

20. By whose direction?—It was immediately after he left the Government service. Mr. Coom gives a report in last year's proceedings.

21. *Mr. MacDonald.*] Mr. Buchanan asked you a question with regard to the extension from Mokai to Taupo, as to whether it would not be of benefit to the company to have the right to construct that line: I take it that outside the £11,600 in freights and timber the only factor in the future success of the line would be the settlement of the lands?—That is so.

22. And, of course, the idea of the company is that the Government or some other person should immediately set to work to cut up the lands?—Yes. We can guarantee to the Government nearly £12,000 in timber freights on this particular piece of line for at least fifteen years, and in that time, if the Government pushes settlement, there would be sufficient settlers and tourist traffic to enable them to do without timber freights.

23. That is, if the lands are settled?—Of course. There is no hope unless they are settled.

24. I suppose the chief reason why there are not many settlers there is due to the want of transit and access?—Yes. I have some hesitation in answering, because I am not familiar with the country.

25. *Mr. Young.*] Do I understand that the Taupo Totara Timber Company receives something like £2,000 a year in the way of freights from the settlers along the line?—From the goods at present going along the line. If the line were completed to Taupo and the charges were at the present rates, it would amount to £2,000 a year.

26. In other words, the traffic which goes along that line—the whole of the goods carried over your railway and subsequently carried by dray to Taupo—if it traversed this railway all the way to Taupo, would amount to £2,000 a year?—Yes.

27. The freights from Auckland on the railway section owned by the company amount to £11,000 a year?—Yes, £11,000 odd.

28. And besides, your company gives a guarantee on at least £11,000 for fifteen years?—Yes.

29. With regard to the timber, you built up all your calculations on an estimate of 400,000,000 ft.?—Yes, a minimum.

30. You now find you have a maximum of what?—120,000,000 ft.

31. Is that due to shortage of timber in the bush, or finding that the timber is there but of a quality unsuitable?—I am a little in the dark about that. I understand there are large quantities of it that could not be used. We could not say what was sound timber and what was not; but on the basis of actual experience we are able to say that the rest of the forests will contain only so-much. On the basis of our experience it will contain not more than 120,000,000 ft.

32. *Mr. Wilson.*] How did you make your estimate of 2,500 settlers on all the areas?—On a basis of 800 acres to each.

33. What would be the carrying-capacity of the land?—I learned from Mr. Kensington that 300 acres properly treated would be sufficient for a farm, but it was admitted that that land would be slightly better than the average, so I took three times the amount as an average of the whole.

34. *Mr. Buick.*] You say that you are prepared to guarantee a sum of £11,500 in freights?—Yes.

35. Would the timber not be subject to being burned?—We would have to take the risk of the burning. Our obligation would be an actual obligation to pay so-much either in freights or to make it up.

36. Is there any danger of fire in the bush—there is in Auckland bush generally?—We have not had any serious risks, or sign of risks.

37. *Hon. Dr. Pomare.*] If you got the concession you ask for you would have to improve the present line?—Yes.

38. Would you do that?—Yes.

39. At what cost?—We would spend on the present line at least £5,000.

40. Do you think that would bring it up to the necessary efficiency?—Yes, ample. If you read Mr. Coom's report you will see that very little is required.

41. *Mr. Buchanan.*] Reverting to the risk of fire: As the timber is cut and taken away, leaving a large amount of dry timber debris, would not the risk of fire greatly increase?—Yes, unless precautions were carefully taken. I believe under the very excellent manager the company has now precautions are very carefully taken.

42. Can you give us any reason for your belief that the failure to settle this land has been mainly the fault of the Government?—I should have thought that has been proved to demonstration more than once by yourself. I could not add to your reasons.

43. *The Chairman.*] You said that most of the sleepers were totara, and you mentioned no other timber than totara. According to last year's report there were quite a number of rimu sleepers?—Most of those have been replaced since then.

44. You say there is no connection between your company and the Tongariro Company?—That is so.

45. And you have no option now over the spas or thermal resorts?—There is an option over the Taupo Hotel and the Spa, but the whole amount involved is only £3,000, and we make it part of the bargain to hand them over to the Government at the cost to us.

46. *Hon. Dr. Pomare.*] You stated that the reason why this land was lying idle was because it was in the hands of the Natives?—No, I say it is lying idle because it is inaccessible. Some of the land privately owned is just as unproductive as that Native land. You cannot expect people to go up where the land is inaccessible.

47. You said that the land was individualized?—Mr. Dalziel said so.