

settlers to settle in the district?—Yes. The settlers would have a feeling of security in regard to the permanence of the line.

34. *Mr. Buick.*] You say you have grown oats at Wairakei?—Yes.

35. You do not know how many bushels per acre?—No, we have used the oats for ourselves.

36. Nor how much chaff per acre?—No.

37. How much does it cost you at present per ton of wire delivered at Wairakei?—We cart our own. We have a wagon always on the road to the Mokai line. It is a country road, and the wagon is often getting stuck. In fact, we sometimes have to inquire whether the last man got over the road before we send the wagon out.

38. Would the new line from Rotorua strike your place?—Yes.

39. You are really on both lines?—Yes, we are near where it junctions.

40. You say it would take about fifteen years to develop the country?—It would take ten.

41. You want the country developed by the time the timber is down?—That is so, and the timber will pay for the cost of the line until the country is developed.

42. *Mr. Collins.*] You expect a large increase in land-values if railway facilities are assured?—Yes.

43. Do you say that railway facilities are the only factor in the increase that you expect? You expect the land to rise in value if railway facilities are provided?—Yes.

44. Would you expect any advance without the railway facilities?—Very, very little.

45. The value of that soil is now being demonstrated?—Yes.

46. Would not that increase its value?—To a certain extent, when it has been properly demonstrated.

47. And when the people become aware of that demonstration?—I would think that would naturally follow.

48. You said in your statement that the State would get some benefit from this railway by reason of the increased value of Crown lands?—Undoubtedly.

49. Of course, that will only be the case if the State gets an increased benefit on the betterment principle. A petition has been lodged in support of the company's petition by landowners in the locality?—That is so.

50. You suggest that a maximum scale would sufficiently safeguard the public?—In what respect?

51. In respect of fares and freights?—Yes.

52. Is it your experience in regard to the present line that the maximum scale is sufficient to safeguard the interests of the people?—It is with the company's.

53. Do you know that Mr. Vaile last year was complaining very much about the scale of rates?—I understand from the Order in Council that the company has a right to charge up to £2 per ton for the fifty miles. Their charge is £1 2s. 6d. per ton to the terminus. That shows that the company has dealt fairly with us.

54. *The Chairman.*] You showed us some photographs of land that would be benefited by the Rotorua line, but none of your own proposals: have you any?—No.

55. Are the settlers in Wairakei all wanting to sell out?—I do not think so.

56. They are not advocating this line for the purpose of selling out their properties?—No. They have their business. It is the tourist business that keeps the country going.

FREDERICK GEORGE DALZIELL sworn and examined. (No. 6.)

1. *The Chairman.*] What is your occupation?—Barrister. I have prepared a statement in order to put the position before the Committee as concisely as possible, and with the permission of the Committee I will read it. I have been chairman of the Taupo Company since its formation in 1900, save for ten months in 1906, when I was in England. The company was formed in 1900 to work totara and matai forest at Mokai, fifty miles from Putaruru, and twelve miles in a direct line from Taupo. The experts employed to value the timber estimated that it contained from 360,000,000 ft. to 500,000,000 ft. Mr. James McKerrow (late Surveyor-General) estimated 360,000,000 ft. after deducting one-third from his calculations by way of precaution. Nine years' experience of our bushes convinces us that the quantity we then held did not contain more than 120,000,000 ft., or, with areas since purchased, 150,000,000 ft. The capital invested in debentures and shares is £311,000. It was at first thought that the timber would be brought out by means of a cheap wooden-rail line, but experience showed immediately that such a line would not stand the heavy traffic; and as it was then estimated that the timber would take from forty to fifty years to work out, it was resolved to build a permanent steel-rail line capable of handling heavy traffic, and this has been done. The line was constructed to carry the ordinary Government rolling-stock of that period. The ruling grade is better than that of the Main Trunk from Wellington to Johnsonville, and equal to that of the Auckland-Rotorua line. Some of the curves are sharp, but that is only a matter of speed at those points. The line has been considerably improved since its construction, and has never given any trouble. There are practically no slips in that class of country. The timber traffic now going over the line is as heavy as any traffic it will be required to take, and the experts agree that it is ample for the goods traffic of the Taupo district. On the question of passenger traffic, Mr. Coom (late Chief Engineer of the Government Railways) has reported that the line would be fit to carry passengers with a nominal expenditure of £675. It is, however, proposed to spend some money in widening the cuttings and embankments and straightening out some of the curves, and as the total cost of the earthwork on the whole fifty miles of existing line was only £20,000, there can be no doubt that from £5,000 to £7,500 would be ample for this purpose. The company commenced selling its timber in 1905. At first the business resulted in a loss, but for some years past it has produced a profit in addition to debenture interest. It is now quite plain that it will pay to work