

WEDNESDAY, 11TH SEPTEMBER, 1912.

Examination of F. G. DALZIELL continued.

1. *Mr. Collins.*] I am dealing with paragraph (a), 1, of the prayer of the petition as amended by your fresh proposal of yesterday?—Yes.

2. It appears from the colouring of the map that most of the land served by the existing railway is privately owned?—That is so.

3. Then, all you have said about the increase in Crown and Native land values applies with equal effect to this privately owned land?—No, because that has already got this line through it. The line we are talking of now is the extension of the Putaruru to Mokai line.

4. The benefit these properties will receive will come from an efficient service?—Yes.

5. They have no passenger service there now?—No.

6. And it is a complaint that the rates on goods are high?—I never heard of that complaint.

7. Mr. Vaile spoke of it last year?—Mr. Vaile was speaking without experience. On the contrary, we are carrying goods for £1 2s. 6d. per ton fifty miles. For the additional sixteen miles to Wairakei it costs £1 7s. 6d. a ton. As Mr. Graham told you, we are entitled to charge £2, while we are only charging £1 2s. 6d.

8. Something was said about the loss to this locality if the line were pulled up?—Yes.

9. Is there any obligation on the part of the company to continue its present service?—No.

10. None in the Order in Council?—No.

11. And none in the Tramway Act?—If we do not continue it the Government can cancel our right.

12. What is the position if you should discontinue?—The result would be that we should lose the right and the permanent-way. Unfortunately we could not take that away, but the steel rails we could take away. The steel rails would be the only part of the line we could remove.

13. The sleepers and ballasting would remain?—Yes.

14. Whatever conditions are imposed, it would be an advantage to the company to dispose of the present railway?—Unquestionably. That is what we are asking for.

15. Dealing with paragraph (a), 2, which I understand is the original proposal of the company, and as to which you said it was the proposal that you individually preferred?—Pardon me, I said I thought it was the best proposal in the interests of the country.

16. You did not suggest that it was the proposal in the best interests of the company?—I did not suggest that. I did not discuss it.

17. The area to be acquired under this alternative proposal would be 200,000 acres, I understand?—Yes.

18. What are the localities in which it is hoped to acquire this area?—There are no special localities.

19. You would prefer to acquire it, of course, where the land is likely to improve mostly in value?—No doubt.

20. I suppose that remark would apply with the same force to the Tokaanu lands?—Yes.

21. Those lands I think you described as being as valuable as any in the Dominion?—It has been so described.

22. What price do you expect to have to pay for that particular land?—It is impossible to say.

23. And you are equally at a loss as to what you would be likely to get for it?—Yes.

24. Can you tell me what amount it is proposed to expend in improving these lands to be acquired under this proposal—the 200,000 acres?—That is a matter which we have not really gone into. It is a question merely for the Government to stipulate what it thinks reasonable.

25. It is for the Government to stipulate that?—Exactly.

26. If a condition were proposed, you would not object to it being made conditional on the granting of this land?—Not if reasonable.

27. If this alternative proposal is adopted the State can acquire the railway at present values equally as under the land proposal, I understand?—That is so.

28. A fair value would be approximately what has been expended and interest on the money?—Yes.

29. With regard to the land, of course there will be no such provision for State resumption, or non-user, for example, at a fair price?—I take it that the State can always resume at what is a fair price.

30. The fair price being—what?—The actual market value of the day.

31. And the market value depends not merely on what the land will produce at any given time, but to some extent what it is likely to earn in the future?—I think not. I think always the test—except in a very few instances—is what it will bring to-day. That is the practical test.

32. I understand that if this alternative proposal were adopted the company would guarantee certain things?—You mean the primary proposal: yes.

33. Yours is a public company?—Yes.

34. And your balance-sheet is among the documents which you file with the Registrar of Companies every year?—That is so.

35. You will have no objection to putting your last balance-sheet on record?—None at all.

36. With regard to the debentures, I understand from your counsel's opening that they absorb a considerable portion of the present company's assets: is that so?—The debentures amount to about £88,000.

37. And what is, approximately, the present value of the company's assets?—Will you tell me what the value of the railway is?

38. Has the company not made out a balance-sheet and given an estimate of its assets?—It has.