

10. That the directors of the company are desirous of being able to recommend to the shareholders a sale of the line to the Government, but they are bound to see to the settlement of the debentures, interest on which will have to be paid until the line is taken over, which, under any circumstances, cannot be done by the Government until the end of the present financial year.

11. That the directors have received notice from the debenture-holders, to whom the rates are secured, prohibiting them from agreeing to forego same.

12. That the directors would be willing to recommend the shareholders to accept such sum as after settlement of the debentures would repay the shareholders their capital, and make good the 7 per cent. interest as guaranteed up to the time the line is transferred to the Government, waiving their claim to the additional 10 per cent. mentioned in clause 9.

I have, &c.,

GEORGE HART,

Chairman.

The Hon. the Minister for Public Works, Wellington.

7. The Hon. the MINISTER for PUBLIC WORKS to the CHAIRMAN, Rakaia and Ashburton Forks Railway Company.

SIR,—

Wellington, 12th December, 1884.

I have the honour to acknowledge the receipt of your letter of the 3rd instant, intimating that your directors, while considering that it was in every way desirable that an arrangement for the purchase of your railway should be made with the Government, were precluded, by the financial position of the company, from being able to recommend the shareholders to consent to the sale of the line on the terms proposed in my letter of the 14th ultimo, and submitting certain information with regard to your railway for the consideration of the Government.

In reply, I have to express regret that the company cannot see their way to treat with the Government on the basis proposed. Such being the case, I can only intimate to you that the negotiations for the purchase of your line must be considered at an end, at any rate for the present. Will you, therefore, please consider my letter of the 14th ultimo as hereby withdrawn.

I have, &c.,

EDWARD RICHARDSON,

Minister for Public Works.

George Hart, Esq., Chairman, Rakaia and Ashburton
Railway Company, Christchurch.

[NOTE.—Nothing further occurred until the Hon. Sir Julius Vogel, Colonial Treasurer, visited Christchurch in March, 1885, when negotiations were reopened and conducted personally between the directors of the company and himself for the purchase of the railway by the Government, which ended in the terms of the agreement set forth in No. 1, D.—5B.]

No. 4.

WAIMATE RAILWAY.

Memoranda of Particulars of Promotion, Construction, and Cost of Railway.

1. THE Waimate Railway Company (Limited) was formed in 1878 to construct a railway from Waimate Township to Waihao Valley, Provincial District of Canterbury; length, sixteen miles.

2. The consent of the ratepayers and owners of property to the construction of the proposed line was obtained on the 2nd December, 1878.

3. The estimated cost of the railway was £100,000.

4. The Governor's approval of and assent to its construction was gazetted on the 27th February, 1879.

5. The Waihao Downs section of the railway (length $8\frac{1}{4}$ miles) was completed and opened for traffic on the 24th April, 1883.

6. The certified cost of the whole railway was £100,000. The cost of the Waihao section was fixed at £40,500.

No. 5.

CORRESPONDENCE RESPECTING THE PURCHASE OF THE WAIMATE RAILWAY.

1. Petition of JOHN GEDDES and others.

To the Honourable the Speaker and Members of the House of Representatives of New Zealand in Parliament assembled. The petition of the undersigned ratepayers of the Waimate Railway District, in the Provincial District of Canterbury, humbly sheweth:—

1. THAT the Waimate Railway was projected and a poll of the ratepayers taken in the year 1878; but the line was not proceeded with until the year 1882.

2. That during this period the undersigned, not being aware that the land was under any liability on account of such railway, acquired property, either by purchase or lease, within the said district.

3. That the consent of the undersigned has not been obtained to the said railway.

4. That the amount of the rate demanded by the company exceeds in every case, and in some cases tenfold, for the benefit conferred on the district.

5. That the existing classification is unjust, inasmuch as a large portion of the district which is directly benefited is rated the lowest.