

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

SIR,—

Dunedin, 26th February, 1886.

I understand that Mr. Cowan, M.H.R., has communicated to you the terms upon which the company is prepared to sell the Waimea Plains Railway to the Government. The sum of £108,000 was mentioned to Mr. Cowan as the price which it was estimated would admit of the return of the shareholders' capital. In preparing the statement showing what would be the company's position if the line were sold at the price mentioned, the interest payable by the company for the year ending the 31st March, 1886, was, by an oversight, omitted.

By the enclosed estimate it will be seen that, so far from a sale at £108,000 yielding the share-capital, it would result in a loss to shareholders of £5,263, besides the interest on their capital, which, at 7 per cent. (yearly payments), amounts to about £16,500.

I have, &c.,

The Hon. the Minister for Public Works, Wellington.

R. H. LEARY, Secretary.

Enclosure in No. 11.

ESTIMATE showing the PRICE required for the RAILWAY to produce the Share-capital.

1885.				£	s.	d.	£	s.	d.
31st March.	Capital and liabilities as per balance-sheet	..	..	..	..	..	129,250	9	6
	Assets as per balance-sheet	..	..	..	..	..	120,439	2	9
	Balance to debit of profit and loss	..	..	..	..	..	8,811	6	9
	Three years' rates, to 31st March, 1885	..	..	..	13,016	14 6			
	Less entered (two years)	..	..	..	9,612	3 8			
					3,404	10 10			
	Less refund to Government	..	..	..	851	7 1			
					2,553	3 9			
	Government quota of guaranteed interest to 31st March, 1885	..	..	..	2,162	16 0			
							4,715	19	9
	Loss to 31st March, 1885	..	..	..	..	..	4,095	7	0
	Estimated profit for the year ending 31st March, 1886	..	..	..	1,609	1 6			
	Estimated guaranteed interest for same period,								
	7 per cent on £90,000	..	..	£6,300	0	0			
	Less profit to 1st August	..	£1,609	1 6					
	Less 30 per cent of traffic, 1st								
	August to 31st March	..	1,068	18 0					
				2,677	19	6			
					3,622	0 6			
	Interest payable	..	..	..	..	..	5,351	10	0
					5,231	2 0			
	Balance	..	..	..	4,215	15 0			
					£9,446	17 0	£9,446	17	0
	Cost of line as per balance-sheet	..	..	..	..	..	109,048	1	7
	Loss to 31st March, 1886, as above	..	..	..	..	..	4,215	15	0
	Price required to produce the share-capital	..	..	..	..	..	£113,263	16	7

12. The UNDER-SECRETARY for PUBLIC WORKS to the CHAIRMAN, Waimea Plains Railway Company.

Re Waimea Plains Railway.

SIR,—

Wellington, 13th March, 1886.

I am directed by the Minister for Public Works to acknowledge the receipt of your letter of the 26th ultimo, to the effect that the offer which your company recently made through Mr. Cowan, M.H.R., to sell the Waimea Plains Railway to the Government, will, if accepted, not permit of the return to the shareholders of the company of the whole of the capital which they have invested in the railway.

In reply, I am to inform you that the matter will shortly be laid before Cabinet.

I have, &c.,

The Chairman, Waimea Plains Railway Company,
Dunedin.W. S. SHORT,
For Under-Secretary for Public Works.

13. The UNDER-SECRETARY for PUBLIC WORKS to the SECRETARY, Waimea Plains Railway Company.

(Telegram.)

Wellington, 11th March, 1886.

WILL you kindly supply for Minister's information, as early as possible, a statement giving the nearest approximation you can of results of working Waimea Plains Railway for year ending 31st instant. It should be in three subdivisions, showing, first, the results from 31st March to 31st July; second, the results from 31st July to 28th February; and, third, the results for