

The result of such breaches of contract, and of each of them, was the injury to and practical destruction of the financial powers of the Company, and was a wrongful depreciation by the Crown of the value of the land-grant, and a wrongful restriction by the Crown of the area from which the Company were entitled to select their grant.

The damages which naturally flowed from such breaches of contract, and from each of them, were the loss of the moneys expended by the Company, and of the profits which would have reasonably resulted to the Company from the contract.

These damages, which the Company assesses at the sum of £1,584,900, the Company therefore claims to recover from the Crown.

FURTHER PARTICULARS OF CLAIM DELIVERED BY THE COMPANY.

IN ARBITRATION.—THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED) AND HER
MAJESTY THE QUEEN.

THE New Zealand Midland Railway Company (Limited) refers to arbitration, as provided by clause 47 of the contract dated the third day of August, 1888, and made between the parties, all matters arising subsequent to the 14th day of January, 1895. The acts and defaults complained of are those of the Executive of the Colony of New Zealand, acting for the Queen, by and through the Governor of the colony, or by and through the Minister for Public Works.

The Company claim as follows :—

1. That the undertaking of the Company being work to be remunerated in part by land, as provided by clause 16 of the contract, the Queen, contrary to the provisions of the said contract, refused and prevented the exercise by the Company of its rights of selection over large areas of land within the authorised area.

2. That the Queen has, in contravention of the contract, permitted and authorised the destruction and the removal of timber on lands available for selection, and thereby depreciated the value of such lands.

3. That the Company being entitled to select under the provisions of the contract land to the amount of £19,304, and having given notice in that behalf, the Queen, by the Minister for Public Works, on or about the 20th day of April, 1895, refused to allow the Company to exercise its rights.

4. That the Company, being entitled to select lands, the Queen, under agreement with the Company, having sold certain such lands, being those described in the B 1 map as “ Nelson Towns: Reefton ” (196 sections in number), and having received the proceeds thereof (the particulars of which have been refused to the company) has in contravention of the contract refused to pay over the same to the Company.

5. That the Company being entitled to have the titles to other lands already selected issued under the provisions of the said contract, the Queen has, in contravention of the contract, refused to complete and issue such titles.

6. That the Queen having agreed to refer to arbitration a question as to the boundaries of B1 Block 65 (which had been selected and dealt with by the Company), has refused to proceed to such arbitration, whereby the Company has been prevented from completing the sale of the said B1 Block, and has suffered great loss and damage.

7. That the Queen on the 25th day of May, 1895, in contravention of the contract and without any due or proper cause, took possession and assumed the management of the railway then in the possession of the Company, and wrongfully converted the same to her own use.

That, by and in relation to the foregoing matters, the Company has lost the entire benefit of the contract and all the expenditure thereunder. Wherefore the Company claims to recover from the Queen the sum of £1,817,900, together with interest at 5 per cent. per annum upon £845,000 debenture capital, from the 14th day of January, 1895, till the date of award.

(Delivered 28th November, 1895.)

MINING RESERVES OBJECTED TO BY THE COMPANY.

IN ARBITRATION.—THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED) AND HER
MAJESTY THE QUEEN.

Statement of Approximate Areas of Land which the Company asserts should not have been included in the Mining Reserves.

THIS statement is filed without prejudice to the Company's general objection that areas of land included in the mining reserves, but not particularly objected to by the Company, include small quantities of land scattered throughout the reserves, which, on survey, would be found to be unjustifiably reserved.

And also without prejudice to the Company's objection that the reserves in general were not made in accordance with the contract.