

There were the London office charges, and the charges in connection with the land department, and the timber department. There was also interest payable to the shareholders and debenture-holders.

38. For how many years have you paid interest on the debentures?—Speaking from memory, we have paid from 1890 to 1894.

*Mr. Tanner* : About five years and a half at 5 per cent.

*Mr. Chapman* : The debentures did not absolutely fetch par.

*Mr. Tanner* : I am aware of that.

39. *Mr. Hogg*.] I should like this to be cleared up a little further. (To witness.) You say £245,845 were received from land-grants?—Yes.

40. Is that amount to be coupled along with the original subscribed capital, and the amount received from debentures, as receipts by the company?—Yes, I think that it will come under that head.

41. Altogether about £1,240,845 was received by the company?—Yes.

42. And you say the amount expended on construction is £760,669?—Yes.

43. Then, you deduct the amount expended on construction from the amount received from all sources. A balance is left of £480,186?—Adding land-grant to the share and debenture capital the total is £1,240,845.

44. In round numbers that leaves about half a million of money that the company has received more than they have expended on the cost of construction?—Yes, that is about it.

45. Do you know whether much of this money remains?—There is not very much in hand. I think the statement of the balance-sheet referred to by me showed a certain figure there, and that is what is reckoned as estimated assets. Of course, that figure may realise a considerable sum on account of the sales of land.

46. I am not taking into consideration the land still claimed and available, but simply the actual receipts. About how much has the company now in hand in hard cash?—They have no cash balance whatever, so far as I know.

47. About how much of this £480,000 has disappeared in dividends?—I could tell you what amount has been paid on account of dividends. That is, 5 per cent. interest to shareholders and 5 per cent. interest to debenture-holders, but I have not the figures at present. I can get them for you later on.

48. Can you account in any way for the absorption of this large amount of money, this balance of £480,000?—The interest at 5 per cent. on the share capital and the debenture capital over a series of years would absorb a large portion of that £480,000.

49. *Mr. Guinness*.] You have told us the value of the land that was received by the company is put down in that statement at B 1 value. Will you tell the Committee what were the actual cash receipts for the land sold?—I could not give you the exact figures at the present time, but I could let you have them later on.

50. Perhaps the next question will stand in the same way. What is the value of the land that has been already actually granted to the company and not realised by them—that which they have still in hand?—The B 1 value—that is, the contract value of the lands in hand and not yet sold is, £55,531 15s. 3d. That amount is subject to amendment on account of the amended survey of certain blocks.

51. That would not amount to much, would it?—It might run into £1,000 or so.

52. Then the company has in hand £55,531 land-grant, and £21,000 of land-grant yet to be handed over under Mr. Blake's award. That comes to £76,500 odd. That is the only asset that the debenture-holders have in addition to the railway. Is that so?—There are sundry assets, such as certain properties adjacent to the company's line. Certain lands have been acquired by the railway which are not actually required for the line, but which are adjacent to the railway.

53. In addition to these land-grants of the Government?—Yes.

54. Can you give the Committee any idea as to the probable or estimated value of that class of property?—I can let the Committee have a return later on setting out this land.

55. I only want to get at what is the actual value of the assets belonging to this company in addition to the railway. The Government took possession of the railway in May, 1895. For the three years preceding that, can you give the Committee a statement showing the net earnings of the railway?—Yes. This statement [Exhibit D] was prepared by Mr. Dalston last April, and it is a copy of a statement which I have checked. It starts at the time the company commenced work in 1890, up to the date of the seizure on the 25th May, 1895. The net receipts for the eleven months ended 30th June, 1890, were £1,608 13s. 11d.

56. That will give it year by year. Does it show, opposite that, the amount expended in construction?—No, it does not show that.

57. I would like to have shown opposite each of these dates what was the total capital expended in construction, so as to get at the earning power of the capital expended?—It shows the number of miles opened for traffic up to the time. For the eleven months up to the 30th June, 1890, 14 miles 25 chains open for traffic, net receipts, £1,608 13s. 11d.; year ending the 30th June, 1891, 18 miles 67 chains open for traffic, net receipts, £4,000 16s. 1d.; year ending the 30th June, 1892, 39 miles open for traffic, net receipts, £4,288 18s. 7d.; year ending the 30th June, 1893, 39 miles open for traffic, net receipts, £4,408 16s.; year ending the 30th June, 1894, 69 miles open for traffic, net receipts, £6,572 2s. 11d.; for the eleven months to the 25th May, 1895 (date of seizure), 69 miles open for traffic, net receipts, £3,257 7s. 3d. Total net receipts for 1890–95, are £24,136 14s. 9d.

58. *Mr. Mackenzie*.] Have you any idea of the present value of your work and rolling-stock to the Government? It is put at £760,000 odd. What do you think the actual value is now?—I could not give an opinion on that question.