

11. "By what amount the sums so realised and the present value of the lands unsold exceed the aggregate value of the lands granted, as estimated for the purposes of the contract between Us and the said company, and known as the B1 values."

ANSWER.

			£	s.	d.
(Exhibit No. 1.)	Land realised and unsold	...	326,555	18	5
"	B1 value of land	...	260,735	0	0
			£65,820	18	5

Unless the sum of £15,625 5s. for land-administration expenses is deducted herefrom, the conclusion to be deduced from these figures will be an erroneous one.

12. "The said lines of railway having been constructed by means of moneys provided partly by the shareholders in the said company, partly by moneys raised upon debentures, and partly by moneys provided by Us by our said grants of land and out of our Colonial Treasury, in what proportion should the money-value of the said lines of railway, estimated by you as aforesaid, be apportioned among the three said several contributors to the cost of construction."

ANSWER.

Moneys provided by Crown out of Colonial Treasury.

			£	s.	d.
(Exhibit No. 4.)	Belgrove line	...	13,552	2	7*
(Exhibit No. 5.)	Brunnerton to Stillwater line	...	15,359	0	0
(Exhibit No. 67.)	Springfield line	...	2,196	7	9
(Exhibit No. 70.)	"	...	915	3	1*
(Exhibit No. 2.)	Belgrove line, rolling-stock	...	1,287	8	0*
"	Reefton-Jackson's line, rolling-stock	...	2,713	15	4*
"	Reefton-Jackson's line, protective works	...	2,287	6	0*
"	Springfield line,	...	127	11	4*
Total			£38,438	14	1

The item £13,552 2s. 7d., marked *, and the last five items similarly marked, amounting to £7,331 3s. 9d., have been provided for out of the profits of the railway and sums provided by the debenture-holders after date of seizure and prior to date of vesting. They have, in accordance with Exhibit No. 153, been treated as sums provided by the Government on capital account, it being understood that these and other sums provided by the debenture-holders in like manner are to be dealt with as between the petitioners and the Government separately and entirely apart from this inquiry.

The Commissioners desire to point out that this investigation of railway profits has shown the fact that the net balance of railway-traffic receipts over expenditure is really £19,697 7s. 11d., and not £12,366 4s. 2d., as shown in Exhibits Nos. 2 and 153, as during the period of seizure profits were used to provide additional rolling-stock and protective works, properly chargeable to capital.

The Commissioners apportion the selling-value of £192,833 as follows: To the debenture-holders, £126,788; to the company, nil; to the Crown, £66,045.

1. (*Commission of 1st June.*)—(a.) "Excluding any increase of value of traffic which would or might accrue from railways continuing or connecting with the said lines of railway at either end thereof, but adopting any method of ascertaining the selling-value of the said lines of railway which may appear to you just and equitable, and ascertaining thereby what in your opinion is the highest amount which could have been realised by a sale of the said lines of railway immediately after the Governor of our said colony took possession of the same from a purchaser other than the Government of our said colony, and deducting from such amount the aggregate amounts of the B1 values of the land granted by Us to the New Zealand Midland Railway Company (Limited), and the value of the Crown lands occupied for purposes of the said railway and the construction-work, and moneys provided by Us out of our Colonial Treasury, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?"