

10. Refunds to the company of the charges and allowances due to it, after deducting all the expenses chargeable against the company as defined hereinbefore, will be made four-weekly, due time being allowed for compiling and auditing the accounts; and, provided that the expenses so chargeable against the company exceed the receipts, the excess of such expenses above the receipts shall be refunded to the Government by the company for each four-weekly period within fourteen days from the date of notice, in writing, given by the Minister for Public Works to the chairman of the company; and such refunds shall be made irrespective of any debts due by the company to the Government which may be independent of this arrangement.

11. The company's officers will render all accounts, both for the company's local traffic and traffic interchanged, in the form and manner prescribed for the New Zealand Railways. All moneys collected by them will be paid into the Public Account.

12. The accounts shall be open to the inspection of the company, and such statistical information as is wanted may be obtained by the company upon payment of the clerical expense involved in compiling it.

13. The company's time-table shall be arranged to the satisfaction of the General Manager of the New Zealand Railways, and so as to give a daily service from Dunedin to Kingston by way of the company's line.

14. The company's officers, while on the New Zealand Railways premises, will be subject in every respect to the rules, regulations, and by-laws in force at any time on the same, and shall render such returns as may be required by them.

15. Upon application in writing to the General Manager of the New Zealand Railways, Dunedin, by the company's manager, the former may at his option permit the company to run a special train, consisting of the company's engine, one carriage, and a van, on the New Zealand Railways, south of Dunedin; the use of such special train to be confined exclusively to the company's directors and manager. A charge of 1s. per mile will be made by the Government for the use of their line for each mile run.

The General Manager of the New Zealand Railways may, if he thinks fit, put on a driver and guard to work the "special," and charge the company with the cost of their wages. The General Manager of the New Zealand Railways reserves to himself the right to cancel this condition at any time.

16. This agreement shall commence on the 2nd day of March, 1881, and shall remain in force not exceeding twelve months; but it may be terminated at any time by one month's notice in writing by either party.

17. The company to pay all claims arising from damage to or loss of goods and parcels, and all claims for personal damages, which occur on the company's line.

18. Should the company neglect or refuse to fulfil any of the conditions hereinbefore stipulated, the Minister may, without further process or notice, cease to work in connection with the company, and the company shall have no claim for compensation or damages on account of such stoppage, or on account of any action arising therefrom.

The following charges will be made upon all goods booked through over the company's line between Government stations other than Lumsden and Gore, in addition to the Government rates: Class A, 16s. 6d. per ton; Classes B, C, D, and E, 12s. per ton; classes N and P, 9s. per ton; wool, 8s. 10d. per ton; timber, 3s. 1d. per 100 superficial feet; Class F, 27s. per truck; Class M, 27s. per single-floor truck; Class M, 40s. per double-floor truck; Class L, 37s. per truck.

For each parcel carried over the company's line the following charges will be made:—

Miles under					Parcel Rates, not exceeding					
					7lb. s. d.	14lb. s. d.	28lb. s. d.	56lb. s. d.	112lb. s. d.	
15	..	..	..	..	0 6	0 6	0 9	0 9	1 3	
20	..	..	..	..	0 6	0 9	1 0	1 3	2 0	
30	..	..	..	..	0 6	0 9	1 3	1 6	2 6	
40	..	..	..	..	0 9	1 0	1 6	1 9	2 9	

Dogs.—The charge for conveyance of dogs for every twenty-five miles, or fractional part of twenty-five miles, will be per head.

Telegram from the CHAIRMAN, Waimea Plains Railway Company, to the Hon. the MINISTER for PUBLIC WORKS.

The Hon. the Minister for Public Works, Invercargill. Dunedin, 9th February, 1885.
REFERRING to conversation with you yesterday, Waimea Railway Company is prepared at once (to-morrow, if necessary) to connect with Government trains at Gore and Lumsden as per time-table proposed by Mr. Maxwell—say, leave Gore, two-fifty; arrive Lumsden, five-twenty-five; leave Lumsden, nine-fifty-five; arrive Gore, twelve-thirty-five. The company will continue to do its own booking, as at present, mutually satisfactory arrangements to be made as to departmental charges, which we have already objected to as excessive.

H. DRIVER,
Chairman of Directors.

Telegram from the Hon. the MINISTER for PUBLIC WORKS to the CHAIRMAN, Waimea Plains Railway Company.

H. Driver, Chairman, Waimea Plains Railway, Dunedin. Invercargill, 9th February, 1885.
YOUR telegram of to-day received. Am I to understand by your saying that the company will continue to do its own booking as at present, mutually satisfactory arrangements to be made as to departmental charges, which we have already objected to as excessive, that you mean that you decline the proposals made by the General Manager by my direction for the interchange of traffic and the through booking of goods and passengers? Please reply here to the General Manager to-morrow, who has instructions.

The General Manager will leave here Wednesday, and be in Dunedin Thursday.

EDWARD RICHARDSON,
Minister for Public Works.

Telegram from the CHAIRMAN, Waimea Plains Railway, to the GENERAL MANAGER, New Zealand Railways.

The General Manager, New Zealand Railways, Invercargill. Dunedin, 10th February, 1885.
REPLYING to Minister's telegram of yesterday, directors willing at once to connect daily with Government trains per time-table arranged by you, and arrange fair terms re departmental charges. They prefer to do their own booking in meantime.

H. DRIVER,
Chairman, Waimea Plains Railway.

Telegram from the GENERAL MANAGER, New Zealand Railways, to the CHAIRMAN, Waimea Plains Railway Company.

H. Driver, Esq., Chairman, Waimea Plains Railway, Dunedin. Invercargill, 10th February, 1885.
YOUR telegram this day received. It will be necessary for me to get a definite reply to the Minister's telegram to you of the 9th. The question is—Do you decline the proposal made by the Minister's direction for the interchange of traffic and the through-booking of passengers and goods. In the absence of a definite reply to this question by your company, I am without any proper basis for discussion or settlement of terms or working arrangements. I should be glad, therefore, if you will inform me on this point.

J. P. MAXWELL.