

ANSWER.

The selling-value of these lines at date of seizure (May, 1895) is arrived at by computing the net returns from the traffic receipts between the date of seizure and the date of proclamation, deducting the amount of profit from construction traffic, and adding 5 per cent. per annum for the increase of traffic to be expected during the five years subsequent to the date of proclamation, in the same manner as set forth in our answer to clause 8 of the original Commission. This gives a selling-value of £155,633 to these lines at date of seizure.

The B1 values of the land granted, £260,735; cash given in lieu of land, £5,000; the value of Crown lands occupied by the railway, £1,380; and moneys provided by the Crown for the purposes of the railway, £38,439: amounting in all to £305,554—exceed the selling-value of the railways as above stated.

(b.) “Proceeding in the same manner, but deducting the aggregate amounts received by the company from the lands granted by Us, and the sums provided out of our Colonial Treasury, and the value of the Crown lands occupied as aforesaid and the construction-work, and moneys provided by Us as aforesaid, would any, and, if so, what, sum remain to be divided between the shareholders and debenture-holders of the said company?”

ANSWER.

The selling-value of the lines being £155,633, and the sum total of value of lands and moneys provided by the Crown being £350,749, made up as follows:—

Total sum realised by petitioners and value of unsold lands and	£
lands granted for railway	313,060
Less land-claims still unpaid by company	750
	<hr/>
	312,310
Plus moneys provided by Crown	38,439
	<hr/>
	£350,749

it follows that under this process nothing remains for the debenture-holders or the company.

2. “Adopting the method prescribed by our said original Commission for the ascertainment by you of the selling-value of the said lines of railway, and making the deductions from the value so ascertained directed by sub-paragraphs (a) and (b) of paragraph 1 of this present Commission, would any, and, if so, what, sum remain in either cases respectively to be divided between the shareholders and debenture-holders of the said company?”

ANSWER.

Selling-value, £192,833; (a) £305,554; (b) £350,749.

(a) and (b) being each in excess of the selling-value, nothing remains for the debenture-holders or company.

We desire to draw attention to Exhibit No. 139 (“Statement of Stores and Material taken over with Midland Railway on the 25th May, 1895”). The value of these stores has been estimated at £1,747 4s., of which stores to the value of £1,200 have, since the date of seizure, been used in the upkeep of this line (*vide* evidence, page 151, question 598), leaving a balance of stores unused to the value of £547 4s. We desire also to draw attention to Exhibit No. 108 (Pneumatic plant, £509 13s. 6d.), which is now in the custody of the Crown at Stillwater. These two items together amount to £1,056 17s. 6d.

We now return to your Excellency the Commissions with which you honoured us, together with this report. The appendices, minutes of proceedings, evidence, exhibits, and other documents are being printed, and will be forwarded to your Excellency as soon as possible.

In witness whereof we have hereunto set our hands and seals, this twenty-first day of June, one thousand nine hundred and one.

R. McKENZIE, Chairman.
W. FRASER.
JOHN GRAHAM.
JAMES McKERROW,
C. HUDSON,