

The Government, however, intend shortly to make another offer to the company, which it is hoped will meet with acceptance, but this offer, of course, will have to be subject to the approval of Parliament.

Thomas Green, Esq.,
Mayor of the Borough of Gore.

I have, &c.,
H. J. H. Blow,
For Under-Secretary for Public Works.

17. The Hon. the MINISTER for PUBLIC WORKS to the SECRETARY, Waimea Plains Railway.
SIR,— 8th April, 1886.

In pursuance of your correspondence with Mr. Cuthbert Cowan on the subject of the Waimea Plains Railway, I have the honour to inform you that the Government, while unable to accede to the terms demanded by your company, is willing, after giving the matter full consideration, to enter into an agreement for the purchase of the railway on the following conditions:—

1. The agreement shall be subject to the ratification of Parliament next session.
2. The price to be paid to your company shall be £33,000 in cash, the Government undertaking to settle with the Insurance Association as regards your debt to it, amounting to £75,000, not including, however, any interest that may be due by your company on the 31st March, 1886.
3. The above offer is made on the assumption that the purchase will take date as from the 31st March, 1886.
4. The company to forego one-half of the rates due by ratepayers up to the 31st March, 1886, and to have no claim to any rates, profits, or Government contributions towards guaranteed interest after that date.
5. Interest to be paid by Government on the amount of purchase-money, namely, on £33,000, from the 31st March, 1886, until conveyances are completed and money paid over, at the rate of 4 per cent. per annum.

If you agree to sell the railway on the terms above mentioned, it is, of course, to be understood that it includes all land upon which the railway itself, and the buildings and erections of every kind in connection with the railway, at present stand, and also all land in any way acquired for the railway or for any purpose in connection therewith; and that the company will remain liable for the discharge of all liabilities in connection with the works done or in progress, and also in connection with all materials obtained or agreed for; and that a good and satisfactory title shall be given by the company to the Government for all the lands above referred to, and also for all works, materials, buildings, tools, rolling-stock, furniture, goods, chattels, effects, and things of what nature soever in use upon the said railways, or in hand for future use upon or in connection therewith; and the company shall, before transferring the land as above provided for to the Government, pay for all such lands all such sums of money and do all such things in connection therewith as may be due or awarded to the owners, lessees, or occupiers on account thereof, including the cost of completing the titles thereto and of transferring the said titles to the Government.

It is also to be understood that, before the purchase-money herein provided for is handed over, the company shall provide and complete at its own cost all fencing and level crossings and cattle-stops which it is legally liable to provide or which it has undertaken to provide by agreements, either written or verbal, with the landowners or the adjoining local bodies.

I have, &c.,
EDWARD RICHARDSON,
The Secretary, Waimea Plains Railway Company. Minister for Public Works.

18. The SECRETARY, Waimea Plains Railway Company, to the Hon. the MINISTER for PUBLIC WORKS.

SIR,— Dunedin, 16th April, 1886.

I have the honour to acknowledge the receipt of your letter of the 8th instant (No. 66/1008), offering to purchase the Waimea Plains Railway and its equipment, on certain conditions, at the sum of £33,000, subject to the company's indebtedness, namely, £75,000, to the New Zealand Government Insurance Association; and I am directed to say, in reply, that, unless the Government is prepared to modify the conditions proposed, my directors will be unable to recommend the shareholders to part with their property.

One of the conditions of your offer being that the company shall forego about £7,800 of its assets, namely, half the rates for the four years ending the 31st ultimo, the price offered is virtually £25,200, minus the cost of fencing and other work which you propose the company shall construct at its own cost before receiving payment of the purchase-money.

The company is only prepared to sell the railway as it stands, together with its equipment, but not to complete the fencing of the line and construct other works, as implied in the last paragraph of your letter, unless the cost be added to the purchase-money.

Assuming the Government purchase the property as it now stands at £33,000, and the company forego half the rates, the loss of capital would amount to about £13,000, thus:—