

SESS. II.—1891.
NEW ZEALAND.

WELLINGTON AND MANAWATU RAILWAY

(RETURN SHOWING TERMS ON WHICH CROWN ENTITLED TO PURCHASE THE).

Return to an Order of the House of Representatives, dated 31st July, 1891.

Ordered, "That a return be laid on the table of this House showing the terms on which the Crown is entitled to purchase the Wellington and Manawatu Railway."—(Mr. G. HUTCHISON).

RETURN SHOWING THE TERMS ON WHICH THE CROWN IS ENTITLED TO PURCHASE THE WELLINGTON AND MANAWATU RAILWAY.

1. POWER TO PURCHASE.

UNDER the provisions of "The Railway Construction and Land Act, 1881," and clause 14 of the contract entered into between the Queen and the Wellington and Manawatu Railway Company (Limited), dated 20th March, 1882, the Governor is entitled at any time after the expiration of three years from the completion of the railway, and upon giving twelve months' notice in writing to the company, to purchase the railway at a price to be determined by arbitration.

Three arbitrators are to act in the matter, one to be chosen by the Governor, another by the company, and a third by the other two.

The railway was completed (open for traffic) in November, 1886, and the period of three years above referred to has therefore expired.

2. TERMS OF PURCHASE.

In determining the price to be paid to the company for the railway the arbitrators are not to award any compensation for lands acquired from the Governor under the provisions of the Act, or which may have been gratuitously granted to the company for the construction of the line, but only the fair value of the improvements made on such lands, and nothing is to be allowed for the goodwill of the railway. The basis of the valuation is to be the cost of other similar railway-works, plant, and rolling-stock, at the time when the works forming the subject of arbitration were constructed, or the plant or rolling-stock was acquired, as the case may be. The arbitrators are also to take into consideration the depreciation in the permanent-way, plant, and rolling-stock, buildings, and other works of the railway, and also any onerous or burdensome provisions respecting the use of the railway, or the works thereof, or any easements, rights, or privileges in connection therewith.

It is further provided that there shall be added to the price ascertained under the above arrangement per centages as follows—viz.: If the power to purchase is exercised between ten and fourteen years after the line has been opened for traffic, 5 per cent.; and between fourteen and twenty-one years, 10 per cent.

Public Works Office,
Wellington, 25th August, 1891.

H. J. H. BLOW,
Acting Under-Secretary for Public Works.

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