

alternative proposals for the line being taken over he would consider whether it was possible for the company to agree to these proposals, or any of them, and, if so, on what terms. The Commission accordingly submitted to the company's representative nine alternatives on which it was considered desirable to have the views of the company. These alternatives were as under :—

- (1.) The Government to take over the *whole* property and assets of the company and the goodwill of its business, excepting, however, book debts, war bonds (if any), and cash in the bank or on deposit.
- (2.) The Government to take over the tramway up to Mokai, and the land on which it is constructed, and all the locomotives, wagons, and other rolling-stock used in working the same, and also the Order in Council authorizing the extension of the line to Taupo; but not the bush trams, nor the sawmills, plant, land (except the land on which the tramway is constructed), nor the company's offices and sidings at Putaruru. The line to Mokai to be worked as a Government railway, and Government rates to be charged.
- (3.) Same as No. 2 except that Government *would* take over the company's sidings and other property at Putaruru, excepting so much thereof as can conveniently be transferred to new headquarters at Mokai or elsewhere.
- (4.) The Government to take over the tramway up to and including the Oruanui Siding (but not the remainder of the line to Mokai, nor any of the rolling-stock), also the Taupo extension Order in Council. The Government to work the line as far as Oruanui Siding as a Government railway, and Government rates to be charged. The company to have running-rights between Oruanui and Putaruru for its own timber and stores only, and to be subject to regulations to be made by the Government Traffic Manager, and to payment by the company of its due proportion of the maintenance expenses and interest on the amount of Government capital invested in the purchase and improvement of the line.
- (5.) Same as No. 4 but with the omission of all the words after "Government rates to be charged." This would mean that the company would bring its timber and other freights from Mokai to Oruanui Siding, and the Government would transfer it to Government wagons at a reasonable charge and convey it thence to Putaruru, and redeliver it to the company on its own sidings, or convey it at tariff rates to any station to which it may be consigned.
- (6.) The Government to take over the tramway up to the nineteen-mile peg or thereabouts (but not the remainder of the line nor any of the rolling-stock), and to work such portion of the line as a Government railway. The company to have running-rights and to pay its due proportion of maintenance expenses and interest on capital, as in No. 4. The company to enter into a binding covenant to carry all timber and other freight tendered to them for carriage on their line, and to charge for same rates of freight in no case exceeding those mentioned in its Order in Council and in proportion to the mileage carried.
- (7.) Same as No. 6 but with the omission of all the words in the paragraph commencing "The company to have running-rights."
- (8.) Same as No. 7 except that the Government would take over the company's Putaruru property and sidings, as in No. 3.