

Should the above offer be agreed to, the company waive all rights under District Railways Acts to collect rates and Government guaranteed interest. I have, &c.,

The Hon. E. Richardson, Minister for Public Works.

JOHN MCGREGOR.

P.S.—The sum of £10,500 contributed by County Councils, and £5,500 by Government towards cost of Waitaki Bridge, an important part of the railway line, are not included in the £68,847, although a distinct asset of the company.—J. McG.

16. The ACTING UNDER-SECRETARY, Public Works Department, to JOHN MCGREGOR, Esq.  
Re *Duntroon and Hakateramea Railway*.

SIR,— Wellington, 17th March, 1885.  
I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 14th instant, in which you offer (without prejudice), on behalf of the Duntroon-Hakateramea Railway Company, to sell their railway to Government for £68,847, with 5 per cent. added, from the 31st July, 1881, provided that interest at the same rate is accepted by the Public Trustee on the £20,000 advanced by him to the company.

In reply, I am to inform you that the Government do not see their way to entertain the proposition contained in your letter, and that, unless you are able to make some modifications of a substantial nature in your proposals, the negotiations must be considered as at an end.

I have, &c.,

THOMAS MACKAY,

J. McGregor, Esq., Wellington Club.

Acting Under-Secretary for Public Works.

17. The ACTING UNDER-SECRETARY, Public Works Department, to the OFFICIAL LIQUIDATOR, Duntroon and Hakateramea Railway Company.

Re *Duntroon and Hakateramea Railway*.

SIR,— Wellington, 18th March, 1885.  
Referring to the information you were promised by the Hon. the Minister for Public Works at your interview with him to-day concerning the items which may be outstanding on "Government guarantee" and "rate leviable in district," I am now to state that the only item in suspense is the sum of £1,127 9s. 9d. for Government guarantee of 2 per cent. to the 31st March, 1884, which has been impounded by the Controller-General in consequence of the interest due by the company to the Public Trustee on loan not being paid.

The estimated rates for the year ending the 31st March, 1885, and the Government guarantee to the same date are £2,145 and £855 respectively. I have, &c.,

THOMAS MACKAY,

Acting Under-Secretary for Public Works.

G. S. Brodrick, Esq., Official Liquidator,  
Duntroon and Hakateramea Railway Company (Limited).  
Address, Wellington Club, Wellington.

18. The OFFICIAL LIQUIDATOR, Duntroon and Hakateramea Railway Company, to the Hon. the MINISTER for PUBLIC WORKS.

Re *Duntroon and Hakateramea Railway Company (Limited), in Liquidation*.

Wellington, 18th March, 1885.

I HAVE the honour to submit for your consideration the terms upon which I am willing to sell the Duntroon and Hakateramea Railway to the Government, subject to ratification by the Supreme Court, viz.:—

Cost of construction to date of opening	...	...	...	£62,100
Accrued interest on capital expended to date of opening	...	...	...	£6,747
Say half	...	...	...	3,373
				<hr/> 3,374
				£65,474
Allowance for depreciation	...	...	...	1,000
				<hr/> £64,474
Government Guarantee—				
31st July, 1881, to 31st March, 1882	...	...	...	828
31st March, 1882, to 31st March, 1883	...	...	...	1,242
31st March, 1883, to 31st March, 1884	...	...	...	1,127
31st March, 1884, to 31st March, 1885	...	...	...	855
Half-rates, 31st March, 1883, to 31st March, 1884 (not recoverable)	...	...	...	1,409
Half-rates, 31st March, 1884, to 31st March, 1885	...	...	...	1,072
				<hr/> £71,007
Three months' interest from 31st March, 1885, to ratification by Parliament	...	...	...	533
				<hr/> £71,540

GEO. S. BRODRICK,  
Official Liquidator.