The railways in the South Island, as shown by the official returns, earned on an average 4 per cent. per annum, during the five years ending in 1885, on the capital invested in them, by traffic alone.

The Government of New Zealand have the right to purchase the railway at any time after ten years from the date of completion, at cost price, in which will be included the interest on the present issue of capital.

The Government of New Zealand have undertaken, through the Agent-General, to introduce an Act of Parliament relating to running powers, regulations for the selection of land, and certain other matters that may be found desirable on behalf of the company and may require confirmation under the law of New Zealand.

The contract has been transferred to the company without any charge, except the repayment of expenses, to be vouched for as actually incurred, and not exceeeding £6,000. For this payment the company also acquires copies of the detailed plans, sections, and estimates which were made for the New Zealand Government, the accuracy of which are fully confirmed by the company's engineers.

It may fairly be anticipated that, in addition to the revenue to be earned by the railway, a very considerable income will be obtained from the large estate which the company will possess; and it is very difficult, if not impossible, to fix any limit to the growth of the dividends.

Investors in the undertaking have (apart from the dividends) a twofold prospect; (1) either the Government will purchase the line, in which case it is anticipated that the whole of the capital will be returned, with a considerable bonus to the shareholders from the proceeds of the land grant; or (2) on the assumption that the land when realized will produce at the least £2,500,000, all borrowed moneys will be paid off, and the shareholders will have the greater portion of their capital returned, and still have the railway as an asset for the balance.

The only contract entered into by the company is the one above referred to, dated the 17th day of April, 1886, and made between William Chrystall, John Tucker Ford, George Hart, John Thomas Matson, Thomas Shailer Weston, John Honeycomb Cock, Charles Yates Fell, Henry Douglas Jackson, Albert Pitt, and James Sclanders of the one part; and the New Zealand Midland Railway Company, Limited, of the other part; whereby the original agreement with the New Zealand Government has been assigned to the company.

Copies of the New Zealand Acts of Parliament, of the agreement with the New Zealand Government, and of the assignment thereof, may be seen at the offices of the solicitors, or of the company.

Applications in the form accompanying the prospectus, together with a deposit of 5 per cent. on the amount applied for, must be forwarded to Lloyd's, Barnett's, and Bosanquet's Bank, (Limited), 62, Lombard Street, E.C., or to the Clydesdale Bank (Limited), Glasgow.

Prospectuses and forms of application can be obtained from the bankers, or at the temporary offices of the company, No. 24, Throgmorton Street, E.C.

Dated this day of April, 1886. F. O. Stow, Secretary *pro. tem.*

MEMORANDUM OF ASSOCIATION OF THE NEW ZEALAND MIDLAND RAILWAY COMPANY (LIMITED).

1. The name of the company is "The New Zealand Midland Railway Company (Limited)."
2. The registered office of the company will be situate in England.
3. The objects for which the company is established are:—

(*a*.) Acquiring the contract dated the 17th day of January, 1885, made between Her Majesty the Queen of the one part, and William Chrystall, John Tucker Ford, George Hart, John Thomas Matson, Thomas Shailer Weston, all of Christchurch, in the Colony of New Zealand, and John Honeycomb Cock, Charles Yates Fell, Henry Douglas Jackson, Albert Pitt, and James Sclanders, all of Nelson, in the said colony, of the other part, for the construction of a railway from Springfield, near Christchurch aforesaid, to Brunnerton, and from thence to Belgrove, near Nelson aforesaid, in the South Island of New Zealand, and all the benefits thereof or in connection therewith:

(*b*.) Constructing and working the said railway or any section thereof, and any extensions, deviations, or branches which may hereafter be contracted for, undertaken or acquired, either by purchase or lease, or otherwise:

(*c*.) Working, improving, leasing, selling, or otherwise dealing with the lands, mines, minerals, timber, and all other property to be granted or acquired under the said contract or in connection therewith:

(*d*.) Consenting to any variation of the said contract and executing the same as varied:

(*e*.) Applying for, accepting, and carrying into effect any other contract for railways, docks, harbours, or other public works in the Colony of New Zealand:

(*f*.) Constructing and working docks, harbours, and other public works, and reclaiming and utilizing the foreshore in New Zealand, and applying for and obtaining all powers and authorities necessary or desirable for these purposes:

(*g*.) Purchasing, hiring, chartering, and otherwise acquiring steamers, and working and using the same:

(*h*.) Constructing, selling, leasing, and working hotels in New Zealand:

(*i*.) Acquiring by purchase, leasing, hiring, or otherwise, for the purposes hereby authorized, of any land, building plant, machinery, stock, or property of any kind:

(*j*.) Acquiring by grant, purchase, or license, and using and exercising any patents or patents rights, *brevets d'invention*, or copyrights which may be desirable for the purposes of the company:

(*k*.) Doing all or any of the matters herein authorized, either alone or in partnership or conjunction with, or as agents or factors for any other companies or individuals, or with any Government or any public authority:

(*l*.) Selling, demising, leasing, letting out, or licensing the use of the company's railway, lands, minerals, or any other property of any kind belonging to it, in such manner and on such terms and conditions as the company shall think proper:

(*m*.) Accepting and taking shares or stock in any company, society, or undertaking, or the stock or securities of any Government or State, whether British, foreign, or colonial, in payment for the sale or execution of any matters or things sold or done by the company, or in furtherance, directly or indirectly, or any of the company's objects, and either holding or selling such shares or stock:

(*n*.) Procuring, obtaining, keeping, accepting, and observing the terms and conditions of any Acts of Parliament, contracts, powers, or privileges granted or to be granted by the Government of the Colony of New Zealand or any county, municipal, local, or other authority thereof:

(*o*.) Assisting in passages of emigrants, and making advances to or on behalf of emigrants, to enable them to go to New Zealand and to develop the lands of the company on which such emigrants may be setle

(*p*.) Borrowing such sums of money as may be necessary to carry out any of the objects of the company:

(*q*.) Paying interest out of capital during the construction of the railway or any other works undertaken by the company on the sums from time to time paid up on account of capital subscribed for such railway or other works respectively:

(*r*.) Making and carrying into effect arrangements for the union of interests, or for joint working, or for running powers and terminal or other facilities, or for amalgamation, either in whole or in part, with any other company, body, authority, or person carrying on any business similar, auxiliary, or advantageous to any of the businesses of this company, and upon the terms either that (so far as is consistent with this memorandum) this company or the company, body, authority, or person with whom it shall make the arrangements, or some other company, body, authority, or person shall carry on the amalgamated business, or selling to any company, body, authority, or person all or any part of the company's business