

Control.

(a.) The State shall not bear any responsibility or obligation by reason of its control of management, the same being solely for the purpose of keeping the society faithful to its undertakings.

(b.) The controlling officers shall be furnished with free passes on all vicinal railways, and also free access to all works, buildings, &c.

Connections to Existing Lines.

(a.) When a vicinal line must connect with an existing conceded line, or run into a station, or cross on a level, the conditions of establishment, maintenance, and working of these portions of the line shall be regulated by agreements between the society and the concessionaire of the existing railway, the agreement to be approved by the Minister. Failing agreement, the Minister shall lay down conditions, and the parties shall themselves apportion the expenses caused by acting in accordance with his decree.

(b.) When a vicinal line must connect with a State railway, enter a station, or cross on a level, the conditions, as in (a), must be regulated by the Minister, who shall, before finally laying down the conditions, hear the opinions and objections, if any, of the society.

Private Connections.

(a), (b), (c), (d), and (e) grant permission to the society, with the Minister's sanction—or the Minister, after hearing argument by the society—to establish and control private sidings.

Tariffs.

(a.) Tariffs include, first, prices of passenger and goods transportation; and, second, conditions governing the same.

(b.) Tariffs are fixed in special regulations attached to each concession, the State always reserving the right to order the raising or prohibit the lowering of the same.

(c.) When supplied with the necessary information by the society the Minister shall lay down the conditions of transport, including table of distances between stations.

(d.) The society may alter the tariff after two weeks' advertising in all waiting-rooms on lines affected, after obtaining Ministerial approval.

(e.) No preferential rates shall be granted.

(f.) Minimum distances shall be 2 km. for passengers and 5 km. for goods, every kilometre commenced counting as 1 km.

Post and Telegraph.

(a), (b), (c), (d), (e), (f), (g), (h), and (i). All these clauses deal with details of free service to be rendered by vicinal railway in the collection and carriage of mails, and Postal and Telegraph officers, and postal vans.

Military Transport.

(a.) Soldiers in uniform, with baggage and horses, shall be carried at half-rates, and in accordance with the Government railway regulations.

(b.) The whole equipment of any line which the Government may require for the transport of troops and equipment shall be instantly placed at its disposal.

Customs.

(a.) Customs officers in charge of goods shall be carried free.

(b.) The Minister of Finance (in New Zealand Minister of Customs) may issue free passes to officers whose duties require them to travel on the vicinal lines.

Elections.

At elections the society must grant the same reduced fares as the State railways, and must despatch such trains as the Minister (of Internal Affairs) shall consider necessary and direct.

Purchase by State.

(a.) By giving six months' notice the Government may at any time purchase any line or lines on payment of a sum equal to the average net receipts of the line or lines for the past three years, capitalized at $4\frac{1}{2}$ per cent. plus an increase of 15 per cent. premium.

(b.) Provided, however, that during the first seven years of operation the purchase-money shall not be less than the first cost, including plant and rolling-stock.

(c.) On payment of the above purchase-money the State shall take over the rolling-stock, locomotives, maintenance departments, equipment, and the plant and equipment of the mechanical department, in addition to the line, with all its buildings and other appurtenances.

(d.) Both line and equipment must be handed over in good order, and be adequate to deal with the traffic.

(e.) The State shall take over stores at valuation.

Miscellaneous.

(a.) Before the society may cede the working of any of its lines the Minister reserves the right to approve (or otherwise) the assignee.