

of any kind between the two companies, or any of their directors, relating to any matter whatever. On the contrary, we have always been of opinion that the proposed line of the Tongariro Company would, if constructed in the near future, be detrimental to our company's interests.

3. Is it constructed right through?—It is not constructed at all. I understand about eighteen miles of this proposed line goes through very heavy country liable to slips, and at the present time the Tongariro Company is endeavouring to find a line capable of easier construction. I also understand that the capital has not yet been raised for the construction of the railway. I think you will realize that if that line is constructed as well as the Taupo Railway it will feed upon this district, and as we feel that the country must be developed before it can support much railway-construction, our own feeling is that it is not in our interests that the Tongariro line should be constructed. As I have said, we have absolutely no association whatever with the Tongariro Company. I have been in this district over ten years, and have ridden over a great portion of it. Although I have had no experience as a farmer, I have made inquiries with the view of ascertaining its possibilities for settlement. The Maraetae Block, formerly belonging to the Bank of New Zealand, contains about 50,000 acres, and adjoining that is an area known as Smith's Block, of 56,000 acres. That was sold to a syndicate. It was originally taken up by Smith, of Greenfields, Otago, who paid 15s. an acre for it. He held it for thirty years without using it, and then sold it for a total sum of £2,500. The people who purchased it for £2,500 have sold it again for a sum a little under 10s. an acre. They made a very profitable transaction out of it, and the land has again been sold. Eight or ten Canterbury farmers have recently taken up portion of it at something over 17s. 6d. an acre. Then there is an education reserve of about 20,000 acres, which is not touched at all. The next block is the Tokoroa, containing about 20,000 acres. That has also been taken by a Christchurch syndicate, and is in process of being cut up for purposes of settlement. Down at the Waikato River, just about thirty-five miles from Putaruru, two dairy farms have recently been established. Some of the land along the river is rather of a better quality than the average, and these dairy farms, I understand, are showing good prospects, and are likely to result in the establishment of similar farms along that part. At the Mokai Settlement, in the company's clearings, grass has been sown roughly, and Mr. Barnett, who gave evidence the other day, has some hundreds of cattle running there. All the mill hands have their gardens, in which it is quite plain almost anything will grow. They have their vegetable-gardens, and without any manure have no difficulty in getting very good results. At Tokaanu the land is of very good quality, on the delta of the Wanganui River. All round the Tokaanu there are many thousand acres of bush lands, which you can see is not ordinary pumice land. A glance at the map will show you that there are many thousand acres of forest-covered lands; the forest is shown on the map. I think that is all I have to say, sir, but I shall be very glad to give to the Committee any further information within my knowledge either relating to these proposals or to the private affairs of the company; and I would like particularly to say that if any member is of opinion that there may be some purpose in these proposals other than I have stated I would like an opportunity of removing the impression, because it is erroneous.

4. *Mr. Buchanan.*] With regard to the timber estimated by Mr. McKerrow at from 360,000,000 ft. to 500,000,000 ft.: did the company embark upon this timber business, which was its main business, upon the evidence of Mr. McKerrow alone?—No, sir. The preference shareholders, before they put their money into the venture, sent two experts up—Mr. Luxford, of Palmerston, and a well-known timber-merchant at Hastings, an expert of long standing. These two gentlemen reported, and their reports were a good deal more optimistic than Mr. McKerrow's.

5. Is it true that the timber proved to be specky and unmarketable to some extent?—No. I think it is agreed among timber people that there is no better quality of totara than the company's anywhere in New Zealand; but it is an old forest, and I understand that no forest is free from what they call kaikaka. You cannot tell; a tree may look like a beautiful tree. You get some part of the bush where every tree is sound, and other parts have the kaikaka, so that it is impossible to tell what the area is like. It is a matter of age, and these forests are very old indeed. Many of these trees are not less than a thousand years old—possibly more.

6. Am I right in assuming that the company commenced carrying timber in 1895?—In 1905. That is, it was then open for traffic.

7. Referring to this block of Maraetae and Smith's Block, and so on: are these the principal blocks that would be served by the line as far as it extends, now fifty miles, and has the company made any attempts to settle these lands along the line?—We had the matter in view for a long time. Some of our people up there have been desirous of taking up land—our mill-manager, for instance—but we have a considerable area of bush, and we do not want it interfered with. The trams have to go through a lot of it, and we thought we would not get much for it. As a matter of fact, Mr. Rollitt will tell you that two or three years ago he tried to get us to sell it to him, at the time he arranged the purchase of the Smith Block; but we had in view the possibility of the extension of the line and thought it well to keep it, so that it could be used in conjunction with our railway proposal. We do not desire to make any profit out of that block by the extension of the line. It is 34,000 acres, and we will be quite prepared to put it into any railway scheme at its present value, apart, of course, from the timber.

8. What I have in view is that the company could have cut this land up into 500- or 1,000- or even 2,000-acre blocks, or something of that sort, and opened it for settlement, so bringing grist to the mill in the way of traffic and freight for the railway-line?—That is so; but it is only of recent years that this Putaruru Settlement has been made, and it is the success of the Putaruru settlers and recent experience on these other portions of land that has convinced people that this land is capable of profitable farming. We had that in view, but our finances were