

completed section or sections of such railway which he shall consider it desirable to take possession of and use in connection with any of the sections included in such notice, and of the plant belonging thereto; and in such case this contract shall also cease and determine in respect of any such completed section of the said railway and the plant belonging thereto, and the Governor shall accept all plant which at the time of the determination of this contract shall be *in transitu* from the manufacturers thereof in Europe, or in course of construction by them in pursuance of previous orders for the section or sections of railway so taken possession of; and the Governor may also take possession of all the Contractors' working plant, materials, and chattels upon all the said railways, or section or sections thereof, of which the Governor shall take possession; and thereupon the Contractors will deliver to the Governor all plans, sections, drawings, and specifications in any way relating to such railway, section, or sections.

29. In case of and upon such determination of this contract to the extent aforesaid, the section or sections of the said railway then completed and open for public traffic, and not taken possession of by the Governor as aforesaid, and the plant belonging thereto, shall be deemed to be the only section or sections of the said railway and plant to which the provisions of this contract with respect to the guarantee of interest or profits on the total cost thereof, and to purchase by the Governor of the Contractors' rights and interest, and to the division of the surplus net receipts beyond what is sufficient to pay a given rate of interest or profit on the total cost shall apply; and the said provisions shall remain in force with respect to such section or sections of the said railway and the plant belonging thereto.

30. In case of and upon such determination of this contract the Contractors shall be entitled to receive from the Governor payment for the said railway, or the section or sections thereof so taken possession of as aforesaid, and for the plant belonging thereto, and for the plant *in transitu* or in course of manufacture for the same when delivered (but not for the Contractors' working plant, materials, and chattels), the prices to be ascertained in the following manner, that is to say: Firstly, in respect of any section or sections of the said railway which had been completed and the plant belonging thereto, such a sum or sums of money as the Governor would have had to pay on purchase of the same under the other provisions of these presents; secondly, in respect of any section or sections of the said railway not completed such a sum or sums of money as will be equal to the sum or sums deposited by the Contractors with the Colonial Treasurer in respect thereof according to the provisions in that behalf hereinbefore contained (so much of the sum or sums so deposited as shall not have been paid to the Contractors upon the certificate or certificates of the Engineer becoming the absolute property of the Governor); and thirdly, in respect of the plant *in transitu* or in course of manufacture the cost thereof as settled under clause No. 16 of these presents, together with such charges and expenses as mentioned in the same clause, but without any percentage for profit added thereto. The payments firstly and thirdly mentioned to be made in New Zealand Government debentures payable at the end of thirty years, with interest thereon in the meantime at the rate of £5 per cent. per annum; and the payment secondly mentioned to be made by the grant of a Government annuity at the rate of 5½ per cent. per annum, to continue for the residue of the term of thirty-five years computed from the commencement of the said railway, or section or sections thereof, as the case may be.

31. Provided that if, in the event mentioned in clause No. 27, sub-section (a), the Governor shall give such notice, as in such clause mentioned, the assignees or trustees of the Contractors shall have liberty at any time within twelve calendar months after the giving of such notice to take up and proceed to complete and carry out the works, and to provide the plant in respect of the section or sections of the said railway included in such notice; and if, within such period, such assigns or trustees shall repay, or cause to be repaid, to the Governor all sum or sums of money which the Governor shall, in his absolute discretion, have thought fit in the meantime to expend and shall have expended upon the same, and upon any other section or sections of which he may have taken possession as hereinbefore authorized, or in providing plant for the same respectively, less the amount of all such sum or sums of money which the Governor would have paid to the Contractors as the subvention in case the said Contractors had duly proceeded with the making of the section or sections included in the said notice, and in providing the plant for the same; and shall either themselves enter into or procure some respectable and responsible person or persons (to be approved by the Governor) to enter into a proper contract with the Governor in substitution (as regards such section or sections) of these presents, then the Governor will give possession to the person or persons entering into such contract with him of the said railway, or the section or sections thereof, of which he shall so have taken possession, and of the plant belonging thereto respectively.

32. If and whenever the Contractors shall make default in properly maintaining any railway, or any section thereof, when completed (other than such as may have been taken possession of by the Governor under any provision hereof), or in properly providing the plant for the same, and keeping the plant provided in good and sufficient working order and condition, or in properly working and using the said railway or section, as the case may be, it shall be lawful for the Governor to direct the necessary repairs to be done as well to such railway or section as to the said plant, and to supply any plant which ought to have been, but shall not have been supplied, and to replace any of the plant that may be worn out by others of the same, or a similar description, and dispose of the old plant, and at the cost of the Contractors, to enter upon, use, and work so much of such railway or section, as the case may be, and the plant belonging to the same, as the Governor shall from time to time think fit to use and work. And the Contractors will, upon demand, repay to the Governor all moneys expended by him in and about any of the matters aforesaid. Provided that if by the moneys which shall be received from such working and using of such railway or section and from the disposal of all plant, or by the Contractors, the Governor shall, within six calendar months, have been repaid all moneys expended by him under this clause, the Contractors shall be reinstated in the possession of the said railway or section and plant. Provided also that the Governor will, until the expiration of such period, from time to time render to the Contractors accounts of his receipts and payments under this clause.