

1893.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE

(REPORT ON THE PROPOSALS OF THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED),
TOGETHER WITH MINUTES OF PROCEEDINGS, AND EVIDENCE, AND APPENDIX).

Report brought up 19th September, 1893, and ordered to be printed.

ORDERS OF REFERENCE.

Extract from the Journals of the House of Representatives.

WEDNESDAY, THE 28TH DAY OF JUNE, 1893.

Ordered, "That a Committee be appointed to examine into and report upon such questions relating to the public accounts as they may think desirable, or that may be referred to them by the House or by the Government, and also into all matters relating to the finances of the colony which the Government may refer to them; five to be a quorum. The Committee to consist of Mr. Guinness, Hon. Sir John Hall, Mr. G. Hutchison, Mr. J. Mills, Dr. Newman, Mr. Saunders, Hon. Mr. Seddon, Mr. Shera, Mr. Tanner, and the mover."—Hon. Mr. WARD.)

WEDNESDAY, THE 5TH DAY OF JULY, 1893.

Ordered, "That the names of Hon. Sir R. Stout and Mr. Wright may be added to the Public Accounts Committee."—(Hon. Mr. WARD.)

THURSDAY, THE 10TH DAY OF AUGUST, 1893.

Ordered, "That the Public Accounts Committee have power to call for persons, papers, and records in relation to all matters referred to them."—(Hon. Mr. SEDDON.)

TUESDAY, THE 15TH DAY OF AUGUST, 1893.

Ordered, "That Paper No. 180d. (proposals for a new contract made by the New Zealand Midland Railway Company, and correspondence relative thereto), be referred to the Public Accounts Committee for their report thereon."—(Hon. Mr. SEDDON.)

WEDNESDAY, THE 23RD DAY OF AUGUST, 1893.]

Ordered, "That Paper No. 201 (copy of a letter from the President of the Nelson Railway League, with copies of resolutions), be referred to the Public Accounts Committee."—(Hon. Mr. SEDDON.)

REPORT.

THE Public Accounts Committee have carefully considered the proposals made by the New Zealand Midland Railway Company for a modification of their contract which are contained in the correspondence laid upon the table of the House of Representatives; they have also taken evidence on the subject; and have agreed to the following report:—

1. The Committee cannot recommend the acceptance of the proposals of the company, as embodied in the draft contract submitted by them.

2. The Committee recommend that the contract be amended so as to provide that, in lieu of land-grants being made to the company on account of work hereafter to be executed by them, debentures of corresponding value plus 15 per cent. of the B1 value of the land, be issued to the company, bearing interest at the rate of $3\frac{1}{2}$ per cent. per annum. Such issue of debentures in lieu of land-grants to be conditional on the company surrendering its right to select land within the reserved area of about 5,600,000 acres, after deducting the quantity to which they are entitled and to which they may be entitled for works in progress.

3. That an extension of time for completion of the work be granted to the company; such extension not exceeding five years from the date of signing the new contract.

4. That, if desired by the company, the debentures to which they may become entitled be deposited with the Public Trustee, to be issued to the company in as near as may be twenty equal half-yearly instalments; the interest of each debenture while in the hands of the Public Trustee to be applied as the company may direct. That this provision shall not be considered a variation of other terms of the contract.

19th September, 1893.

J. M. SHERA,
Chairman, Public Accounts Committee.