

SESS. II.—1887.
NEW ZEALAND.

THE MIDLAND RAILWAY

(FURTHER PAPER RELATIVE TO).

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

The GENERAL MANAGER, New Zealand Midland Railway Company (Limited), to the Hon. the
PREMIER.

SIR,—

Cathedral Square, Christchurch, 31st October, 1887.

I have the honour to request you to allow me to correct some erroneous impressions which seem to have obtained currency from the publication of the Agent-General's letter to the Hon. the Colonial Treasurer, dated the 7th September, 1887, No. 5, in the papers laid before Parliament last Friday.

In that letter the Agent-General speaks of the company's position being "a serious one," and of its being in "imminent danger of breaking down."

The position is certainly serious in the sense that the company find it necessary to obtain the amendments in their contract, which are now in your hands, before they can be assured of the whole money necessary for constructing the entire railway; but it is not serious in the sense of the company being in any difficulty as to obtaining the money for meeting payments for contracts already let. This has all been long ago subscribed.

In another sentence the Agent-General speaks of "repeated failures" on the part of the directors in their "financial negotiations."

It is but right for me to inform you that my directors have not, to use a common term, hawked the company's business about London, as some have assumed from this sentence; and it will be readily realised that they are not likely to have done so when their strength, standing, and experience are regarded.

The failures have been those made in their endeavours to arrange the actual terms with the few financiers with whom the directors have been in treaty, and some of whom have eventually undertaken to provide the whole money required on condition that the amendments now asked for are given.

Had my directors not been so desirous of arranging the matter without asking the Government for any alterations, their task would have been far lighter.

I should have referred to these matters before had I seen the letter in which they arise before it was printed with the papers for laying before the House; and, as I do not wish to appear as challenging the statements of the case put forward by your Government, I beg to ask that you will be good enough to correct the erroneous impressions referred to in such way as you may think best.

In order not to complicate the matter, I refrain from comment on other statements in the Agent-General's letters to the Government.

I have, &c.,

H. ALAN SCOTT,
General Manager.

The Hon. the Premier, Wellington.

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