, 1875.

SIR,—

I have the honor to acknowledge the receipt of your letter of 11th May, respecting the formation of a company to construct a railway from Nelson to the West Coast.

In reply, I have to state that I am not in a position to make any arrangement on the subject. The whole question must be referred to the New Zealand Government, and I will forward your letter to the colony by the next mail *via* San Francisco.

I have, &c.,

JULIUS VOGEL.

Robert Walker, Esq.