

Government debentures at thirty years date, bearing interest at 4 per cent. per annum, for an amount equal to the balance of the net cost of the extension as per clause (4) hereof: Provided that the Government shall not be called upon to exercise this clause unless the revenue from such extension shall have been found to meet the expenditure.

- (6.) On the receipt by the company of the further debentures under clause (5) hereof the company shall cease to have any interest in or liability in respect of the said extension.
- (7.) Half of the working profits applicable to the said extension, after providing for the interest at 4 per cent. per annum on the cost of the extension, shall be handed to the company annually.
- (8.) The accounts relating to the said extension shall be kept and the results of the working ascertained in the same manner and on the same basis as at present obtain in the Government Railway Department.
- (9.) The Government shall, if called upon, furnish to the company annually a statement showing in detail the revenue and expenditure appertaining to the said extension.
- (10.) The company shall for ten years, or until such time as the Government shall exercise power under clause (5) hereof, guarantee the payment of the interest at the rate of 4 per cent. per annum on the debentures handed to the company in part-payment of such extension, and shall also make good any loss that may be required by the Railway Department in the working of such extension during the said ten years or such shorter period as above.
- (11.) In view of possible loss that may be incurred by the company in the realization of the debentures taken in payment of the extension the Government shall provide for a special charge to be levied upon all parties requiring connection with the Ohai terminus or any point along the length of the extension; or, in the alternative, that a small surcharge be levied upon all goods carried over the extension until such loss is liquidated.
- (12.) In the event of the said extension being sold or disposed of in any way other than is provided for in the foregoing clauses the net amount realized therefor shall be equally divided between the Government and the company.

17. That your petitioners are willing that the lands owned or occupied by your petitioners should be rated to make good any loss that may be incurred in the working of the extension of the said railway, including the interest that may be agreed to be paid upon the capital cost of the said extension.

Wherefore your petitioners humbly pray that your honourable House will be pleased to take the premises into your favourable consideration, and that the Government do approve of and adopt the scheme referred to for the extension of the Government railway from Wairio to Ohai.

And your petitioners, as in duty bound, shall ever pray, &c.

Dated this 11th day of July, 1914.

W. LAMBIE AND 47 OTHERS.

DEPARTMENTAL REPORT.

Public Works Department, Wellington, N.Z., 21st July, 1914.

SIR,—

Proposed Railway Extension from Wairio to Ohai.

I have the honour to acknowledge the receipt of your two letters of the 17th instant forwarding for report the petitions of L. Ells and others (No. 99) and W. Lambie and others (No. 100), in which the petitioners draw attention to the large area of mineral country and land suitable for closer settlement awaiting development west of Nightcaps, and to the damage done to their roads by the cartage of coal; recite the terms of a scheme submitted to the Minister of Public Works for the extension of the Government railway from Wairio to Ohai; and pray that such scheme be adopted by the Government.

In reply I have to state that it is doubtless desirable that some better means of transit should be provided. This could be done by the petitioners themselves either by constructing a railway under the Railways Construction and Land Act or the District Railways Act, or a tramway under the Tramways Act.

You are doubtless aware that a tramway (practically a railway) from Wairio to Birchwood has already been constructed by private enterprise, and the owners of same would certainly complain if the Government were now, after having authorized its construction, to build a railway which would run in opposition to them. They could not, however, have equally good cause for complaint if the railway were constructed by private persons interested therein.

The petitions are returned herewith.

I have, &c.,

H. J. H. BLOW, Under-Secretary.

The Clerk, Public Petitions A to L Committee, House of Representatives.