

1886.

## NEW ZEALAND.

## EAST AND WEST COAST AND NELSON (MIDLAND) RAILWAY

(CORRESPONDENCE RELATING TO).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

## I.—From the Hon. CHAS. C. BOWEN to the Hon. Sir JULIUS VOGEL.

Christchurch, 15th March, 1886.

I HAVE just received telegrams from Scott as follows : Arrangements completed. If Government telegraphs Agent-General affirmatively to following : First, whole selection land to be made forthwith, then set aside for company, they taking possession of land earned in any sequence they desire. Second, Government purchasing price to include cost with interest during construction. Third, mutual running powers upon most favoured basis. Fourth, time for spending 150,000 extended (six months) if necessary. Agent-General telegraphing names. If Agent-General has sent you further information please let me know ; also decision of Government.

## II.—From the Hon. Sir JULIUS VOGEL to the AGENT-GENERAL.

Wellington, 15th March.

REPORT on Scott's agreement with syndicate.

## III.—From the AGENT-GENERAL to the COLONIAL TREASURER.

15th March.

DELEGATES are not yet position report any definite agreement, but possibly telegraph particulars information necessary to enable the Government to decide to-morrow.

## IV.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

16th March.

SEE Scott's cablegram. As well as Government understand the concessions asked, they see no objection to them. They desire leave settlement matter with you. If you approve concessions and syndicate, get matter arranged quickly as possible.

## V.—From the AGENT-GENERAL to the COLONIAL TREASURER.

17th March.

SCOTT's negotiations have been with Salt, Deputy Chairman, Lloyds. Barnett's and Hoare, Directors, same bank. Have seen Salt, who says that, when knows whether concessions granted, will decide whether take up contract.

## VI.—From the AGENT-GENERAL to the COLONIAL TREASURER.

19th March.

RAILWAY. Bringing matters definite issue. Hope telegraph particulars quickly.

## VII.—From the AGENT-GENERAL to the COLONIAL TREASURER.

20th March.

RAILWAY Conference to-day explained what I think necessary. Prospects good. Company adequate. Names capital ; but please keep strictly confidential at present.

## VIII.—From the AGENT-GENERAL to the COLONIAL TREASURER.

27th March.

RAILWAY. Seems likely company formed immediately, but continue keep strictly confidential, in case of accident.

## IX.—From the Hon Sir J. VOGEL to the AGENT-GENERAL.

29th March.

RAILWAY. Thanks. Important settle soon. Do you approve concessions asked? Briefly say what course is affair taking ; when likely signed, settled, and deposit paid.

## X.—From the AGENT-GENERAL to the COLONIAL TREASURER.

29th March.

RAILWAY. Am pressing definite decision this week. Approve concessions subject safeguards respecting selection, and interest not exceed 4 per cent.; also total limited deposit 5,000 paid immediately contract assigned. Several legal points pending, but hope be able to telegraph formally Saturday.

## XI.—From the AGENT-GENERAL to the COLONIAL TREASURER.

6th April.

RAILWAY. Understand good proportion capital subscribed. Expect telegraph particulars to-morrow, but legal difficulty. Mackrell and Co. advising cannot vary contract.

## XII.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

7th April.

RAILWAY. If variation within your approval, and syndicate willing accept your assent, do not raise Mackrell and Co. objection unless necessary.

## XIII.—From the AGENT-GENERAL to the COLONIAL TREASURER.

9th April.

RAILWAY. Nothing further yet. I think prospects rather discouraging now.

## XIV.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

10th April.

RAILWAY. Briefly explain what respect prospects discouraging.

## XV.—From the AGENT-GENERAL to the COLONIAL TREASURER.

10th April.

RAILWAY. Simply difficulty arises through still uncertain whether enough underwritten warrant proposed company taking contract. Salt promises final answer few days.

## XVI.—From the AGENT-GENERAL to the COLONIAL TREASURER.

14th April.

RAILWAY. Just informed 250,000 subscribed, and business taken. Telegraph particulars later.

## XVII.—From the AGENT-GENERAL to the COLONIAL TREASURER.

17th April.

RAILWAY. Brokers decided not bring out before Easter, but every point between company myself settled. Instruct whether you wish me telegraph particulars fully. Company takes assignment existing contract upon promise Government introduce Bill ratify concessions. Please confirm.

## XVIII.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

18th April.

ASSUMING concessions not in excess of those cabled, you may give assurance we will introduce Bill. When will contract be signed and caution money paid?

## XIX.—From the AGENT-GENERAL to the COLONIAL TREASURER.

19th April.

RAILWAY. Company registered to-day. Hope contract signed, 5,000 paid, few days. Concessions same, except have allowed 5 per cent. instead 4 per cent. upon first half-million raised.

## XX.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

20th April.

RAILWAY. Understand interest you refer to is only payable in case Governor exercises power compulsory purchase railway. Reply.

## XXI.—From the AGENT-GENERAL to the COLONIAL TREASURER.

20th April.

RAILWAY. Yes. Question of interest only arises supposing right purchase exercised.

## XXII.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

20th April.

PREPARING budget; most important know definitely is railway likely proceed. When will be brought out, and what will syndicate do if public not subscribe?

## XXIII.—From the AGENT-GENERAL to the COLONIAL TREASURER.

20th April.

RAILWAY Company accept definition concessions, including covenant: exclude direct contract assuming liability. Company ready execute assignment immediate. Comes out after Easter. Present share-capital 500,000, with 250,000 called; but articles provide allowing increase. First 250,000 fully subscribed, and further 250,000 debentures provided. Therefore I believe concern really started now.

XXIV.—From the Hon. Sir J. VOGEL to the AGENT-GENERAL.

RAILWAY. When will material enable preparation Ratification Bill reach colony?

27th April.

XXV.—From the AGENT-GENERAL to the COLONIAL TREASURER.

ALL away May 28, San Francisco.

27th April.

XXVI.—The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

12th March, 1886.

Mr. Alan Scott came to me this morning with a telegram which he is sending to his committee, announcing that he has succeeded in arranging with a number of capitalists for the transfer of the East and West Coast Railway contract, if the Government will grant certain concessions which he describes. It is impossible for me, as the mail will close almost immediately, to do more than send you to-night a copy of so much of Mr. Scott's telegram as refers to the concessions desired, but I most likely shall have to write you fully on the matter by San Francisco.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

*Enclosure in No. XXVI.*

From H. ALAN SCOTT to CHRISTCHURCH COMMITTEE.

London, 12th March, 1886.

ARRANGEMENTS completed if Government telegraphs to Agent-General affirmatively to following: First: Whole selection lands to be made forthwith; then set aside for company, they taking possession of land earned in any sequence they desire. Second: Government purchasing-price to include cost, with interest during construction. Third: Mutual running powers upon most favoured basis. Fourth: Time for spending £150,000 extended six months, if necessary. Agent-General telegraphing names.

XXVII.—From the AGENT-GENERAL to the COLONIAL TREASURER.

RAILWAY. Directors appointed. Prospectus appears to-morrow. Assignment executed. Company's seal ordered affixed. £5,000 paid fortnight.

1st May.

XXVIII.—The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 23rd March, 1886.

I received in due course your telegram of the 15th instant, directing me to report on the agreement entered into between the delegates of the East and West Coast Railway and the syndicate with whom Mr. Scott had been in treaty; but I was not then in a position to tell you that any definite agreement had been come to.

On the 17th I telegraphed to you that Mr. Scott's negotiations had been conducted with Mr. Salt, chairman of the Lloyds, Barnett's, and Bosanquet's Bank, and Mr. Brodie Hoare, a director of the same bank and Chairman of the National Bank of New Zealand. Those negotiations had, in fact, as mentioned in my letter of the 12th instant, No. 327, proceeded to a point at which Mr. Scott considered he might telegraph to his committee that the business was concluded, if the Government would grant certain concessions. In the meanwhile I had had an interview with Mr. Salt, who informed me that, when he knew whether the concessions would be granted, the gentlemen who had been treating with Mr. Scott would decide whether to take up the contract. From what he told me I was led to believe that, while he and his friends would not finally pledge themselves just yet, the negotiations had gone so far as to make it most likely the contract would be taken up if the concessions were granted.

On the 18th I received your further telegram, stating that, as far as the Government understood the concessions asked for, they saw no objection to them, but that they desired to leave the settlement of the matter with me, and, if I approved of the concessions as well as the proposed syndicate, I might get the matter arranged as quickly as possible. Thereupon I had a further interview with Mr. Salt, and telegraphed you on the 19th that I was endeavouring to bring matters to a definite point. I explained, at my conference with Mr. Salt, several points on which I thought it necessary to have proper safeguards before the concessions were granted, the principal one being a sufficient guarantee for the necessary money to be provided and the work proceeded with; and I telegraphed this to you on the 20th, adding that the prospect seemed favourable of forming a company with good names and adequate capital, but that it would be advisable for the present to keep the matter very confidential.

As I may be telegraphing to you in a few days what has been really done, I will reserve a full explanation for the next mail.

Copies of the telegrams between us are annexed.

I have, &c.,

F. D. BELL.

*Copies of Telegrams referred to in No. XXVIII.*

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

(Received 15th March, 1886.)

REPORT on Scott's agreement with syndicate.

Wellington, 15th.

---

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 15th March, 1886.

DELEGATES : Am not yet position report any definite agreement, but possibly telegraph particulars information necessary to enable the Government to decide to-morrow.

---

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 17th March, 1886.

SCOTT'S negotiations have been with Salt, deputy-chairman Lloyd's, Barnett's, and Hoare, director same bank. Have seen Salt, who says that when knows whether concessions granted will decide whether take up contract.

---

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

(Received 18th March, 1886.)

SEE Scott's cablegram. As well as Government understand the concessions asked they see no objection to them. They desire leave settlement matter with you ; if you approve concessions and syndicate, get matter arranged quickly as possible.

Wellington, 18th.

---

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 19th March, 1886.

RAILWAY : Bringing matters definite issue. Hope telegraph particulars quickly.

---

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

London, 20th March, 1886.

RAILWAY Conference to-day explained what I think necessary. Prospects good. Company adequate names capital, but please keep strictly confidential at present.

---

XXIX.—The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, New Zealand.

(Received 15th May, 1886.)

RAILWAY. Company's seal affixed. £5,000 paid. Rate of interest never defined : please instruct.

London, 14th.

---

XXX.—The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 15th May, 1886.

RAILWAY. Thanks your able exertions. Rate of interest on £5,000 : suggest 4 per cent.

[Approximate Cost of Paper.—Preparation, nil ; Printing (1,350 copies), £2 6s.]

---

By Authority : GEORGE DIDSURY, Government Printer, Wellington.—1886.