

MIDLAND RAILWAY CONTRACT.

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A BILL INTITULED

AN ACT to empower the Queen to cancel a certain Contract with the New Zealand Midland Railway Company (Limited), and to enter into a New Contract in lieu thereof.

5 BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Midland Railway Contract Act, 1894." Short Title.

10 2. In this Act, if not inconsistent with the context,—
"The company" means "The New Zealand Midland Railway Company (Limited)";
"The said Acts" mean and include "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act, 1884," as amended by "The East and West Coast (Middle Island) and Nelson Railway and Railways Construction Act Amendment Act, 1886," "The Midland Railway Contract Act, 1887," and "The Midland Railway Contract Act, 1890:" Interpretation.

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20 "The Midland Railway" means the railway authorised to be constructed under the provisions of "the said Acts" and this Act:

"The Minister" means the Minister for Public Works for the time being.

25 3. As soon as conveniently may be after the passing of this Act, the Governor in Council, in the name and on behalf of the Queen, may, under the provisions of the said Acts as modified by this Act, enter into a contract (hereinafter referred to as "the new contract") Governor in Council empowered to enter into a new contract for completion of railway.

with the company for the construction and completion of the uncompleted portions of the Midland Railway between Brunnerton and Springfield, and between Belgrove and the junction of Norris's Gully with Motueka Valley; also for the maintenance and working of the portion of the Midland Railway between Brunnerton and Reefton, as well as of the portion between Brunnerton and Springfield hereinbefore referred to. 5

Such contract shall contain provisions to the same effect as set forth in the contract already subsisting between the Queen and the company and dated the third day of August, one thousand eight hundred and eighty-eight (hereinafter referred to as "the contract of 1888"), with such additions thereto and modifications thereof as are hereby authorised, and such further alterations in minor details as may be hereafter agreed upon between the Queen and the company. 10

New contract to operate as a substitute for contract of 1888.

4. The new contract shall, when executed on behalf of Her Majesty and by the company, operate as a substitute for the contract of 1888; and from and after the date of such execution the last-mentioned contract shall be absolutely determined and of no further effect either in law or in equity. 15

No claims, demands, or proceedings shall be had, made, or taken thereunder by either party thereto against the other by reason of anything done or suffered or omitted to be done under the contract of 1888, but all acts and things lawfully done, and all proceedings lawfully taken thereunder, before the execution of the new contract shall be deemed to have been as valid, and shall be of the like force and effect, and may be carried on and completed as far as practicable, as if they had been done or taken respectively under the new contract. 20 25

Provisions of new contract.

5. The new contract shall, *inter alia*, contain provisions to the following effect:—

- (a.) The company shall, within two years from the date of the new contract, construct, equip, and fully complete ready for traffic, and to the satisfaction of the engineer to be appointed under such contract, the portion of the Midland Railway from its junction with the Government line near Belgrove to a point to be determined by the Governor near the junction of Norris's Gully and the Motueka Valley, but the Company shall not be required to furnish any rolling-stock for use upon such portion, and on such completion the same shall become the absolute property of the Queen, without any payment or other consideration whatsoever. 30 35 40
- (b.) No provision shall be made in the new contract with respect to the portion of the Midland Railway between the terminating point of the section referred to in the last-preceding subsection and Reefton, but the construction of this portion of the railway shall be left over for future negotiations. 45
- (c.) In respect of the uncompleted portion of the said railway between Springfield and Jackson's, the company shall, in lieu of land-grants, receive three and one-half per centum bonds or debentures, as herein provided, to the amount of six hundred and eighteen thousand two hundred and fifty pounds. 50

(d.) Such debentures shall be issued and delivered as follows :
Debentures to the value of two hundred thousand pounds
within one year from the date of the new contract, and
debentures to the value of a further sum of two hundred
thousand pounds within two years from the same date, and
debentures to the value of two hundred and eighteen
thousand two hundred and fifty pounds upon the said rail-
way between Springfield and Jackson's being completed
and opened for traffic :

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Provided, however, that no delivery of debentures
shall take place as aforesaid until at least one-fourth of
the total amount or value of the works to be completed
by the company under the new contract are so completed
in terms of such contract; nor shall the second delivery
of debentures (to the value of a further sum of two hun-
dred thousand pounds) be made until works to the value of
at least one-half of the whole of the works agreed to be
completed shall have been completed by the company as
aforesaid.

(e.) Such debentures as may be issued from time to time
hereunder shall be delivered to the Agent-General of the
colony in London, who shall hold the same and the
interest accruing thereon in trust for the company, and
shall pay to the company out of the moneys from time
to time in his hands the sum of twenty-five thousand
pounds half-yearly for the purpose of enabling the com-
pany to pay interest at the rate of four pounds per
centum per annum on its proposed new issue of capital
(amounting to one million two hundred and fifty thousand
pounds), until such time as the whole of the moneys at the
credit of the trust account in his hands are exhausted.

The Agent-General may convert and sell the said
debentures or any of them as may from time to time be
necessary to enable him to make such payments.

(f.) No provision shall be made in the new contract for grants of
land to the company, except as regards the area as yet
unselected in respect of the portion of the said railway
between Brunnerton and Jackson's.

The selection in respect of such portion of railway
shall be made within three months from the date of
the execution of the new contract; and on the expiry
of the said period of three months all the land re-
served from sale within the "authorised area," as defined
in the contract of 1888 (excepting so much thereof as
shall have been selected by the company), shall forthwith
be released from such reservation, and shall be dealt with
as ordinary Crown lands.

(g.) The time for completing the uncompleted portion of the rail-
way between Springfield and Brunnerton shall be four
years from the date of the new contract; but the Governor
may, from time to time, grant an extension of this time,
in the event of unavoidable accident or other contingency
delaying the completion of the work beyond that period,

but such extension in the aggregate shall not exceed one year.

Power to issue Proclamation under "Public Works Act, 1882."

6. For the purpose of vesting in the Queen such portion of the said railway as is specified in subsection (a.) of section five of this Act, when completed as aforesaid, the Governor is hereby empowered to issue a Proclamation formally taking such portion of railway, under the provisions of "The Public Works Act, 1882," but without complying with the provisions of the said Act as to defining the middle line of such railway, or as to the deposit of maps or plans, and notwithstanding that the said portion of railway may not be a Government work or railway within the meaning of that Act. Neither the said company nor any other company or person whatsoever shall have any claim to the payment of compensation in respect to the issuing of such Proclamation or the taking of land thereby.

Such Proclamation, when gazetted, shall be conclusive evidence that the land therein referred to is vested in Her Majesty in fee-simple, freed and discharged from all mortgages, charges, claims, estates, and interests of what kind soever.

Such Proclamation, together with a map of the land taken, certified by the Surveyor-General, shall be deposited as provided by section twelve of "The Public Works Act, 1882," and the like proceedings shall be taken and the like consequences shall ensue (subject to the express provisions of this Act) as in cases provided for by that section.

No Proclamation taking such portion of railway as aforesaid shall be impeached or be defeasible on any ground whatsoever.

Before new contract entered into, Minister to inquire as to ability of company to perform same.

7. Before the new contract is entered into, the Minister shall satisfy himself that the company is or is likely to be in a position to give practical effect to such contract.

Power of the Governor to determine contract in certain events.

8. The new contract shall provide that in the event of the construction of the railway not being resumed and proceeded with to the satisfaction of the Minister within six months from the date thereof, and thereafter from time to time carried on at such a rate as will admit of its due completion, as provided in such contract, or if at any time the company shall, in the opinion of the Governor, commit or suffer a wilful breach of the contract, the Governor shall have power to absolutely determine the contract as regards such portion of the railway as shall not then be completed and open for traffic, and to enter upon and take possession of the uncompleted portion of such railway or railway-line, and thereafter to complete, or abstain from completing, the whole or any part of the works, as he may deem expedient, such powers to be in addition to any other powers of a like character contained in any Act relating to the Midland Railway; and the exercise of any such power shall not be deemed to prejudice or restrict any other right or remedy arising under or secured by the new contract, or by this or any other Act.

In case of default, debentures to be a first charge on works constructed.

9. The new contract shall also provide that, in the event of the Governor exercising in respect of any portion of the said railway the power of determination conferred by the preceding section subsequently to the issue of any debentures as provided by this Act, such debentures shall thereupon be deemed a first charge upon any works constructed by the company under the provisions of the new contract.

Upon notice of determination as aforesaid being served upon the company and Agent-General, all debentures in the hands of the Agent-General shall be returned to the Colonial Treasurer, and the nominal value of any such debentures as have been sold shall, if the amount thereof has been paid to the company, be repaid by the company to the Colonial Treasurer. A notice to the Agent-General shall be deemed to be sufficiently served if sent by telegraph or telegraphic cable.

So much of the proceeds of the sale of such of the said debentures as may remain in the hands of the Agent-General shall forthwith be paid to the credit of the Public Account of the colony, to be dealt with as determined by the General Assembly.

Should the company fail to forthwith return such debentures or forthwith pay the nominal value thereof as aforesaid, then the Governor may, without notice or demand, enter upon and take possession of any portion or portions of the said railway constructed and completed under the provisions of the new contract, and shall hold possession of such portion or portions of railway until the nominal value of such debentures has been paid by the company as aforesaid.

10. For the purposes of this Act, the Governor in Council is hereby empowered to appoint two or more persons as Agents for the purpose of creating and issuing from time to time in Great Britain or elsewhere bonds, debentures, scrip, or inscribed stock, under "The New Zealand Consolidated Stock Act, 1877," or otherwise, to the value of six hundred and eighteen thousand two hundred and fifty pounds, bearing interest at the rate of three and one-half pounds per centum per annum.

Agents may be appointed for issuing debentures.

11. Such Agents shall have full power and authority to prescribe the mode and conditions of repayment of the said bonds, debentures, scrip, or stock, the time of such repayment, and the time and place when and where principal and interest shall be made payable.

Agents may prescribe mode of repayment, &c., of debentures.

12. In addition to the general powers by this Act conferred upon the said Agents, they may from time to time declare that all or any of the debentures issued by them shall be convertible into stock created or issued under "The New Zealand Consolidated Stock Act, 1877," and "The Consolidated Stock Act, 1884."

Debentures may be converted into stock.

13. Every bond, debenture, scrip, or other security issued under the authority of this Act shall be countersigned by the Controller and Auditor-General, or by an officer of Audit to be appointed from time to time for that purpose by the Controller and Auditor-General.

Bonds, &c., to be countersigned.

14. The sum of money named in any bond, debenture, scrip, or other security issued under the authority of this Act, and all interest thereon, are a charge upon and shall be paid out of the Consolidated Fund of New Zealand.

Bonds, &c., chargeable upon Consolidated Fund.

15. All the powers vested in any Agents appointed under this Part of this Act may by such Agents be wholly or partly delegated to two or more other Agents, subject to such conditions as the Agents delegating such powers may think fit.

Agents may delegate their powers.

16. The Governor may at any time, and from time to time, remove or accept the resignation of any Agent appointed by him under this Part of this Act, and in any such case, or if any such

Removal or resignation of Agents.

Agent should die, the Governor may appoint another person in his place, and such appointment may be made by telegraphic message or otherwise.

Persons lending moneys not bound to inquire as to conditions precedent.

17. No person, body, or authority shall be concerned to see or inquire whether or to what extent the powers given in this Act have been previously exercised or are intended to be exercised; and all bonds, debentures, scrip, or stock issued or purporting to be issued under this Act shall, so far as concerns the lender, be deemed to be created and issued within the powers by this Act conferred in that behalf.

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Securities heretofore charged on revenues not affected.

18. Nothing in this Act contained shall be held to prejudice, alter, affect, or vary any security heretofore charged on the revenues of New Zealand or any of them.