

benefit nor advantage of any kind is taken by the promoters, original shareholders, or directors but such as the new shareholders will participate in. It is not intended at present to call up more than £1 per share, which will give a paid-up capital of £12,000. This, together with the 6-per-cent. debentures which the company is authorised by the Act to issue, and the proceeds of timber, land, &c., will be ample to enable the company to construct the line, which it is proposed to do by completing a section of six or seven miles at a time. Upon the completion of each section a proportionate value of land, &c., is to be selected by the company, and granted by the Crown in terms of the contract. The company will fall and cut, or hew, its own kauri timber, that being the most profitable way of disposing of it. A suitable and valuable site for the terminus in the Town of Dargaville, having 10 chains frontage to the Northern Wairoa River, is ceded to the company for railway purposes, free of any claim for compensation. The whole of the necessary survey for taking the land required for the line is completed, and the land taken; the first contract has been let, and works have been in progress upwards of six months. Application for shares, in the form attached, accompanied by a deposit of 5s. for each share, to be made to

Mr. A. SAUNDERS, Mr. J. NEWMAN,
Mr. C. ALEXANDER, Mr. S. VICKERS,
Sharebrokers, Auckland; or to
E. WAYMOUTH, Secretary,
Queen Street, Auckland.

THE KAIHU VALLEY RAILWAY COMPANY (LIMITED).—Capital, £60,000, in 12,000 Shares of £5 each. £50,000 of the Company's Debentures guaranteed by Act of Parliament. Directors: R. C. BARSTOW, Esq., J.P. (Director, South British Insurance Company); H. BRETT, Esq., J.P. (Director, Helensville Timber Company); J. M. DARGAVILLE, Esq., J.P., M.H.R.; Hon. E. MITCHELSON, J.P., M.H.R. (late Minister for Public Works for New Zealand); T. MORRIN, Esq. (Director, South British Insurance Company).

This company was formed for the purpose of constructing a line of railway, nineteen miles and a half in length, from the Northern Wairoa River up the Kaihu Valley, under contract made in September, 1882, with the New Zealand Government, in terms of "The Railways Construction and Land Act, 1881," and any amendment thereof.

Under the Act, and in terms of the contract, the company will receive a free grant from the Crown of some 17,000 acres at the north-west end of the line, selected by the company out of a block of 40,000 acres specially set apart for the purpose, and comprising 10,000 to 12,000 acres of first-class rich land, and at least 60,000,000ft. to 75,000,000ft. of valuable kauri timber. The value that will be given to the company's portion of this property—estimated at £40,000 to £60,000—by the railway will go far towards defraying the cost of constructing the line, which is almost a dead level for eighteen miles of its length. The probable cost of construction and equipment is variously estimated at £75,000 to £85,000. Abundant traffic awaits the line from the day it is opened, as not only is there the timber already mentioned as being on the land to be granted to the company, but there is also a large quantity on both sides of the valley traversed by the line, estimated at 150,000,000ft., belonging to the Union Sash and Door Company, and a considerable quantity belonging to the Kipuru Sawmill Company, for which this railway is the outlet. There will also be the immense forests a few miles further on towards Hokianga, and the traffic incidental to opening up one of the finest tracts of country in the North. Five thousand shares have been allotted, and £1 1s. per share paid up. The other 7,000 shares are now offered, £1 1s. paid up, at a premium of 4s. per share—viz., 5s. on application, 5s. on allotment, and two payments of 7s. 6d. each by promissory notes at three and six months, bearing 7 per cent. interest, the premiums received to go towards the general purposes of the company. At present it is not intended to make any further calls, as the proceeds of debentures and of the endowments, together with the £1 1s. per share paid upon 12,000 shares, are expected to be ample not only to complete the construction of the line, but to leave such a surplus as will form a substantial nucleus of a reserve fund. No benefit or advantage of any kind is taken by the promoters, original shareholders, or directors but such as the new shareholders will participate in. The amount already paid up has been entirely expended upon the construction so far of the line.

By order of the Government, Mr. Knorpp, Inspecting Engineer of the North Island, lately visited the Kaihu Valley, and reported fully on the position and prospects of the line. His report (see Parliamentary Paper D.-5c, 1885) concludes as follows: "Deducting £5,880 per annum for traffic and other expenses, this leaves (for the first ten years) £13,000 per annum gross receipts on £90,000, or, say, 14 per cent. In this is not included receipts from any traffic (except from timber) of goods and passengers, which will increase with the settlement of the surrounding country, including the table-land, and will no doubt eventually alone return a fair dividend on the cost of the railway."

After further careful inquiry the Government last session invited Parliament to consent to a colonial guarantee to be given for £50,000 of this company's debentures at 5 per cent., which proposal was approved by both Houses (see section 25 of "The District Railways Purchasing Act, 1885"). The company thus will own a property estimated by the most competent authority in the colony to pay 14 per cent. on £90,000, and will have obtained £50,000 of that amount at 5 per cent., leaving a large surplus to enhance the dividends on the balance of the capital to be employed; and, when it is remembered that the company's endowments are expected to realise an amount at least equal to that balance of capital, nothing further need be added to commend this enterprise to investors. A suitable and valuable site for the terminus in the Town of Dargaville, having 10 chains frontage to the Northern Wairoa River, is ceded to the company for railway purposes, free of any claim for compensation. The whole of the necessary survey for taking the land required for the line is completed, and the land taken; the first contract, including railway wharf, station-formations, &c., has been completed. It is proposed to alter the articles of association so as to add