

thought those two clauses contained the kernel of the petition, and I see no reference in these two clauses to the purchase or taking-over of the area of the sixty-five miles of railway when completed?—The petition, in my opinion, does not clearly set that out. I am authorized to state that our proposal is that the railway should be taken over by the Government. Alternatively to that that we should be allowed to complete the line. There are two proposals—first, that we should complete the line and hand it over to the Government for £180,000; and, secondly, keep the line and receive authority to buy 700,000 acres of Native land.

2. How long have these 350,000 acres of Crown land been in possession of the Government?—I have not any information on that which would be of any use to you. Mr. Kensington will be called, and will be able to answer that question. Mr. Kensington informs me it is over twenty years.

3. Supposing the Government said to the company, “You are now interdicted from carrying passengers because your line is only a tramway. If you do so-and-so in improvement of the line—an improvement which was sketched in the course of your address—we would empower you to carry passengers; we will empower you to carry your line to Taupo, and so give you the advantage that will attach to the Government in taking over the line of the big tourist traffic, and so forth; also the advantage that you could offer to settlers who would be put on the Crown land in the area sketched in your address,” would that not meet the needs of the company and give it the advantage of escaping the dwindling character of its present position?—My first answer is that it would. It would be a distinct advantage to get authority to complete the line to Taupo, for the reasons you have mentioned; but I am bound to add this, that it is no easy matter to find the £60,000 or £70,000 of capital requisite to complete the line. That might be the hindrance to the company’s completing the line. Last year it was explained to the Committee that the line itself did not offer sufficient attractions to capitalists, and it was for that reason that we asked power to buy 200,000 acres of land as an inducement to capitalists. My second answer is that what might not pay the company would pay the Government well, because the Government has not only the traffics of this line, but the increased traffics over the lands and from many sources of revenue, such as Customs, which would not be open to the company itself.

4. Does it not appeal to you to be rather strange that such a large area as 350,000 acres should have remained in the possession of the Government with none of it, or comparatively little of it, settled? What are the particular reasons why the lands in this particular locality, and which are not so far removed from road communication as other large tracts of land in other parts of the country, should remain idle? Is it through the fault of the Government, or for want of attraction to settlers in the quality and productiveness of the soil?—I should say to you decidedly it was through the fault of the Government.

5. *Mr. Laurenson.*] What sort of climate is it in that district?—I have been there, and should like to spend the rest of my days there if I could make enough money at the Bar. I think the climate is the best in New Zealand.

6. What is about the height of it above sea-level?—I think at Lake Taupo it is about 1,200 ft.

7. You said the forest would disappear: did you mean through being burned?—No. We estimate that we will cut out our forest within a period of seventeen or eighteen years.

8. One alternative you offer is that the Government should take the line over at the price it has cost the company?—That is so.

9. *Hon. Mr. Ngata.*] What rights now held by the company are included in the offer to sell to the Crown?—The legal right to the railway-line from Putaruru, the rolling-stock and general equipment, and the option over the Taupo hotels if they want them.

10. It does not include the timber rights?—No, it is the railway.

11. Is it subject to any conditions with regard to the company’s freight rates?—I think the freight rate has been agreed upon between the Government and the company.

12. Is it a lower freight rate than prevails on the Government line?—I am instructed that it will be subject to no conditions as to freights.

13. The £11,000 in freights you estimate are guaranteed?—We guarantee that for fifteen years and charge the guarantee, so that it will be absolutely reliable. If we have not the freights we have got to pay the money.

14. Further, would the agreement to sell be subject to any condition that the Crown should complete the line to Taupo?—We would make no condition of that kind. Our idea was that the company could complete the line, because they could do it, we think, probably more economically than the Government.

15. The price of £180,000 would include the cost of the line to Taupo?—Yes, that is for the completed line.

16. With regard to the lands affected: this area of 200,000 acres of Native land, would that be made up from lands lying generally to the north of the lake, or would you require to comprise an area lying to the south or south-east of the lake?—I think we would be content to take the 200,000 acres wherever the Natives were prepared to sell it.

17. What benefit would a line like this be to the lands lying south of the lake, where I understand the bulk of the Native land is?—We suggest that if we had the railway to Taupo the accommodation would serve all the lands around Taupo. At present there is very heavy cartage indeed.

18. There are privately owned lands in the district: is there any proposal with regard to those?—There is an area of land which the company owns, but I think the company—I would not like to commit them to it—would be prepared to convey that to the Crown at present value.

19. Has this line ever been investigated thoroughly by Government experts?—Yes, Mr. Coom has spent some days in a thorough examination of it, and has reported on it.