

SESSION II.
1912
NEW ZEALAND

TAUPO TOTARA TIMBER COMPANY COMMITTEE

(REPORT OF); TOGETHER WITH MINUTES OF EVIDENCE AND APPENDIX.

Report brought up 16th October and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

TUESDAY, THE 20TH DAY OF AUGUST, 1912.

Ordered, "That Standing Order No. 219 be suspended, and that a special Committee, consisting of twelve members, be appointed to inquire into the petition of the Taupo Totara Timber Company for railway-extension and any other matter in connection therewith; such Committee to have power to call for persons and papers; three to be a quorum: the Committee to consist of Mr. Anderson, Mr. Buchanan, Mr. Buick, Mr. Dickie, Mr. Hindmarsh, Mr. Laurensen, Mr. MacDonald, Hon. Mr. Ngata, Hon. Dr. Pomare, Mr. Wilson, Mr. Young, and the mover."—(Hon. Mr. FRASER.)

REPORT.

THE Taupo Totara Petition Committee, to whom the petition in question was referred, have the honour to report as follows:—

1. That in their petition the company set out that they have a railway fifty miles long extending from Putaruru to Mokai, which they are running under an Order in Council dated 29th January, 1908, under the Tramway Act, 1894, and which they wish to extend for another twenty miles to connect with the Town of Taupo, at an estimated cost of £50,000.

2. The company proposes—

(a.) That the Government should make a conditional contract for the purchase of the completed tramway to Taupo at its value, not exceeding the bare cost of construction, and should pay the purchase-money in instalments arising from the sale of the present unoccupied Crown lands and such Native lands as the Crown should acquire at present values;

Or (b.) That, in consideration of the petitioning company extending their present line to Taupo, the Government should by legislation authorize the petitioners to purchase by private contract an area of Native land not exceeding 200,000 acres, on condition that such area is subdivided and sold in areas not exceeding those prescribed by the Native Land Act, 1909.

(c.) That if the first of the last-mentioned alternatives were adopted by the Government the petitioners would enter into a valid undertaking, properly supported by security to the satisfaction of the Government, to refund any purchase-money paid to the petitioning company for the said tramway-line should the Government, at the end of fifteen years, decide not to affirm and carry out the purchase of the line on the terms above mentioned.

3. *Objections.*—(a.) Objections were received by your Committee to granting the prayer of the petitioning company from the Rotorua Chamber of Commerce; several hapus of Maoris interested in the land surrounding Lake Taupo; and from the Wellington Trades and Labour Council.

(b.) These objections your Committee carefully considered. As to that of the Rotorua Chamber of Commerce, your Committee does not think that the proposed extension of the company's line, and the purchase by the Government of the portion already constructed, would affect Rotorua; nor does your Committee think that a railway from Rotorua to Taupo would, owing to the topography of the country, materially benefit the district served by the company's tramway. Your Committee does not agree that the extension of the company's line would injuriously affect the interests of the Natives. As to the objections of the Wellington Trades and Labour Council, these are generally on the grounds that the Council is opposed to the sale of the freehold of Crown lands, and of the sale of the freehold of any Native land in the Taupo district which the Crown may acquire. As these objections to a large extent are matters of policy, your Committee make no comment upon them.

4. That your Committee consider that the company's present tram-line will require improvement before it will be suitable for running passenger-trains.

5. *Finding.*—(a.) That your Committee do not recommend the Government to purchase the railway in the manner and on the terms suggested by the company.

(b.) That your Committee do not recommend the Government to grant the prayer of the petitioners to be allowed to purchase 200,000 acres of Native land.

(c.) That your Committee are of opinion that it is desirable that inducements be offered to settlers to occupy land in the vicinity of the tram-line and of Lake Taupo. To this end facilities for the economical transit of manures and produce are necessary.

(d.) Your Committee recommend that an Order in Council be granted to the company to extend their line to Taupo; that the Government guarantee the cost of such extension, not exceeding in the opinion of your Committee £50,000, on adequate security, and on conditions securing—

- (i.) That the construction of the permanent-way is carried out to the satisfaction of the Government;
- (ii.) That uniform freight and passenger rates over the completed system from Putaruru to Taupo are controlled in the public interest; and
- (iii.) That the Government have the right at any time to purchase the line and plant in working-order at a price not to exceed the actual cost of construction, such price to include goodwill.

A copy of the evidence taken is attached hereto.

16th October, 1912.

G. JAS. ANDERSON, Chairman.

MINUTES OF EVIDENCE.

THURSDAY, 5TH SEPTEMBER, 1912.

The Hon. Sir J. FINDLAY, K.C., addressed the Committee on behalf of the company, and was examined. (No. 1.)

Witness: Mr. Chairman and gentlemen,—It may be, first, helpful to you if I state the relation the petition before you bears to the petition which was lodged by the Taupo Totara Timber Company during last session. Members are probably aware that the company petitioned Parliament during the session of 1911 and asked then for relief, which is included in the present petition. The prayer of that petition was, shortly, that the company should be empowered to purchase at once an area approximating 200,000 acres of Native land, that it should bind itself to subdivide and sell that land within a limited number of years, and should, moreover, in the interval improve the land so that the subdivisions should be made capable of closer settlement. That, and that alone, was the prayer of the petition. Upon that petition the following report was made: "I am directed to report that the Taupo Totara Timber Company Committee, to whom was referred the petitions of the Taupo Totara Timber Company (Limited), No. 185, and A. S. Graham and thirty-five others, No. 211, has carefully considered the same, and has arrived at the conclusion that, in view of the important issues involved in the petition of the Taupo Totara Timber Company, and more especially having regard to the vagueness of the proposals contained in the said petition in so far as they affect the future disposal and settlement of the 200,000 acres of land which the said company desires to acquire from the Natives, the Committee is of opinion that the whole question should be held over for the consideration of Parliament next session. The Committee is further of opinion that in the meantime full inquiries should be made by the Government as to the best means of connecting Lake Taupo by rail with the existing railway system, so as to facilitate the early settlement of the large areas of Crown and Native lands in the Taupo District.—24th October, 1911.—T. H. DAVEY, Chairman." Now, the petition which is before you has added to the prayer appearing in the last petition one which is radically different in character, and one which obviates entirely the objections made to last year's petition. But before I proceed to that stage of my address, may I take this opportunity of shortly stating the origin, career, and present position of this company, so that members who were not members of the Committee set up last year may then better judge the merits of our cause and the reasonableness of our request. This company was formed in 1900 by a number of gentlemen resident in New Zealand. There is not one penny of foreign capital involved in this enterprise. A sum of over £300,000 has been spent in constructing a light railway, erecting mills, acquiring bush areas, and the other requirements for the company's sawmills, and the whole of that sum has been found in the Dominion, and has come out of the pockets of residents in this country. Of this sum £100,000 has been borrowed on debentures bearing 6 per cent. interest; £91,760 has been obtained by the issue of A shares; £75,000 has been obtained by the issue of preferent shares; and a sum approximating £75,000 has been obtained by means of ordinary shares. The total sum obtained in this way and borrowed and advanced on shares amounts to over £300,000, and there is in addition to that sum £50,000, the accumulation of unpaid preference dividends on the A shares. Now, we have always paid the interest on the debentures at 6 per cent., but for twelve years we have not paid any dividends on any of the classes of shares. I do not wish to convey to the Committee that the company is in financial difficulties of any kind. It will be able to carry on until it has exhausted all the forest it now holds, so that we are not going to become bankrupt or to carry on an insolvent enterprise. We do not appeal to the sympathy or to the indulgence of the Committee upon that ground. I have mentioned these figures to impress on you that it is essentially an enterprise carried on with New Zealand cash and by New-Zealanders themselves. I take the opportunity of referring to this because the Chairman read in some objections a reference to it being a foreign company, while it is essentially a New Zealand enterprise. The company was formed for sawmilling purposes. Those who ventured their capital were led to believe, perfectly *bona fide*, that the forest contained from four to five hundred million feet of totara and matai forest. Those experienced in such matters know how unreliable such estimates are, and experience has taught us that we are not likely to obtain more than 120 million feet of timber instead of the four or five hundred millions we expected. Our estimates from Mr. James McKerrow and others, whose reports were above partisan suspicion, were that we were entitled to expect a minimum of 400 million feet. That estimate turned out to be erroneous. We commenced cutting in 1903, and for that purpose we constructed a light railway from Putaruru to our sawmills, and the present distance is fifty miles. The company unfortunately carried on for the first two years at almost a crushing loss, but luckily more recent operations have brought the enterprise to a point at which we hope to pay dividends on prior shares. There is no prospect—not the least prospect—of the ordinary shareholders receiving back their money or any dividends on their money. Therefore it is not the kind of investment that any man present would find himself rich to be connected with. We employ now an average of 250 men, the bulk of them being married, so that the total number of souls, including women and children, approximates a thousand. We have paid in wages £352,000. We have paid to the Government in freights over Government railway lines £11,000 per annum, or rather less than £79,000, and in recent years for freight to Auckland and elsewhere over £11,000 odd per annum. We have further paid in taxes and rates, for the provision of machinery and other similar outlay, £223,000; so that we have expended during the last ten years £654,000 in the payment of wages to workmen,

to the Government, and otherwise in the Dominion. The outlook of the company, if it acquires no further bush, is that its forests will enable it to carry on for from fifteen to twenty years, or, say, eighteen years. I pass on now to the railway itself, which is a light railway. It was constructed under the engineership of Mr. Fulton, one of the most skilled engineers New Zealand has ever had, and I can invoke Mr. John Coom's report, who made a careful investigation of the whole line—taking some days in the work—to give you conclusive proof that this light line is one that is thoroughly made and capable of carrying both passengers and goods. Mr. Coom says, "I should have no hesitation in giving a certificate that the line is fit for passenger traffic at moderate speed, say, twenty to twenty-five miles per hour, on the straight lines," on certain alterations and additions being effected, and he thought if £675 was spent the line could be used for passengers at the speed mentioned with safety. We will put the report in later. What we are prepared to say is that, if £5,000 were spent on the line, beyond all question it would be fit to run for passenger traffic at the rate, the whole way, of sixteen miles an hour. That would enable passengers to travel from Putaruru to Lake Taupo in four hours, because when the line was completed it would be sixty-five miles and no more in extent. I might say that the rails are 30 lb. steel rails, and that while that weight of rail is considerably lighter than the standard Government rail, you must bear in mind that the line was much more heavily sleepers than the Government lines. Mr. Fulton thought that if heavier sleepers were used the company would be able to run over the line the heaviest Government stock, and it was built with the view that Government locomotives might run over the line. But, in fact, what we would suggest is that, instead of running heavy Government stock over the line, the lighter locomotives and carriages, or locomotive and carriage combined, could be used with greater cheapness and safety. The present line is mainly used as a timber-mill tramway. It is true that goods belonging to settlers are carried at rates fixed with the sanction of the Government, but no passengers are allowed to be carried. We are empowered to carry goods, but nothing else. You will learn, I take it, from settlers who will be called, how good a service this line is already to settlers along its distance, although it has been running for only a few years. When completed we shall be able to show you that passengers can leave Auckland and arrive at Taupo in between nine and ten hours—we hope nine—but nine or ten hours, so that tourists can leave Auckland and arrive at Taupo in less time than they could leave Wellington and arrive in Napier or New Plymouth. This shows what it would mean to passengers and traffic going from Auckland to Taupo, and it shows also that the people could arrive from Wellington easily in about twenty-two hours. May I refer to the nature of the country the line serves. If members of the Committee will look at the plan [produced and explained] they will get some idea of the country served. The yellow portion is Native land, embracing 800,000 acres. The total area is 2,000,000 acres, of which 800,000 is Native land, 350,000 acres is unalienated Crown land, and the rest is privately owned or is in the shape of educational reserves. I am now touching the true basis of this petition. The company does not come before you pretending to be patriots, or pretending to be actuated by any patriotic motives whatever. It comes before you as business men with a business proposition, and if you do not consider it to be a business proposition I invite you to reject it. We say that the line will serve 2,000,000 acres, 800,000 acres of which are at present a breeding-ground for rabbits and noxious weeds. I do not know whether you are aware of the great hardship which is imposed on private settlers not only on account of the rabbits on their own land, but in keeping back the Atlantic flow from Native lands. This Native land is paying no taxes, is wholly unoccupied, and is a fertile ground for the growth of noxious weeds and the breeding of rabbits, and the same remark applies to some extent also to the unoccupied Crown land. In this area there is practically one-twenty-fifth of the whole cultivable land of New Zealand in a state of nature. The great question the Committee has to ask itself is, how long is that national waste to go on? and that question can only be determined by this Committee and by Parliament. What we say is that the country, which consists of pumice land—a term which has heretofore been synonymous with waste land—has with scientific and chemical knowledge been proved to be valuable. It is capable with cultivation of producing root, grain, and fruit crops, and you have here land capable of closer settlement in areas of from 300 acres upwards and in not more than 500 or 600 acres. On this question Mr. Kensington, who is a highly qualified man, and who knows this territory well, will say a few words later on. I can put it to you that this land is going to remain in the position it is in now for a time not within human horizon until satisfactory access is provided, because no man could be asked to go there and settle if he has to pay cartage on fertilizers, fencing-material, and other goods, and also cartage on his produce. It is hopeless to ask settlers to go there under such conditions. But if you provide the access such as the company could provide if its line were completed, you would undoubtedly induce a very large number of settlers to go on these great areas. Mr. Aston, who is perhaps the leading agricultural chemist of this country, was called last year, and pointed out that you have throughout this territory a copious rainfall, but the rainfall gets away through the porous nature of the land. There is no difficulty about working the land, for he says you can work it during winter or summer without danger of puddling. He is asked, "You think this land is capable of being brought into productiveness?" and he says, "I am certain of it." A re-dressing of superphosphate would have the effect of increasing its fertility." Mr. Aston's report will be found in the evidence taken last session. You could therefore have upon these 2,000,000 acres a large and prosperous settlement if the essential condition of access is provided. Now, what is proposed? We propose, if the prayer of the petition is acceded to, that the railway be completed to Taupo and carry goods and passengers. The line will then be sixty-five miles from the main line which junctions from the Government station at Putaruru. The company will in any case extend its present line seven miles towards Taupo—then only thirteen miles off. That may be some seven years hence. I

would like to deal with this matter from five points of view, based on five different sets of interest—the aspect from the company's interest; secondly, the Crown's interest; thirdly, the Native interest; fourthly, Rotorua's interest; and fifthly, the City of Auckland's interest. I shall begin with the aspect of it which appeals to the company, and I would say that it makes here no *ad misericordiam* appeal. The question has been asked, "what is the motive of this company in seeking to get rid of its railway-line to the Government? It must have some secret up its sleeve it is not disclosing; it must have some hidden reason for seeking to get the Government to take over the line; it has some idea that it can profit itself in some unseen way at the expense of the people of New Zealand." I would like to dispel that impression at once. Firstly, we want to get rid of our line because it is a dwindling asset. We have spent £130,000 in constructing and equipping that railway, and we have only from fifteen to twenty years' cutting of the forest before us. The railway will be as good in fifteen years as it is to-day, but our forest will have disappeared. We shall then have a railway to our mills, it is true, but leading to mills that will then be unsupplied with raw material. I would therefore frankly admit that our hope is that the Government will see a profitable investment in this line now. I wish to impress with as much force as I can this admission, that we want to sell our railway because in fifteen years or so it will have become a dwindling, disappearing asset, and we shall have to take up our rails—as we have a right to do—and it will be a much more disastrous thing to us than its present sale. It may be said, why not let us wait for fifteen years, when the Government can take advantage of the company's necessity and buy the line for what the company must then take? But this is an unworthy suggestion. This company has put its money into the railway and deserves better treatment. I submit, therefore, that to take the course suggested—that is, to wait until the company has cut out its forest—would be unfair and unworthy of the Government. It would be not only unfair but wholly and entirely unprofitable to take such a course; but before coming to that point may I also expose another thing which has been said freely about the present company. It is alleged that there is some alleged unholy alliance between the Taupo Totara Timber Company and the Tongariro Timber Company with a view to completing the junction from Putaruru to Taupo, thence by the Lake to Tokaanu, and thence by the Tongariro line to be constructed to the north trunk line, and in some such way as that create a monopoly and do irreparable injury to Rotorua. What I want to say is that there is no alliance even suggested between the two companies. In point of fact, the companies are in opposition to each other, and will be mutually inimical in interests in the production of timber and operations generally. I am entitled to give you an assurance that there will be no alliance between the two companies. The statement is wholly without foundation, and wholly unfair to the petitioners in this case. The statement has been insidiously circulated in the hope of creating a prejudice in the mind of Parliament, if not of this Committee. Another statement made, and made freely by the Rotorua people, is that the Taupo Company has purchased, or has a right of purchase over, all the hotels which will be served by this line if completed. Now, I want to make the very clearest and unequivocal statement with regard to this matter. It is true that an option was held over the hotels in the thermal resorts, including Tokaanu, the Terraces, and Wairakei. These have all been abandoned except on the Taupo property, which consists of the Spa and Taupo Hotels—two hotels. What the company was concerned in was to get a considerable area of land to form the terminus of the proposed line to Taupo; and that was the reason why they took this option. An option therefore still exists over the Taupo Hotel and surrounding property. But the company will hand the option over to the Government if the purchase goes through. It is an option over both these hotels. The company seeks to hold no hotels, and if the company is not going to retain the line and the Government do not want the hotels, the option will be dropped. That, I hope, will dispose of the suggestion that this proposal is to help us to develop an hotel monopoly in the thermal regions. We have no hotels, and desire to hold no hotels. Now, I come shortly to the question which you are here considering—Here is a line actually constructed. We are not coming, you will observe, to ask for authority to commence a new railway. Much has been said about the impolicy of the State allowing a company to hold a railway-line. But here is an existing railway at present held by a private company. The question of the propriety of that is a thing of the past. Here is the line in existence; is it to end, as it were, in a *cul de sac*? Is it to remain running into the bushes, or is it to be a completed means of communication between Auckland and Taupo? There are only two courses open. This line will remain a bush tramway so long as we have timber to put over it and running in the way it is to-day, achieving only one small fraction of its possible usefulness. Another course is to extend it to Taupo and make it a useful *via* there, carrying passengers, goods, tourists, and promoting settlement. This is the basis of my argument. May I contrast the respective loss and gain in these two courses? If we are to wait fifteen or twenty years for the completion of the line, what will the loss be to the settlers and to this country generally? Suppose I take the area as 1,500,000 acres which is now absolutely unoccupied, and I put the value down at 5s. per acre. That gives an annual loss of £18,750 a year, and 5s. is the very lowest you can put it at. But if you give access to the land it would be worth something like £1 an acre, and then you have a loss approximating £100,000 per annum. But these are estimates upon the land undeveloped. May I ask you to contemplate what the loss to New Zealand is by this 1,500,000 acres lying continuously undeveloped for from fifteen to twenty years, as I believe it will be unless the completion we are proposing is adopted? The other course is to complete the line. We are prepared to hand over to the Government our line equipped with rolling-stock fit for the purposes I have mentioned—the whole line—for £180,000. Sixty-five miles of railway equipped with rolling-stock for £180,000! I do not think any line in New Zealand has been completed—to use a phrase very common in the Governor's Speech—with such a due regard to economy and efficiency as the line you are now dealing with. You will get exceedingly good value for your money if you take the line over at £180,000, but

if you choose to spend £10,000 or £15,000 more, then the railway will be one of the most useful and efficient of the lighter railway-lines we have had in New Zealand. Now, I would like to submit a few interesting figures. The company will guarantee—I am saying it in a strict obligatory sense—freights amounting to £11,606 a year. We will guarantee for fifteen years £11,606 in freights on that line. That is, if the Government takes over the line upon rates to be agreed upon the company will guarantee £11,606 a year in timber freights over this particular piece of line. We would get about £2,000 a year upon the present goods traffic of settlers over the line if completed, and the company's goods other than timber amount to £875. There are four thousand persons visiting Taupo through Rotorua yearly. We believe that that passenger traffic would inevitably come our way, and, estimating it at 15s. per head, that would come to £3,000 a year. You will notice that the Rotorua people say that if you provide a railway through Rotorua to Taupo the passenger traffic will be twenty thousand, so that our opponents anticipate twenty thousand visitors going to Taupo every year. I am taking the present number at four thousand, making a total income on the present basis of £17,781. What is the cost of running and maintaining the line? Taking the last two years of the company's working of the line, allowing for a liberal upkeep, efficiency, and repair, the total cost of running the line is £9,450 per annum. That leaves a balance of profit of £8,031. That will give you $4\frac{1}{2}$ per cent. on a capital of £180,000 and 4 per cent. on £200,000. That is all upon the present traffic; but what will the traffic be if you complete the line to Taupo—if you multiply the number of settlers and the tourist traffic? It is fair to assume that these figures will be more than doubled in the near future, so that we offer a very profitable thing indeed to the Government if it will take over this economically constructed line. If the line is completed a good deal of general traffic will go over it, and the tourist traffic will be increased and also settlement. Now, what does the company ask? It asks that the Crown should acquire at present values a part of the Native land to be benefited by the extension of this railway. We say that much of the land marked yellow on the plan to-day is valueless because it is inaccessible; but if you put a railway in the value would be greatly increased. It is submitted that there is no reason why the Crown should not buy at present values. There is no reason why the Crown should add to the value of this Native land improved by the extension of this railway; but in accordance with the policy of the present Government the purchase should be made before the improvement takes place. The increase in the price—the difference between the cost of acquisition and the price paid by the settlers—would, over an area of 300,000 acres, probably pay for the acquisition of this railway. We asked last year to be allowed to buy 200,000 acres of Native land and no more. We submit that if the Crown acquired part of that Native land and should resell it, the Crown would get the difference between the cost of acquisition and the price paid for it. This seems quite fair to the Natives, but if it prefers the Crown can dispose of that Crown land shown now lying absolutely valueless, and use the proceeds to pay for the line. We do not ask the Government to pay us one penny except out of the land. We will take payment from time to time as the Crown sells these lands, and the prices created by the railway will go to pay for the railway. I submit that that is as fair a proposition as has ever been made to the Parliament of this country. What particular portion of Crown lands or of Native lands so acquired might be sold for this purpose will be entirely for the Government. It is, of course, a matter of indifference to the company how it is to be paid, and is a matter of policy for the Government as to how far Native land should be bought with which to pay for the railway. Now, if the proposal is agreed to we would suggest the following arrangement: the Crown to buy portion of the Native land at present values; the company to complete the line to Taupo immediately; the Crown to sell the land—both Crown and Native land—as expeditiously as possible; either on the line being completed, or on our assurance that the line shall be completed, the proceeds of sales to be devoted from time to time towards the purchase-money of the railway. I sincerely trust that no fetish will be made of the principle often applied, that private enterprise and private ownership shall not be permitted in railway communication. That is not a matter of consideration now, because we own the line, and the question of private ownership is here at least settled. It is submitted that the principle that the people should own the means of communication does not apply seriously to the light lines that make a temporary access until the access the Government will finally provide is established. We, therefore, shall not dilate upon this aspect of the matter. The proposal before you now is essentially different from the one of last year, which was to leave the line in the ownership of the company. The proposal now is for the Government to take the line out of the hands of the company, and is therefore an entirely different proposal, and obviates the contention that we are asking to extend private enterprise in connection with a public utility. Now, with regard to Rotorua. I begin with this statement: Every one agrees that the time has arrived when the Government should do something with the 2,000,000 acres of land in the district referred to. Two proposals are made. The first is access by a railway-line from Rotorua down to Taupo; the other is that the present line should be completed to Taupo. Let us contrast these two propositions, because this will be the crux of the matter. Contrast the difference in time in which access will be given. We have a line which could be completed to Taupo in eighteen months; but give us two years and it could be completed with certainty. We are all ready to go on. Now, contrast the other route. The survey has not yet been made of the Rotorua line, and gentlemen familiar with surveys know what that involves. You have further to bridge the Waikato in two places, and with bridges which our experience tells us will take a long time. Now, look at the matter with regard to distances: If you contrast the distances you will see how unfair it is to ask Taupo settlers to go through Rotorua. The distance from Putaruru to Taupo is only sixty-five miles, and it is twenty-three miles longer if you have to come round by Rotorua than it is from Putaruru to Taupo. [Distances pointed out on the map.] It is almost two sides of a right angle as against the length of the base. We suggest that the Taupo people should not be com-

pelled to pay for these twenty-three miles simply to have their goods pass through Rotorua. They are entitled to have their goods from Auckland in as short and as cheap a way as possible. As to the cost of construction, I need hardly dwell upon that. I heard some figures read which showed the cost of the line to Rotorua to be £400,000. That is based on the plan sent by the Rotorua objectors. We have had that examined, and our estimate is £500,000, including the expensive bridging of the Waikato and a less expensive bridging at another place. We have had that plan examined, and you will see where the line crosses the Waikato, and I think you will be justified in concluding that it will cost not less than £500,000. Now, where is the money to come from? I am going to show you that the Rotorua line will not serve the territory under consideration to anything like the extent the Taupo line will. You have £150,000 difference in expenditure, you have the difference in distance, and the great delay that will take place in construction. It will be many years before the Government can undertake the line, and before it could be running perhaps some thirty years must pass. But what is going to make the Rotorua line pay? We offer £11,600 a year in timber freights on our line, but where is that to be supplied on the Rotorua line, where there is no timber? It is suggested that timber will be available from the Government plantations and prison camps, but within what time? It will be fully fifty years before there will be anything like timber fit to be carried. We will carry on our line by the aid of timber traffic until settlement can maintain it without the timber traffic at all, and that will obviate any loss that would otherwise fall upon the Government. Then, the earnings on the Rotorua line must be on £400,000 or £500,000 instead of £180,000, as in the case of our line. These observations will show how illusory, how much a matter of dreamland, is the talk about the railway from Rotorua to Taupo. You may say that on the map the Rotorua line looks as if it would serve the same country as our line, but it will not. On the western side of the red line on the map is a range of mountains, and you cannot serve the western portion of that area of 2,000,000 acres by the Rotorua line. Shortly, my point is that, even if the two lines were in existence, they would serve different territory and not the same. There is one further point. You may say, "What is the hurry? let things stand." Well, I ask you very seriously to pause and consider the great loss now existing in this district. Is it to be allowed to continue through some dog-in-the-manger policy? Settlers have seen me and told me about this, and one will give evidence that if we were to remove the Taupo Totara Timber Company's railway he would be ruined, and so would all the settlers along his district, because they could not get their stuff in and out at a rate of cartage that would enable them to go on. There is no reason why the company should not stop to-morrow, and disaster to these people would then happen. There is no assurance to any settler that this private company is going to run its railway for ever, and what they want is some assurance that if they make their homes there, and put their savings there, they will have some such access permanently. You cannot give them that assurance unless the Government gives it. With regard to settlement, I would like to give you some figures as to how many settlers can be settled on that area. There are 2,000,000 acres of land, as I have said. Mr. Kensington will be able to tell you that 300 acres of the better land will be sufficient to maintain in comfort and a fair measure of prosperity a settler with his wife and family. On the rougher lands the areas must be larger. I have allowed 800 acres to every settler, and that will amount to 2,500 settlers. That means probably ten thousand or twelve thousand souls; and we are told by the Hon. Mr. Anstey and other gentlemen that every settler you put on the land gives employment to two men off the land. That is an illustration which shows the necessity for promoting settlement. Now, this land must remain idle unless you have a fair means of carrying fertilizers to it cheap. For otherwise you will never get settlers to go into that territory. If you had 2,500 settlers there I need not dwell upon the enormous national asset it would be to this country. Now, as to the tourist traffic, you have at present four thousand men and women going to Taupo every year. I have travelled to Taupo in midsummer, and could not see the leaders in the coach for dust. It is by no means a pleasant route for tourist traffic in summer-time. But if you could provide means of communication to Taupo from Rotorua in five hours and a half at a cheap rate, it is easy to see what an enormous traffic there would be even from Rotorua, and the development of this traffic from Auckland to Taupo would be immediately enormously increased. However, that is a matter which I need not impress upon you, as I feel that you are as alive as I can possibly be to that. There are 350,000 acres of Crown lands unoccupied, and mainly unoccupied because of the want of access. Now, may I pass to the question of the Native owners. Even-handed justice should be done to them, but this done it is submitted that they must bear their burdens the same as Europeans. At present their land is covered with noxious weeds, and is the "happy hunting-ground" for rabbits. Surely that is a condition of things we should end if we possibly can. Suppose you do take one-fourth of the 800,000 acres from them, can the Natives complain? I do not think, however, that any compulsory taking will be necessary. Can there be better proof that this land is not wanted by the Maori owners than this: that for years past this land has been absolutely unproductive? I believe it has been individualized. But there is no means of getting at the land. If a fourth of the area were taken the increase in value caused by the railway would largely pay for the railway. The remaining 600,000 acres in the hands of the owners would be increased by probably 50 per cent., so that they would have a proposition they would welcome, and I believe it is welcomed by a large number of them. Our main difficulty will be with the people of Rotorua, and I am going to deal quite frankly—and I hope quite fairly—with the Rotorua people. Mr. Raw gave these answers to questions in the evidence of last year, at page 19: "Question 34. You are not opposed to private enterprise?—No, not as a fair question. Q. 35. The Government having announced their policy is to complete the main lines, such as the East Coast Railway and other important railways, first—consequently there is no chance of this railway being done for a number of years—if a private company is prepared to do it, to spend money on roading and bridging and improvements, and

give the Government the right to purchase it, would you consider it wrong that they should be allowed to do this?—Yes; I refer to the monopoly. Q. 36. How can a monopoly exist if the Government had a right of purchase?—I refer to the hotels, &c., being held by the company at the present time. Q. 37. If the Government had the right of purchase and to include those options, it could not still be a monopoly. You do not object to a Government monopoly, I suppose? You do not mind the Government having a monopoly of the hotels and means of transit across the lake?—The State ownership would be quite different.” So that if Mr. Raw were sincere and only objects to private ownership, we now offer State ownership and State monopoly. “Q. 38. Your opposition to this railway is because you think it is against the interests of Rotorua?—I think, against the best interests of the Dominion, and that it would create a monopoly—not an absolute monopoly, but a monopoly to all intents and purposes.” Then Mr. Guthrie asks a few questions: “Q. 39. If this company’s new line took another route, through Waiotapu, would you object?—Personally speaking, I would. Q. 40. Even though it were there?—Yes. Q. 41. And the reason you object is because you are frightened of the monopoly that would be created?—Yes. Q. 42. Do you think that monopoly would work against the State at large?—Perhaps against the community at large.” I cannot understand these answers. I suppose they would mean what the words imply. I suggest that the real attitude is natural, but that their avowed opposition is insincere. They have not stated their true reason for opposing the line. I submit that their true reason is this: they are actuated by a desire to block the development of Wairakei and the other thermal resorts, because they are afraid that if the traffic is diverted to Wairakei and Taupo, private interests in Rotorua may suffer. They desire to concentrate the tourist traffic in Rotorua, and how do they propose to do it? They attempt to block this proposal in this way: they say, “We admit that there must be access to this great area, and, secondly, we admit that the area must not be allowed to lie waste.” Mr. Raw in another part of his evidence frankly admits these two propositions. Having conceded that, they say access must be given by a standard Government line running from Rotorua to Taupo. They admit that it will cost £400,000, and know that no Government could hope to hold office and spend that sum within present prospects, and they hope that by insisting on that line they can thus block the traffic to Taupo by the company’s line. I say, therefore, that the attitude of the Rotorua people in this respect is both selfish and insincere. They say, “We do not want the railway from Rotorua to Taupo first.” The Chamber of Commerce of Rotorua—those who claim to have authority to speak for Rotorua—say that the line that must first be constructed is the Tauranga line. They say their goods should come through Tauranga and not from Auckland—that they want their opening to the world through Tauranga, and they want thirty-four miles of railway which will cost £400,000 as the first condition. That is the first outlet. They say, “Our first demand is for £400,000 upon this railway to Tauranga,” and another £400,000—from that to £500,000—for the other line, or something in the vicinity of a million of money before the people in the neighbourhood of Taupo can get access. Is it not playing with business men to suggest that access will be given in this way within a reasonable time to these 2,000,000 acres? I repeat that it is an effort to cloud their real purpose. Their purpose is to delay and not to promote access to Taupo and Wairakei. It is an effort to concentrate the traffic in Rotorua. When you contemplate what New Zealand has done for Rotorua, this desire to sacrifice the interests of others is the more remarkable. The Government has leased, as you know, sections in Rotorua at £15 a year on which goodwills have been paid amounting to £400,000. There is no place in the Dominion where the Government has done more to put money into the pockets of the people than at Rotorua. I pass from that phase of the question feeling that the matter requires no further elucidation, because it must be perfectly obvious that these people do not want to give access to Taupo. I say frankly that our fear is Rotorua and the influences which Rotorua can bring to bear against us. If this line is damned, it will be damned by Rotorua, and it will spoil the future of this great area. Rotorua says it wants access *via* Tauranga, and Taupo settlers say they want their goods from Auckland. The Taupo people say, “Why should we take our goods by a circuitous route?” Next, as regards Auckland. Auckland has a right to be considered, because if that great area is developed the increase in business with Auckland will be very great indeed, as it is the nearest large centre. The needs of the settlers would be supplied from Auckland, and to Auckland their produce would go. At any rate, Auckland is vastly interested in this great area and in the acquisition of this line by the State. The best evidence of that is this: that the two Auckland newspapers, which hold divergent views on political subjects, upon this question are at one, and both papers have in full detail given reasons why the State should accede to the request I am now making; and that the people there are in favour of it I have no reason to doubt. I will conclude by asking the Committee to regard this matter not from any local interest, but from the national interest. The remnant of our Crown lands is fast disappearing. We cannot as a matter of policy continue to spend enormous sums of money in purchasing areas of land at high prices; but here, lying within easy reach, are 2,000,000 acres which can be got for a small sum, and which are fit for small settlers, and with an excellent climate. I ask you whether you are going to allow the progress of that large area to be blocked because of some objection apparently of the haziest kind on the part of the Trades and Labour Council in Wellington. Are you going to accede to Rotorua objections and decide that it is better to keep this area of land idle for fifteen or twenty years, to be the “happy hunting-ground” for noxious weeds and rabbits, than to help the men who have settled and want to settle on these lands by completing and purchasing this railway? But there may be principles involved that are beyond my comprehension. I hope the Committee will view this matter in a businesslike way instead of being swayed by the nebulous objections which we have so far heard.

1. *Mr. Buchanan.*] Dr. Findlay, in the course of his address, laid stress on what I have not been able to discover in the petition. I have got clauses 12 and 13 in the petition, because I

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. Laurensen.*] 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.

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.

FRIDAY, 6TH SEPTEMBER, 1912.

WILLIAM CHARLES KENSINGTON sworn and examined. (No. 2.)

1. *The Chairman.*] What is your occupation?—I am a retired Civil servant and am a settler now.

2. Do you wish to make a statement?—I think it will save the Committee's time if I make a statement. On page 25 of the report of evidence taken last year I gave certain evidence in my official capacity as Under-Secretary for Lands, with all responsibility, knowing that there were two rival parties before the Committee with two rival railway schemes. To-day I appear in a private capacity to give the Committee any information it may require. I would first ask whether my evidence in my official capacity will be taken as read? It is in the papers before the Committee. If so I would then like to make a short statement as to the value of the pumice lands and in connection with the extension of the railway.

3. What do you mean—your answers to questions?—No, as to the areas of land in paragraph 3 to paragraph 5, including the description of the land and the areas.

4. *Mr. Buchanan.*] If Mr. Kensington wishes this evidence to be taken as read it will be necessary for members of the Committee to have copies?—I will read the evidence: "Q. 2. Would you like to give a statement of your own?—I presume that the information the Committee require from me is as to the area of Crown land that might be influenced by the proposed extension of the company's railway-line, and the general character of the soil, and then that I should be ready to answer any questions. Q. 3. Yes?—I produce a map on a scale of four miles to the inch showing in pink the various Crown lands within a radius of thirty miles from the Town of Taupo. The whole of these lands I do not consider would be influenced by this proposed railway-extension. I think the lands that are marked red, the total areas of which I will give, may be considered as being more or less within the influence of the proposed extension. The map will be placed before the Committee. I think there are about 166,800 acres of Crown land that might be said to be very nearly influenced by the proposed extension." The present terminus is shown by a blue line on the map.

5. Is there any difference between the maps shown this year and last?—Very little. I do not think there is any difference between the areas marked by the colour pink. Mr. Myers then asked (Q. 5), "Is that indicated by the red marks on your map [the 166,800 acres of Crown land]?—No; I have drawn a thirty-mile radius from the Town of Taupo. The present terminus of the Taupo Totara Timber Company's railway-line is shown on the map by a blue line. The actual distance in a direct line from the end of the railway-line to the Town of Taupo is between twelve and thirteen miles. Then there is another 184,441 acres that would be benefited outside the first area I mentioned—that is to say, benefited in a secondary degree. These areas make a total of 351,241 acres of Crown lands, which I consider would be benefited by the railway-extension. There is a further area of 64,000 acres of Crown lands, but I consider that would come within the influence of the Rotorua railway-line, and not so much within the influence of this proposed extension. I have now dealt with 415,241 acres of Crown lands, and even part of the 64,000 acres comes within the thirty-mile radius from the Town of Taupo. Perhaps I had better now speak as to the general quality of the soil. I know the whole of these lands, although I have not been all over them. I have seen the rest of the land from the summit of Tauhara Mountain. The areas within the limits of the 166,800 acres I mentioned are of a variety of quality of soil, mostly what I should call pumice-and-gravel formation. Wherever the land is forest-covered there is a far better quality, there being a good deal of soil upon it. With regard to the lands that are immediately benefited, the greater portion is also of a light pumice formation. The same remark applies to the 184,000 acres and the open portion, and any forest originally existing upon it has been burned long ago, and apparently there is a little soil mixed with the pumice. Then, we have lands that are just within and partly outside the thirty-mile radius which are more or less heavy-forest lands. These are of a fairly good quality. These would come partly within the 184,000 acres. The quality of the land not covered with forest is light pumice and gravel land. I stated that the greater portion of the Crown lands within the second area of 184,441 acres was mostly light pumice land, with a very little soil mixed with it in parts; but that the other portion which is just on the verge or edge of the thirty-mile radius is chiefly forest land, and most of it is of fairly good quality." That is the evidence I gave as to the areas of these lands. To save the time of the Committee I would like to describe roughly that in the last two years there has been an extraordinary change in public opinion as to the value of these pumice lands. As far back as six or seven years ago no one looking at these areas would have thought of taking up these pumice lands, or would have thought that they could cultivate them with success; but to-day the feeling in connection with these pumice lands is completely changed. There are settlers now in occupation of exactly the same class of land, holding from 400 to 600 acres, who find that they can profitably farm it in the areas I have mentioned. I notice that Mr. Earle Vaile, in his evidence last year before the Committee, said that over the good portion of this class of land so low an area as 200 acres would be sufficient for a settler to make a good living upon it. That area was in the very good portions; but I say myself that nowadays a settler could do with from 300 to 500 and 600 acres; I believe also that with proper and close farming settlement of these lands could be made to pay well and yield to a man a very good living. The position is this: that if settlers take up forest lands they have to pay for the felling of the bush, the burning, and then the grassing; and by the time the whole of this is done the expense connected with it does not stand them in much less than £3 an acre. Then these lands are still covered with stumps and cannot be ploughed. They have to be surface-sown with grass, and cannot be ploughed until the stumps are rotted; while with these pumice lands, which are open lands, they can be brought into profitable occupation and be made to yield a

very good living by being treated with phosphates and manures. I understand that evidence will be given by settlers that you can bring the lands into profitable occupation and sow it down in grass at a cost of about £2 10s., and certainly not more than £3 an acre. Speaking as a late Under-Secretary for Lands in charge of the State forests, I have noted the extraordinary growth of the pumice lands in the State forest plantations. About ten or twelve years ago, on the wind-swept plains of Kaingaroa beyond Waitapu we tried the experiment. Areas were just fenced in, inside of which *Pinus insignis* and larch were planted, and to-day you will see there trees 20 ft. high, while the larch-trees are growing splendidly. I am only giving you an example of what the pumice lands will bring forth in their present condition without manure. Yesterday Sir John Findlay made reference to the large area of Crown lands—350,000 acres—at Taupo, and it is true that there is a very large area there, also that it is unlet at the present time, or at any rate 242,000 acres of it. There are about 81,000 acres held under temporary grazing lease from the Auckland Waste Lands Board by different persons. Nearly the whole of this land was offered ten or twelve years ago in large areas for pastoral runs, but they lay for many years because no one would take them up. At that time no one would look at pumice lands, because their characteristics were not understood. Sir John Findlay referred yesterday to the education reserves. There is an area as an educational endowment of 17,865 acres included in these 350,000 acres mentioned, and 8,000 acres or so are held as scenic and bush reserves. My opinion is that within a very few years it will be found that on areas of from 500 to 700 acres people will be able to make a good living when there is easy transit for manures, and that it will be extremely profitable to work this class of land in small areas. I do not think these lands can be worked as runs except with large capital. They need to be worked in small areas with close settlement. The other question which came up last year and was mentioned yesterday is the question as to the railway-line which would best serve these lands. Now, supposing you had no railway such as that line run by the company from Putaruru to Mokai, then undoubtedly most people would say the proper thing would be to carry on the railway-line from Rotorua through the Waitapu Valley to Taupo. But we are faced with the position that there is a railway or tramway already constructed which is now open for traffic from Putaruru to Mokai, and which is now carrying goods. Only another fifteen to twenty miles are required to bring the line into Taupo. Therefore it seems to me that it would be far better for the Government to take over the company's line at £180,000, at which it is now offered. That is my personal opinion, and is not given in any official capacity. By and by the whole of these lands from Putaruru to Taupo will be cut up and brought into profitable occupation. It would be better to take over that line to be completed into Taupo for £180,000 than to wait for the possible line from Rotorua onwards, which cannot certainly be built for less than from £6,000 to £7,000 a mile. There are fifty-six miles of railway to be constructed, or probably a little less, from Rotorua to Taupo, and it is all fairly easy country. I know the country very well indeed, and there are no engineering difficulties except that it will probably have to cross the Waikato River twice, but it cannot be built under from £6,000 or £7,000 per mile. So far as opening the Crown lands is concerned, the line from Mokai would serve the Crown lands better, to my mind, than the line from Rotorua to Taupo. The argument used by Mr. Vaile last year was that there are large areas of Crown lands to be opened up by the line from Rotorua to Taupo, but the lands he refers to are lying to the east, as will be seen by the plans. That is all I wish to say, but I shall be glad to answer questions.

6. You referred to the change in public opinion as to the value of the pumice lands: can you explain to the Committee why, in view of that change of opinion, the Government has not had these lands cut up within the last few years and offered to settlers who are clamouring all over the Dominion for land?—I was partly responsible for that when I was Under-Secretary for Lands. I did not consider there was sufficient warrant to offer the land, because there were no means of getting manures and so on upon it. It is absolutely necessary that these lands should be well manured before they can go into profitable occupation, and before the settlers had a line to Taupo they could not be profitably opened for selection in small areas.

7. Did you as Under-Secretary for Crown Lands have many applications? Can you give the Committee any evidence of public demand for this land?—There were comparatively few applications. We had a large number of suggestions at different times that if we could only cut up the lands into small areas they would be immediately occupied. We had a number of schemes proposed by different persons for cutting up the areas into 600- to 800-acre blocks, but it was always proposed that there should be some scheme for advancing moneys, manuring, &c., and obtaining cheap access.

8. The company's line is opened to Mokai, and has been carrying goods at reasonable rates for some time: is that not so?—It is.

9. Is not the tramway within reasonable distance of very considerable areas of those Crown lands you have been describing?—No. There is no direct road from the present terminus—no properly constructed road—which would enable those lands to be opened.

10. Have you not in various parts of the Dominion—Whangamomona, for instance—settlers who have been on the land for some years in a country that has an immeasurably worse access than is available on this open country at this present moment?—Possibly that might be so, but all the Taranaki lands have been tremendously run after. People have taken up forest lands in that district which have no access for the last three or four years.

11. *Hon. Mr. Ngata.*] And no manure is required there?—No manure. You could just turn your cattle or sheep on to the land after the forest has been burned and grass sown.

12. Can you say that the manure could not be carried at a reasonable rate across this open country spoken of?—From the end of the Mokai tramway?

13. Yes, I mean at present?—Of course, it could be packed, and that sort of thing.

14. Yes?—I cannot answer that question, but I suppose it could be.

15. Have you not told the Committee that the country is open?—I also said that there is no road constructed at present.

16. Could not the settlers from Mokai, and other points before you come to Mokai, by means of bullock-drays or by other means which settlers contrive to get their goods carried, get their manure delivered upon their sections at reasonable rates?—I am not prepared to say that settlers could not get manures on to their sections, but it would be very costly indeed. That is the whole point. By the time the manures were delivered at Mokai from Auckland and then carted to their sections the cost would be very great.

17. I am referring to the cartage?—I think it could be carted.

18. At a reasonable cost?—That I am not able to say.

19. You said that the unreasonable cost of cartage was the deterrent?—I said there had not been any demand for this land except during the last two years, when there had been an awakening of public opinion as to the value of pumice lands.

20. Will you think it over again and say whether it was during the last two years that this awakening took place?—I said "two years."

21. Is it not a fact that this change of opinion took place much more than two years ago?—Quite possibly. I am only speaking of my own observations. It might have been three or four years, or as far back as five years ago.

22. You expressed an opinion that this Government land could be occupied in from 300- to 500-acre areas?—Yes, up to 800.

23. Do you give the Committee this information from your own personal experience?—It is my own personal opinion. I want you to distinctly understand that.

24. Have you been a practical farmer?—No, I am not, I am sorry to say. You will have the evidence of practical farmers, which will be of infinitely more value than mine.

25. Will you explain to us why a farmer in a large way with proper equipment, with the latest labour-saving appliances and a sufficiency of capital, could not farm as profitably—I am looking at it from a narrow business point of view, not from the value to the country in the matter of close settlement—on those lands, as a small farmer with from 300 to 500 acres could do?—It is a question not only of enormous capital, but of closer cultivation of the land. What I think pumice land requires is that it should first be cleared from the fern, then ploughed, disced, and manured, then sown down in grass with 2 cwt. of manure to the acre. Probably after three years you would require to plough it again. Every time you bring it into cultivation and plough it the land gets better. The consolidated soil from below that is brought up is often much better than the surface soil.

26. You make a distinction between pumice so called and the soil referred to in the printed evidence on some of the land where there is a very little soil, the rest being pumice and gravel?—Yes.

27. What is your opinion as to the probable benefit to be derived from continuing the manuring, say, after a dozen years hence? Would the manure have the same beneficial effect after cultivation, say, after ten years, as it has now?—That is a question entirely for experts to answer: I am not a farmer. I could not answer it because I could not speak from my own experience.

28. You referred to the extraordinary growth of timber at Waiotapu?—Yes.

29. Is that any guide as to what would be produced in the way of ordinary farm-crops?—Yes. I think the capacity of the soil is very much better than we imagined. Looking at the land no one would think there was so much possibilities of growth in the pumice soil.

30. How would you apply that to the poor land in the north of Auckland, which grows such magnificent kauri timber: you would not call the soil which grows such timber a first-class soil for farming purposes?—The kauri may be thousands of years old. A good deal of that soil may originally have been splendid, and been absolutely exhausted by the kauri.

31. *Mr. Hindmarsh.*] You would not seriously recommend a system of intense cultivation on this soil?—Yes, I would, under the conditions I have mentioned.

32. Most of this land is covered with tussock-grass?—No, fern.

33. Is it anything like the land between Waimarino and Tokaanu?—Some parts of that land are very poor.

34. You do not suggest that farmers would lease that land?—A few years ago they would not have dreamt of taking up the land for turnip crops, but they are doing so now.

35. Have you read what Mr. Bailey says in the *Journal of Agriculture* as to pumice lands?—I think the proper thing is to take the evidence of settlers themselves.

36. To be straight, you do not know anything of the value of these pumice lands?—I do. I have seen exactly what has been done, and have watched them very carefully for years. I venture to say that in five or six years you will find pumice land occupied by people who would not previously have looked at it.

37. You say it can be improved by the application of phosphates?—Yes.

38. There is a splendid climate?—Yes. I am not pretending to say what class of manure the farmers should use.

39. Are you aware that Mr. Thomas Mackenzie proposed to establish a small farm up there to find out whether anything could be done with these pumice lands or not?—I know the Agricultural Department has been making experiments.

40. They brought the soil down here and analysed it?—They experimented on a place between Galatea and Taupo. I am referring to the printed evidence given by Mr. Clifton last year.

41. *Mr. MacDonald.*] In reply to Mr. Buchanan you said you were not a farmer?—Yes.

42. You know that the country around Rotorua is practically the same as that from Mokai to Taupo?—Yes, I have known that since 1870.

43. You know the Te Ngae farm on the road from Rotorua?—Yes.

44. That Mission Station on pumice land has been in occupation for fifty years?—Yes.

45. And that is where the Meat Company keeps its fat stock?—Yes.

46. That is carrying grass as well as any lands in the Waikato at the present time?—Yes, that is within my knowledge.

47. *Hon. Mr. Ngata.*] You say that if the tramway were extended from Mokai to Taupo it would then open up better lands than the unoccupied Crown lands in that district?—Yes. If extended from Mokai to Taupo it would be the means of giving access to all the Crown lands I have mentioned, and to all the Native lands as well.

48. Where are the bulk of the Crown lands which are unlet?—Just south of the Waikato River and then going on beyond Taupo. They are scattered all over the district within the watershed. The extension would go through nearly all Crown lands, except one block.

49. I think you said 81,000 acres were let?—Yes, under grazing licenses.

50. Are they grazing stock—cattle?—I do not think they are doing anything with them at present, or very little.

51. With regard to the classification of the areas into which the blocks would be subdivided, from 300 to 800 acres: would that apply generally, or only to agricultural portions?—I said from 300 to 800 acres, but in some cases it might require 3,000 acres. But I am speaking generally of land required for close settlement.

52. That would bring it within the means of small farmers?—Yes, that is my opinion.

53. You know Captain Mair's farm?—I do.

54. Have you been on it?—Yes.

55. That is on pumice land?—Yes.

56. I believe Captain Mair has won prizes for turnips at the show?—Yes, they cultivate turnips. It is the same class of country.

57. *Mr. Wilson.*] What would you say this country would carry under the conditions you speak of?—By and by, with proper cultivation, I should say most of the land will carry a sheep and a half to the acre—perhaps up to two.

58. You think this country is better than the down country at Taihape?—No, that country carries two sheep to the acre in some cases.

59. What would it cost for that?—£2 10s. per acre to bring it into grass.

60. Would it not cost that for the first crop? Is it not usual in a new country to sow clover?—Yes, but a number of settlers put it into grass at once.

61. That is not considered the best plan?—That is a matter of opinion—farmers differ.

62. How long does the grass last?—After being down three or four years it ought to be ploughed in again, then it would last a long time after that. It is purely a matter of opinion.

63. Do you not think yourself, after your long experience, that it would be better to give this country in large areas?—I used to think so, but now, if cut up into farms of from 300 to 500 to 800 acres, I believe that land will be found to be more profitable eventually when farmed in areas of that size.

64. *Hon. Dr. Pomare.*] Did you say that the extension of that line would go through Crown lands only?—Nearly all Crown lands. There is one Native block—the Tatua West—the rest is nearly all Crown land.

65. It is Crown land that would be benefited principally?—No, the whole of the Native land around would feel it.

66. The immediate lands adjoining would be the Crown lands?—Yes, most of it, except at Wairakei.

67. *Mr. Buick.*] You say you are intimately acquainted with this country?—Since 1871 or 1872.

68. And there is a great difference in the class of country?—Bush land is considered good land.

69. You think, notwithstanding Mr. Buchanan's questions, that the lands cannot be profitably worked unless you have cheap transit for manure?—That is my idea.

70. And is there any line of route that would serve both this country from Taupo to Rotorua and from Taupo to Putaruru on the company's line?—I said that had there been no line built from Putaruru to Mokai, then undoubtedly one would have said the proper line would be that from Rotorua; but as this line has been built and is in working-order, and will serve the country just as well as that lying to the east, it would be better to have the present line.

71. But the line from Rotorua to Taupo could not have served the country now being served by the present line?—No, it could not.

72. *Mr. Collins.*] Some ten years ago this area was offered as temporary grazing-run, and was not taken up?—The greater part of the land had been offered under pastoral license.

73. Now, the terms of a pastoral license are that the Crown can resume the land at any time on notice to the tenant?—No, if classified as pastoral agricultural land you can resume.

74. Can you tell us how this was classified?—As pastoral land, and therefore could not be resumed.

75. Except at the end of twenty-one years?—Yes. It could then be resumed by the Crown.

76. On payment of compensation for improvements?—There is no improvement until after twenty-one years, except that it is loaded with the value of sheep-proof or rabbit-proof fencing.

77. The rental in such a case is not less than 2½ per cent. on the value of the land?—That is the small grazing-runs. A very low value was put on them about twelve or fourteen years ago.

78. The object of this mode of settlement was to bring inferior lands into cultivation while at the time retaining the freehold in the hands of the Crown?—Probably.

79. Assuming that this land is to be offered as small grazing-runs, a basis of rental has to be arrived at?—Yes.

80. What is the basis?—The land is valued by the Crown Lands Ranger, and it might be 15s., £1, £1 5s., or £2 an acre. It is not less than $2\frac{1}{2}$ per cent. on the capital value.

81. The capital value is based on the present productive value of the land?—The present value. It is absolutely unproductive at the time it is leased.

82. That is to say, the prospective value is not taken into account?—No.

83. The Crown gets that prospective value at the end of the term—I am assuming that these lands are leased as small grazing-runs?—Under the present Land Act the lessee, if the lease is a small grazing-run, has the absolute right of renewal.

84. What is the original year of that enactment—1892?—The first Act was in 1885.

85. But the perpetual right of renewal?—That is under the Act of 1892, and was continued in the Consolidated Act of 1908.

86. Have you considered the commercial aspect of the proposition the Taupo Totara Timber Company is putting forward—the probable profit and loss account?—You mean, as far as the Crown is concerned if it purchased the line?

87. As far as the company is concerned?—I have nothing to do with the company. The point of view I have given evidence upon is as to the advisability or value to the Crown of taking over this line.

88. What percentage of acreage would you put on it?—I cannot say; I would require a valuation to be made.

89. *Hon. Sir J. Findlay.*] You know the geographical position of these lands very well?—Yes.

90. Do you know whether the railway from Rotorua would feed the lands on the western side?—About four or five miles back there is a high ridge, and I do not think roads could easily be got through.

91. I said the railway from Rotorua to Taupo could not feed these lands on the western side: is that statement correct in your point of view?—Yes.

92. You have known these lands for thirty-odd years or more?—Yes.

93. Mr. Buchanan asked you a number of questions, and may I direct your attention to your answer to him. On the question of the productivity of this pumice land, has it passed out of the experimental stage?—It think it has now, within the last two years.

94. Have you any instances of actual trial and success to prove that statement?—Yes. I am referring to the settlers in what is known as the Selwyn Settlement. That is an estate that was purchased by the Crown under the Land for Settlements Act.

95. What is the nature of it?—The greater part of the Selwyn Settlement is classed as pumice lands, and the portion towards Waotu is very much the same class of land as these lands we are discussing along the route and at the terminus of the railway-line.

96. Then the Selwyn Settlement affords you a basis of comparison with the class of lands with which we are now dealing?—It does, particularly the lower portion beyond Putaruru.

97. What success have the settlers had in this class of land in the Selwyn Settlement?—I understand they are quite satisfied with their prospects.

98. Have they treated the lands in the manner you have suggested?—Yes, from what I have seen myself.

99. I put this general question to you, Mr. Kensington: how many years were you connected with the Lands Department of this country?—Ever since the 1st September, 1864.

100. Do you believe it would be a good and profitable thing for the Government to acquire this line on the terms offered?—I do, from what I heard you say yesterday.

101. On that assumption?—On that assumption I believe it would be a good thing.

102. You did not state what area of Native land was embraced within these boundaries?—Your statement is perfectly correct—as far as I know myself—about 800,000 acres.

103. *Mr. Young.*] You know the country to the south of Lichfield through which this present tramway goes?—That is the country I was referring to just now.

104. The open tussock country there you are familiar with?—Yes.

105. You are familiar with the Lichfield and Putaruru lands as they were in the early days?—Yes

106. Is that land similar?—Yes, a good deal of it, undoubtedly.

107. And you are satisfied that on that tussock country the same can be done as during the last fifteen years on the Lichfield and Putaruru estates?—Yes, on a great part of it. The greater portion of the land was of the same quality as the lands of the Selwyn Estate. In the vicinity of Lichfield and Putaruru there is an area called the Tokaroa Plains which is not quite as good.

108. *The Chairman.*] You have no connection whatever with the company?—None whatever of any kind.

109. You have simply come here in the public interests?—Yes. I do not hold any shares in any company in New Zealand.

110. *Mr. Buchanan.*] Do you know the neighbourhood of Karioi?—I do, on the Main Trunk line.

111. My attention was invited once to a magnificent crop of potatoes on the edge of the bush there. That I think was the finest crop of potatoes on pumice land that I ever saw. A few years previous this area also carried a crop of potatoes, on this open land [place shown on rough plan]. That had been bush too, but when I saw it it had its second crop of oats—starved, stunted, poor. Here was a magnificent crop of potatoes, and here a crop of oats—starved, poor, 2 ft. in length; and out here scattered tussocks of cocksfoot slowly starving out, all addicted to successive process of crops?—No manure.

112. No. How would you account for the failure of the crop of oats?—I presume that when you burn the forest there is potash left, and the potatoes had practically exhausted that class of land, and they had put no manure in afterwards. Karioi is very much colder than anywhere else.

113. Do potatoes suffer from excessive cold?—Yes, from frosts, certainly.

F. C. BARNETT sworn and examined. (No. 3.)

1. *The Chairman.*] What is your occupation?—Settler, at Putaruru.

2. Do you desire to make a statement?—I would be pleased just to say a few words expressing briefly my experience as a farmer at Putaruru. I am a Crown tenant, and took up my first land something like seven years ago. Of course, this land was all held by the Thames Valley Company, and was not open for selection until acquired by the Government, and that is the reason why it was not taken up and put into small settlements before. However, the Government took it over then, and cut it up into closer settlements, varying—the majority of it—from 300 to 450 and 500 acres. The trouble was that there was no creamery in the vicinity, although the people had gone on the land and proved it to be capable of producing grass and milk. However, I attended a public meeting there at which a resolution was passed to write to the Dairy Farmers' Association inviting them to come and erect a creamery. When they received our note they held a meeting, at which one of the directors, who had been over this country some twenty years previously, made a statement that he thought it was quite out of the question, for the land up there was utterly useless. However, after a debate, it was decided that they would come up and interview the settlers at Putaruru. The settlers met them at the train and drove them all round the farms that had recently been taken up, and that night they held a meeting at which Mr. Spragg briefly stated to the settlers the opinions expressed by the director when our note was received. However, he said, he would ask that gentleman to get up now and say if he was in a position to repeat his statement. The director rose up and said, "It is quite true that when I received your correspondence I made a statement at the meeting that the application was absolutely useless so far as this country was concerned. However, we decided to come here and see the country in its present state, and it gives me pleasure to state that the opinion I expressed is absolutely wrong. The country has so changed within the last couple of years that I have every confidence now in recommending our company to establish a creamery."

3. Did they establish a creamery?—Yes, they immediately did so.

4. About how long ago?—About six years ago. There had been no creamery within practically twenty-five miles of the place, and immediately the creamery was erected. There are now no fewer than four creameries within a radius of twelve miles, and one cheese-factory also within a few miles of Putaruru. That is absolute proof that the land is capable of closer settlement. There is no need to explain that no company would erect four creameries and a cheese-factory unless they could see absolute proof that the country was worthy of it.

5. What is the class of land?—It is similar land all through. I have been there twenty-eight years, and am practically the oldest settler there. I have only been farming at Putaruru since the land was opened.

6. *Hon. Sir J. Findlay.*] What area do you farm?—407 acres. It is the same class of land as the pumice country. When the land was thrown open it absolutely went begging for tenants. However, I took the opportunity to go there when I saw that the only trouble was the want of manure, and I came close to the railway, where there would be no expense in carting it. I might say that the first place I was at was Waotu. To show you what the backblockers have to put up with, practically up to two years ago we had no Government road to Waotu, but during the last two years a good road has been made. Waotu is within twelve miles of Putaruru. I was practically three miles beyond that, or fifteen miles away from Putaruru. It was very awkward to cart manure, but we managed all right, because I hold the farm to-day and did not have to sell it to get out of it.

7. *Mr. Buick.*] Do you consider the whole success of that company is due to the bringing-in of the railway?—Yes, that is absolutely the secret. All this country is called pumice country around Putaruru and Lichfield, and I am happy to be able to say that a few months ago I had the pleasure of driving the member for the district round the country and showing him turnip land which had 800 sheep on portion of it. It was absolute proof that with ordinary cultivation and treatment it will produce turnips equal to any other land.

8. *The Chairman.*] Was that on your farm?—No, about half a mile away. It was on the Taupo Totara Timber Company's railway-line. I also took him to my place, where I showed him 70 or 80 acres of young grass. Sowing was completed in April, and it was equal to any young grass within thirty miles of the district. It was equal to the best at Matamata and Cambridge. You may ask me what is the treatment to get such produce off the land. I have a few notes here that I will read. One refers to the person who sits down and pays for everything done, and the other refers to the person who does the whole of the work himself. It will cover what I heard asked with reference to large areas and small areas: Ploughing, 8s. per acre; discing, 2s. per acre; harrowing, 1s. per acre; rolling, 2s. per acre; drilling, 2s. 6d. per acre. Now, this is practically preparing the ground to produce what I have just said with regard to turnips and grass. That is a cost of 15s. 6d. per acre. Now, the grass-seed, roughly, costs £1 an acre. The manure some people put in is 2½ cwt. I believe where the turnips were sown it was 2½ cwt.; but my own was 2¾ cwt. for the grass. The total cost when doing your own work is £1 15s.—that is, from the closer-settlement point of view. When you pay for your labour it will cost you £2 10s. 6d. per acre.

9. *Mr. Wilson.*] What manure did you use?—I used on the ploughing super. and guano, half and half. Manures vary greatly in value. That shows you the difference between closer

settlement and larger settlement. I maintain that it is far more profitable and better for the district to have closer settlement, because the farmer has a better opportunity of making a success than the large farmer who has to employ labour. The farmer who employs labour has to pay practically £2 10s. 6d. an acre, while the small farmer can bring the same land into cultivation for £1 15s. Another important factor in regard to closer settlement is the milk. It is not fair to the land now to base its value on sheep. Sheep-running is a thing of the past, because the cow is far more profitable. There is no reason why a man cannot make a very good living out of 300 acres. Last year thirty-odd cows produced an average of £13 per cow.

10. How many cows exactly?—Thirty-four or thirty-six.

11. What is the area?—I think 321 acres—I am not quite sure, but, of course, there are horses and other stock, and then there was a good deal in cultivation. The same farmer has turnips growing so well that he had practically double what he could use himself, and therefore he let the grazing, and I saw about a hundred head of bullocks going off that same farm. I think I have explained that the land there is really far better than people thought. You know, if you give a dog a bad name you might just as well hang it, and that applies to the Putaruru land. It has got a very bad name for some reason, but if a person went there to-day to buy land which was valued by the Government at £3 he could not get it at £7 an acre. That, I think, is sufficient to prove that the idea of the country being no good should be abandoned.

12. *Mr Buchanan.*] The farm you still have is fifteen miles from Putaruru?—That is one farm, but where I am living now is Putaruru.

13. What would be the freight per ton for cartage?—There is no regular cartage out there. It means that you have to send in teams and cart it yourself.

14. What would two horses carry?—Two horses would be practically of no use; they could only haul an empty wagon, it is so rough. It took from four to five horses to drag 4 cwt.

15. Are there any bullocks there?—Only for the timber; not in connection with farming.

16. Do you mean to say a bullock-dray could not negotiate the road or track used?—I dare say it could, but it would not be profitable to use bullocks for carting manure.

17. You cannot give us an idea of how much per ton the cartage could be done for?—About £2 10s.

18. For fifteen miles?—Yes.

19. You said that a small farmer could do such-and-such work for so-much less than a large farmer: does that mean that you are allowing the small farmer the same remuneration for his work as the large farmer would have to pay?—A small farmer never counts his time. If he did he would never farm.

20. You told us about harrowing at 1s. an acre?—Yes.

21. With what team?—Two or three horses—it just depends.

22. You put that down at 1s. an acre?—Yes.

23. How much would you do in a day?—About 15 to 20 acres easily.

24. *Mr MacDonald.*] Harrowing is like the land—there are different classes of land to harrow. Your land is very easy to harrow?—That is so.

25. You can do it so much cheaper because the land is easily handled and easily worked?—Yes.

26. What is the name of the Crown settlement?—The Selwyn.

27. You are a Crown tenant?—Yes.

28. On what estate?—The Selwyn Estate.

29. You said about 15s. to £1 was the original price?—A portion of it was 15s. That was the original valuation of it some seven or eight years ago.

30. *Mr Young*] You are farming on several places in the Selwyn district?—Yes.

31. At Putaruru, and where is the other place?—Waotu.

32. Is your land at Waotu of the same character as that at Putaruru?—Yes.

33. It is open country?—Yes. It had been bush country some hundreds of years ago, as totara, matai, and maire can be found in the swamps throughout the district.

34. Is it dry country?—Yes, generally speaking.

35. There is no evidence of swamps at Putaruru?—None to speak of.

36. What was the condition of this land at Putaruru when you took it up?—Young tea-tree, and it was very poor land to look at.

37. What was the height of the tea-tree?—From 18 in. to 5 ft., according to the fires that ran through it.

38. What would be the young scrub on that country in its natural state—how high?—About 4 ft. high, barring the gullies.

39. How did you break it in first?—I just ploughed it up.

40. How did you use your scrub?—On a portion of it I simply ploughed the scrub in.

41. What would be the height of the scrub you ploughed in?—About 2 ft. to 3 ft.—of course, with drags on—special drags made for the purpose, somewhat similar to a bullock-yoke.

42. After getting that ploughed what treatment did you give it?—I have stock on it already. In the first week of April I completed the sowing, and put my stock on it in the first week of August.

43. *Hon. Sir J. Findlay*] What did you do to bring that about?—I went through the process I have already read out—harrowing, ploughing, rolling, and discing; but I gave it an extra rolling, which put it down in a good solid foundation.

44. A lot of this country it is proposed to open up, you are fully aware, does not grow any scrub at all?—Yes, right down in the flats.

45. Have you had any experience in treating that class of country?—No, but it is a similar class of country to Putaruru.

46. The country which runs through to Mokai—is not a great portion of that simply tussock country?—No; I do not suppose there is one-fourth of it tussock country

47. What size of section do you think would be necessary to enable a man to keep himself and his family?—It would vary from 300 acres to 800 or 900 acres; or you might extend it to 1,000 acres on the poorer country, or perhaps more broken country

48. What working capital would a man require for tackling that country?—I think he would want from £600 to £700.

49. You think it is no good a man tackling a country like this unless he has £600 to £700?—There have been men tackling the country with only a ten-pound note, but they have to struggle under great difficulties, working a couple of days on the farm and four days off it.

50. This land you took up at 15s. an acre increase to £5: what gave the increased value to that land?—Mainly showing the public what the ground would actually produce.

51. As the result of working the ground?—Yes, working it in a systematic way

52. Do you think it would benefit the State to take over this railway with a view to making it carry passengers and traffic?—Most decidedly. From a farmer's point of view in that locality it is absolutely necessary, because it is blocking the progress of the whole country. It is producing rabbits, which we have to poison.

53. You stated that thirty-four cows produced milk to the value of £13 to the cow?—Yes, that is the actual result. It includes the calves.

54. That is an exceptional case: what is the average?—I think I can safely say from £10 to £12 a cow

55. *Mr Wilson.*] Taking this raw country, what do you say it will cost to bring it into cultivation to produce £13 a cow?—I am not an expert, but can give you my experience as a practical farmer. I think after the second grassing most of this country will be able to graze a cow to produce that amount, or thereabouts. In the first place, some people put it into grass at the first going off. It is considered essential to cater for your cattle by growing turnips. It is the second ploughing that will produce the results I spoke of.

56. Take a piece of raw country such as we are dealing with, what do you say it will cost to bring it into such a condition as to return £10 or £13 a cow? Have you ever gone into that?—I think practically it will cost about the same as other country, because you always get a fair return.

57. You might not get any at all?—I do not agree with you there. I never saw any farm where you did not get some return.

58. Do you think it is better than or as good as any part of the Waikato country, or Te Awamutu?—Taking the worst country there, I think this is quite equal to it.

59. What will it cost you to bring land into cultivation to produce that amount of money you spoke of?—The cost of it is pretty well the figures I gave. The first ploughing will give you a fair living. If it costs you £1 15s. in the first place and you have to do it twice it would cost £2 10s. I will, roughly, say about £4 to bring it into full carrying-capacity.

60. What would be the carrying-capacity in both sheep and cattle?—To be on the safe side I will say a sheep and a quarter.

61. And a cow?—I should say about 3 or 4 acres to the cow

62. What is the percentage of cows to sheep?—I think it is 3; 5, I understand, to horses; and 3 to sheep. I am not an expert.

63. But you are a farmer?—Yes.

64. Of how many years' experience?—Twenty years, more or less.

65. You say that when you have got this country into that position you will be able to run a cow to 3 acres?—From 3 to 5 acres. I will say 5 acres to a cow

66. Would you be surprised to learn that it would take 10 acres to a cow on your own figures? Take your own place?—If you are referring to the 300 acres at Waotu, I have not had it all in grass.

67. How many horses have you in your team?—Three horses.

68. Heavy draught?—Medium. I worked four and have worked three. If the hill is steep I use three, and if very steep four

69. Are the prices you gave us contractors' prices?—I think that is the contractors' price.

70. Do you ever contract?—No.

71. Could you get me a contractor if I added 10s. to your price?—Probably there is a witness who will give evidence who is a contractor

72. You say you put 3 tons of manure in to the acre?—No, 3 cwt.

73. How often do you put that on?—It varies from 2½ cwt. to 3 cwt. about every third year I give it a top-dressing of basic slag

74. Is it not usual in the Waikato, in the poorer countries, to break it in, plough it, and put it in clover, about 2½ cwt.? You say in this country you can do it in two years, although you admit that the Waikato country is better?—You put your grass in, and that may carry you on for four years. It is a matter of opinion. You use clover, and I put in rye with clover, because rye will give you an immediate result. In three months you can get a reasonable amount of feed off rye. If you put in clover in the autumn you will not be able to feed it off before November to any extent; on the other hand, with rye-grass you can feed it off in August.

75. *The Chairman.*] If I understood you correctly, you said that it cost £1 15s. to prepare the land and grass it if you did your own work?—Yes.

76. Then you told us that it cost 15s. to plough, disc, and harrow it, and get a seed-bed. Then you told us it cost from 15s. to £1 to grass?—Roughly, it pans out £2 10s. 6d. if you pay for your labour

77. What is it if you do your own work?—If you do the work yourself you do not count your preparing. You do not count your own labour on a farm.

78. Is the country between Putaruru and Mokai the same as the land you are on?—It is very similar.

79. Is there any settlement along that way?—There is a settler who is living some thirteen miles out there, who will give evidence.

80. Is there any quantity of settlement?—Not as far as I know. I believe there is at the Waikato River, some thirty miles away.

81. What number of settlers are there out that way?—Not more than half a dozen.

82. And the line is fifty miles long?—Practically.

83. I understand from the Order in Council and the evidence I have read that the company carry manures at reasonable prices along the line?—I believe so. I am not qualified to give evidence on that.

84. And the land along the line is available for settlement?—No; a good deal is Native land and a good deal Crown land.

85. It has never been available for settlement?—It has some miles out, and this has been taken up a little while ago.

86. *Mr. Buchanan.*] You reckon 3 cwt. for the manuring?—Anywhere from 2 cwt. to 3 cwt.

87. You put down 15s. as the cost of manure?—Yes.

88. Will you give the Committee the detail of how that is made up? It costs so-much in Auckland, freight so-much, and cartage from Putaruru?—I never used very much manure where I was before.

89. Put the cartage on one side: tell us how you make it up to 15s.?—A good deal depends upon your manures.

90. You have mentioned phosphate and basic slag: what is the first cost?—That generally costs me about £5 to £5 10s.

91. Have you been able to get first-class phosphate at that?—I am not able to say whether it is first-class or not.

92. And the basic slag—what is the quality of that: you know there are different qualities?—Yes; that generally runs about £4 10s.

93. What is the railage from Auckland?—That I could not tell you. I get most of my manures from an agent.

94. *Mr. Collins.*] Are you in favour of the company's land proposition? One alternative proposition is to acquire 200,000 acres of Crown and Native land: are you in favour of that?—No. I am strongly in favour of the Government taking over the line, but failing that, I am in favour of the other proposition.

95. Now, supposing the company were given this power, what in your opinion—very approximately—would be a fair price to pay the Native owners? One of the hapus north of Taupo, I understand, is objecting?—A good deal depends on the bush area. The bush is worth a little bit more. But approximately, about 10s. an acre as an average.

96. Supposing it would cut up into small blocks, what price would you expect it to fetch in the market?—I should say, from 15s. to 30s. an acre.

97. Provided suitable roads were first furnished before the cutting up, how much would you expect it to fetch in the open market: I am dealing with the lands between Mokai and Taupo?—I would not like to deal with it at all.

98. Not the good land?—No, because I think the freight on manures absolutely kills it.

99. Taking the extreme distance it would only be sixteen miles to the present terminus?—I might say that the price is much higher to maintain your horses.

100. You anticipate a considerable increase in values?—Yes, with a line through it.

101. *Hon. Sir J. Findlay.*] You have been how many years in the district?—Practically twenty-eight.

102. How many years have you been farming in the district?—Off and on, over twenty years.

103. And on this pumice land all the time?—Yes.

104. I want to clear up what has apparently become a little confused: you took up some of this land in its virgin condition?—Yes.

105. In the same condition as the vast area enclosed in this line to-day [map referred to]?—Yes; that is to say, similar to land at Putaruru.

106. In a similar condition?—Yes.

107. And seven years ago you began to farm it?—Yes.

108. It was valued then at 15s. an acre?—Not exactly that. I have two places at Putaruru. The one I began at seven years ago I took up at a little higher rate. It was valued at £5 an acre, but not from a farming point of view.

109. Confine yourself to what you took up for farming purposes: what was it valued at?—15s.

110. That was absolutely in its virgin condition?—Yes.

111. What is that land worth to-day?—I should not like to accept £5 an acre for it.

112. What would you consider it has cost you, net, to bring it into that condition?—I suppose, from £600 to £800.

113. If you were to get £5 an acre for 407 acres you would have £2,035. It was based on a value of 15s., which would be about £300, and it has cost you from £600 to £800 to bring it into its present condition: that works out to a profit of about £1,000?—Yes.

114. In addition to this increase in the value of the property, have you made any profit out of the land?—I suppose I have, because all I have made I have put back again.

115. I suppose we may take it that you have done fairly well there?—Yes.

116. You know the Selwyn Settlement?—Yes.
 117. There are over a hundred settlers there?—Yes.
 118. Do you know if they have done comparatively well?—Yes. Several have sold out, but at a good profit.
 119. The whole settlement was settled when?—About seven years ago.
 120. When there were over a hundred settlers?—Yes.
 121. The land being similar in quality to what you have taken up?—Yes.
 122. And similar in quality to this large area [map referred to]?—Yes.
 123. The settlers have treated the land in much the same way that you have done?—Yes.
 124. And all have done well?—Yes.
 125. Do you know the character of the land lying to the south of Putaruru?—Yes.
 126. Are you able to pledge your oath that it is about the same character of land that you have taken up?—It is similar.
 127. Are you satisfied that the great bulk of that land about Putaruru is capable of profitable farming?—Absolutely certain, in small areas.
 128. But only if a railway provides access?—Yes; otherwise it is absolutely useless.
 129. There has been some settlement down the line: do you know the Smith Block?—Yes.
 130. You know there are some settlers there?—Yes.
 131. If the company gives its line up what position would they be in?—A very difficult position.
 132. Taking the southern settlement, what effect would the pulling-up of the line have upon it?—I heard one person make a statement that he would get out of it as soon as possible.
 133. *Mr. Wilson.*] It would be absolutely useless for a man without money to go on this land?—A man wants money certainly to make a quick success of it.

TUESDAY, 10TH SEPTEMBER, 1912.

SAMUEL CROWTHER sworn and examined. (No. 4.)

1. *The Chairman.*] What is your occupation?—Coach-proprietor.
 2. *Hon. Sir J. Findlay.*] Where do you live?—Waiouru, on the Main Trunk line.
 3. You are in partnership with Mr. Macauley, coach-proprietor?—Yes.
 4. You have been driving on the road between Waiouru and Tokaanu for some years?—Yes, about five years and a half.
 5. How often?—Daily.
 6. Then I may take it that you know the country south and round about Lake Taupo?—I know all that country. I have been over the lot of it many a time.
 7. You were formerly driving from Napier to Taupo?—Yes, for twenty years.
 8. How long have you been in this Taupo district altogether?—About forty years and a half. I went there in the middle of March, 1872, and have been connected with it ever since. We have still got a small business there now. My brother is there now.
 9. In Taupo?—Yes. I have never been away from it.
 10. You have been connected with the district for over forty years?—Yes. I went there with the Armed Constabulary.
 11. As long ago as forty years was wheat being grown on lands south of Taupo?—Yes, at Tokaanu, on the flats. On the dry portions of the flats at Tokaanu wheat was grown by the Maoris, and they used to grind their own flour.
 12. What is that country like now?—It has gone back to brambles, briars, and manuka. It is good land, too.
 13. Can you say the crops grown by the Maoris were good?—Yes, very good. They grew potatoes, pumpkins, and kumeras—their usual food. They were the old Natives.
 14. Have you, alone or in partnership with others, tried cultivation on these lands?—Yes, at Taupo, Opepe, and Rangitaiki, on the Napier-Taupo Road. Rangitaiki is beyond Tarawera, and Opepe is ten miles beyond that.
 15. Whereabouts on the river?—On the western side of the river and road. It is on part of the Lochinbar Station.
 16. That is between a place called Tarawera and Taupo?—Yes, about twenty-two miles.
 17. Where else were you farming?—At Opepe, where the old military camp was.
 18. How far is that from Taupo?—Eleven miles.
 19. And the third place?—At Taupo itself. We grew oats there for two years. It has been in grass ever since and never had any manure.
 20. Is that land in the three places mentioned classed with pumice lands?—Yes, it is pumice land, and Rangitaiki was one of the most exposed places on the road. We grew very good oats. It is in grass now.
 21. Did you put much manure down?—Only what came out from the stables. It was too far to cart it from Napier on account of the bad roads.
 22. For how many years did you farm the Rangitaiki farm?—Thirteen years.
 23. And how long were you farming at Taupo?—Six or seven years, in different places.
 24. Did you farm at Opepe?—Yes, for two years on the one spot.
 25. On each of those farms you say you grew good oats?—Good oats and chaff, and grass afterwards. The grass at Taupo is still there, and any one can see it.
 26. You know the quality of the land generally through which the proposed railway passes?—Right through to Galatea. I have been over it scores of times.

27. Can you say how the quality of that land generally compares with the land you farmed at Rangitaiki and Opepe?—It is very similar. Some of the places are very inferior, but others are equally as good.

28. How would the average of this large area [map referred to] compare with the quality of the farms you had?—Most of it is a good deal better, particularly the lands on the western side of the lake.

29. Can we say that, on the average, it is as good?—Yes.

30. May I take it, shortly, that the areas you farmed showed that the land is capable of profitable farming providing there was access to it?—Yes.

31. It is not the poverty of the soil but the expense of cartage which is the difficulty?—That is so. The old settlers know it is not the soil. It is good fruit country, but the frost is a bit against it. Taking it all round it is good fruit country.

32. What access is there to these lands south of the Totara Timber Company's mills, including Tokaanu and the lands east and west of Taupo?—There is absolutely none. That is what has killed the place all through.

33. It is lack of access that has killed the whole place?—Yes.

34. Where you were farming at Opepe, where did you get your stuff from?—Napier.

35. What was the freight?—It was as high as £12 a ton, and I have known it to be £24 down to Napier, and £5 to Tarawera—£12 when I left Napier.

36. What is the nature of the land about Tokaanu?—The bulk of it is good farming land, but you lose a good deal of the pumice there. All the flats were growing wheat, and there is grass on the hills.

37. You are a coach-driver and have had large experience of the access to this country?—Yes.

38. And you have seen this map showing the boundaries?—Yes.

39. Would this area from Putaruru down to Waipahihi be served by the railway?—Yes.

40. That is, from north to south?—Yes.

41. And from the watershed of the eastern side of Lake Taupo to beyond Tarawera?—Yes, up as far as Herewihi.

42. Your opinion is that the whole of this area will be served by the railway if completed to Taupo?—Yes, and up to Titiraupunga—all of it can be served.

43. What you see coloured yellow on the map would be very well served by this railway when completed?—Yes, it would. There is no other way to serve it. The whole of the country has been isolated ever since I have been there.

44. If the railway were completed to Taupo it would serve the lake all round, and cheaply?—Yes, cheap enough for anything.

45. You know the bush country within this area coloured yellow?—Yes, I think I have been in most of it. The reason why I know the country so well is that I was butchering in Taupo before I started coaching, and used to buy cattle there from the Natives.

46. You visited the Native townships to buy cattle?—Yes, at all the settlements.

47. You know the forest country well?—Very well.

48. What sort of land is it?—Very good, and will take grass. Mr. Smith, at Taharua, has 600 acres that he has grassed—perhaps more.

49. How long ago?—I suppose it is ten years ago.

50. Is it good permanent grass?—It is good soil.

51. Where is it?—At Taharua.

52. How many miles is that from Taupo?—About twenty-three.

53. Can you give me any rough idea of how many acres of this forest land there is within the coloured portion?—I could not. There must be some hundreds of thousands of acres.

54. I point out to you the Taupo Totara Company's railway and show you country it serves [map referred to]?—Yes.

55. It is proposed by the Rotorua people to bring a line down here [map referred to], and I want you to tell the Committee what you think this Rotorua line would serve?—I suppose when it got to Taupo it would serve the area the same as the other line would. It would not serve anything to the westward of Taupo, or the westward of the other line.

56. Considering the country to be served, what line do you think would be the best?—The company's line, most undoubtedly—there is no question about it at all. It is already served up to the Waikato River.

57. I understand no one ever dies at Taupo, the climate is so good?—It is the best climate in New Zealand, bar none.

58. *The Chairman.*] You have been all over New Zealand?—No, but I would back it against any other place in New Zealand.

59. *Mr. Buchanan.*] You have given in evidence that you have been forty years and a half connected with Taupo?—Yes.

60. What may your age be?—I am sixty-four years of age, and a native of this city.

61. You have told about wheat being grown at Tokaanu and other places?—Yes.

62. Was wheat grown at Opepe?—No, I said Tokaanu, but oats at Opepe and oats at Rangitaiki.

63. Is there any wheat grown there now?—No.

64. Do you consider pumice land good wheat country?—Some of it is. Waiouru, for instance, is pumice land. There were 2 acres of wheat grown there as good as any that has been grown in this country. That is where I live at present, on the Main Trunk line.

65. Are you aware that there is a good deal more than pumice at Waiouru?—Yes.

66. Are you aware that there is a very free mixture of papa in the soil at Waiouru?—There might be.

67. You are giving your evidence on this question of land, is that not so?—There is papa a short distance from Waiouru.

68. Are you not aware that there is papa in this soil where the wheat is grown?—I cannot say there is papa.

69. You would not deny there is papa?—I would not deny it. There is papa in the cuttings, because the railway has proved that.

70. Is Waiouru the only place round about there where wheat is grown?—I think so.

71. Why is wheat not grown elsewhere?—I cannot tell you.

72. Do you consider that the Waiouru soil is about the best there?—Yes, at that place.

73. They do not grow any wheat in the Karioi locality?—No, they grow oats and turnips.

74. Do they grow oats to any extent?—Probably 100 acres every season; there might be a little more.

75. Whereabouts?—On Duncan's block, between Karioi Railway-station and the Wangaehu River. You can see it from the line.

76. At Rangitaiki, you say, oats were grown for thirteen years?—Yes, by ourselves.

77. How much?—Perhaps 10 acres, sometimes a little less and sometimes more. I dare say there are 30 acres altogether fenced in.

78. Any manure?—Yes, the stable manure; no artificial manure.

79. Had you enough stable manure?—It was not enough, but as far as it went we put it on.

80. Did you spread it over all the land you had got?—Yes.

81. You were able to cover it?—In the first instance part of it was a paddock where sheep camped. Afterwards that sheep trade stopped, and during the latter part we had no sheep there.

82. Large numbers of sheep were taken there?—Yes, originally.

83. For several years?—Yes.

84. And this land you cropped was used for a paddock?—Yes.

85. At Opepe?—At Opepe it was the same.

86. And Taupo?—Sometimes at Taupo.

87. Could you give us any idea as to how many bushels per acre the crop yielded?—I could not give you that because we cut it for chaff.

88. You say that on the western side the land was as good as the land at Rangitaiki?—Yes, perhaps better on the western side.

89. Were any crops grown there?—Not that I know of. I never saw any crops grown. They used to have cattle and sheep running there.

90. Supposing there was no help to the crop from the sheep camp?—If there had been no manure on the land you would have got no crop. I saw one crop only 12 in. high.

91. You said something about the cost of carriage: can you give the Committee any idea of what it would cost by contract to carry 4 or 5 tons at per ton over twenty miles—I mean locally about the Taupo district?—I should say about £2 at the very outside. They could put on 3½ tons on the pumice roads.

92. What would they use to do that?—They would have to use horses.

93. Have you known bullock teams to be used?—Yes, but bullocks are no good unless you have a good grass paddock or bush on which to feed them.

94. You think it would cost £2 a ton for twenty miles?—Yes. There are no hills within twenty miles, or anything to speak of.

95. Being connected with coaching and work of that description, you would have every opportunity of knowing what the cost of carriage would be?—I could give you the cost of carriage right through from Napier to Taupo at one time, but I could not say what it is now.

96. I am speaking of the district surrounding Lake Taupo which would be affected by this tramway or railway?—Up to twenty miles I say £2 would be near enough.

97. Do you know Putaruru?—Yes, I have been there a good number of years before the road or railway was made.

98. Do you know Mr. Barnett there?—No.

99. Was the country at all hilly in the neighbourhood of Putaruru?—Yes, it is downy country.

100. But not rough country?—Not extra rough. Most of it was open country.

101. Supposing you had cartage to do from Putaruru into the country where they are doing some farming, would the rate of carriage be something like what you are mentioning?—I could not say. It depends entirely on the roads.

102. You do not know the country particularly well around Putaruru?—No. I have been there often, but not for twenty-odd years.

103. Are they cropping much there?—I do not know. I have not been down that way except by train.

104. *Mr. Dickie.*] You say wheat was grown on pumice lands forty years ago?—Yes.

105. Was it a good sample?—Yes.

106. Was it threshed?—Yes.

107. What did it go per acre?—I could not tell you. There was no manure.

108. In growing oats for chaff what, per ton, would it be to the acre?—A ton and a half, I should say.

109. If you had not had manure you would have got nothing at all?—I saw some not 10 in. high.

110. Do you think the country would be suitable to put poor men on to make a living?—They would want a bit of money.

111. The land would need a lot of manuring?—Yes, you could do nothing without manure.

112. *Mr. Buick.*] You saw forty years ago wheat growing at Tokaanu?—Yes, by the Natives.

113. There was no one else there?—No, only the tribes. All the flats would grow wheat. There would probably be 30 acres altogether.

114. It would not run into hundreds or thousands?—No.

115. You spoke about thousands of acres being bush land?—Yes.

116. What is the nature of the bush?—Not a great deal of totara, but plenty of rimu and matai. A good deal of the totara was cut out years ago for telegraph-posts and for bridges and culverts.

117. You know these two lines of railway from Rotorua and Putaruru?—Yes.

118. Would the proposed railway from Taupo to Rotorua serve the country marked yellow from Taupo to Putaruru?—No, it would serve the Rotorua line.

119. You say all that pumice land responds kindly to manure?—Yes.

120. You think that cheap manure is the only thing that will enable that land to be worked?—Yes; that is, the bulk of it. There are a good many thousands of acres which require no manure. The bush land is good land—most of it, with mixed forest on it. There is one part of it birch—good red-birch.

121. *Mr. Collins.*] Have you ever had occasion to use the existing railway from Putaruru?—No.

122. You know the advantage of a railway with reasonable terms for passengers and freights?—Yes.

123. Supposing the present railway did provide a reasonable service at reasonable rates, all this part north of the junction would be already served by the present company's line?—Portion of it.

124. Which portion?—The lower portion, the Putaruru end.

125. You indicated that the whole of this block coloured on the plan as community-owned or Crown lands would be served by the proposed extension?—Yes.

126. If a proper service were provided this portion between Putaruru and Mokai would be served by the existing line?—Yes, to a certain extent.

127. Even if the proposed extension is made a certain amount of cartage will have to take place east and west?—Yes.

128. How long is it from the boundary to the Rangitoto B Block?—Over twenty miles.

129. *The Chairman.*] You spoke of a paddock which was in oats and afterwards in grass?—That was in Taupo. It had been in grass, I can safely say, twenty years or thereabouts—10 acres.

130. And the others?—The others had been manured with stable manure several times.

131. *Hon. Sir J. Findlay.*] Mr. Buick asked you with regard to the area you saw under wheat: you told him there was about 30 acres?—Yes.

132. Was there other land there of the same quality as that which was growing wheat?—Yes, plenty of it.

133. Looking at the area actually under wheat, what would be the total area at Tokaanu that would grow wheat, in your opinion?—There might be 2,000 or 3,000 acres, or there might be even more than that.

134. Mr. Collins asked you about the railway service, and he put it that if there was good railway service at reasonable rates there would be some gain to this country now?—Yes.

135. But suppose there was no obligation on the part of the company to run the railway once a week or once a month?—It would be useless, of course.

ALBERT ROTORUA GRAHAM sworn and examined. (No. 5.)

1. *Hon. Sir J. Findlay.*] You are going to read a statement, but, first of all, I want to see what your qualification is. You know this country coloured red and yellow on the map?—Yes.

2. What experience have you had on it?—I cannot say I have been brought up in the district, but I have been there at intervals practically throughout the whole of my life.

3. Taking the periods you have been there and adding them together they would extend to a great many years?—Yes. I am a barrister and solicitor of the Supreme Court, and am residing at Wairakei, near Taupo, and am intimately acquainted with the country affected by both the Putaruru line and the suggested Rotorua line. I have been appointed to represent the Taupo Railway League and the residents of Taupo to lay their views before the Committee. I hold no brief for the Taupo Totara Timber Company, and do not come at their invitation. I should also state that my people own the block of land known as Wairakei. However, as both proposed lines will serve this block to about equal advantage, my people do not gain greater advantages in this respect by a line *via* Putaruru than by a line *via* Rotorua. In fact, from a tourist point of view, probably a line *via* Rotorua would suit us better. Having explained my position somewhat I now wish to lay before the Committee the views of the Taupo people and the Taupo Railway League. There are nearly 2,000,000 acres of land in the Taupo district at present lying waste and uncultivated, and a burden to the country generally. Nearly 400,000 acres of this consists of Crown land, 800,000 acres of Native land, and the balance privately owned land held in fairly large areas. The Crown lands are mostly unoccupied, and at present carry little else than rabbits, and cost the Government a considerable amount yearly for poisoning. The 800,000 acres of Native country is at present waste and unproductive, an excellent seedling-ground for noxious weeds, and a regular breeding-warren for rabbits—so much so that it is a great hardship upon the white settlers who have adjoining lands to be compelled to spend money in clearing their lands of rabbits, only to find the adjoining Native country the cause of the undoing of their good work. There is practically no fencing or subdividing in this huge area of country, which is at present practically in its virgin state. However, experiments have been made with the soil, which is pumiceous. These experiments have satisfied us that with

manure and fertilizers the country is capable of growing crops, root crops, grass, and fruit. We have grown oats on our property with excellent results. We also have an orchard of about five hundred apple-trees which gives us an enormous amount of fruit, so much so that notwithstanding the constant use in considerable quantities of fruit for dessert, sweets, and jam in connection with the tourist resort at Wairakei, we have more than sufficient fruit to last the whole year round. Mr. Vaile, of Broadlands, has demonstrated what the land can do with manures. The whole difficulty lies in this: the freight cost of obtaining fertilizers and fencing-material is so great at the present time as to be practically prohibitive, so that the cost at the present time of bringing the land into cultivation is so great that, taking into account the fact that there is no absolute certainty in the result, the settlers do not see their way to risk their all in the development of the land, and consequently it is lying waste and unproductive, and a burden on the country. The settlers need assistance from the Government, or an enterprising man or company with capital, to give them a lead, and if positively assured by extensive experiments that the land is what we believe it to be, they would not hesitate to develop their holdings, provided they had reasonable means of getting manures and materials in and produce out. The country is crying aloud for development and settlement, and if we had a cheap means of obtaining fertilizers and the necessary implements and requirements, such as fencing-material, &c., and also a cheap means of consigning our produce to market, we think the district would develop rapidly, and the whole face of this huge belt of country now lying waste and unproductive, and a discredit to the State, would be converted into an area of green crops and pastures and smiling homesteads. I have gone thus fully into detail so that the Committee may understand the difficulties the settlers are labouring under from (1) the nature of the soil, (2) the distance from any centre (we are situated in the heart of the North Island), (3) the cost of freight. We therefore contend that we have special claims to consideration and assistance from the Government. I would like to here point out that the objectors admit that it is necessary that railway communication should be given to Taupo, and that it is in the best interests of the people of this Dominion that the 2,000,000 acres referred to should be brought into cultivation. [See Mr. Raw's evidence, page 13, questions 47 and 48.] It being admitted then that railway communication with Taupo is necessary, the only remaining question is one of ways and means. As to these, two alternative propositions have been suggested: (1) that the Government construct a line from Rotorua to Taupo *via* Waiotapu and Wairakei, a distance of some fifty-six miles; (2) that the Government grant the petition of the Taupo Tetara Timber Company enabling the extension of their present Putaruru-Mokai line for a distance of some twenty miles *via* Wairakei to Taupo. Dealing with the first proposition, the Taupo settlers have gone carefully into the question of whether there is any likelihood of the Rotorua route being constructed by the Government within, say, twenty or thirty years, and have come to the conclusion that there is not the slightest chance. Firstly, according to Mr. Vaile's evidence (page 23), Sir Joseph Ward stated within the past twelve months that there was absolutely no hope of the then Government starting the Rotorua line within fifteen or twenty years. Secondly, when the Rotorua Chamber of Commerce deputation approached the ex Minister of Public Works a few months ago, Mr. MacDonald replied that owing to the large amount of railway-construction work on hand at the time there was no possibility of the Mackenzie Government even considering the construction of the Rotorua line for many years to come. Thirdly, the Rotorua Chamber of Commerce are advocating the immediate construction of another railway-line connecting Rotorua with the East Coast Railway at Paengaroa, a distance of thirty-four miles of new construction. Hence at the present time the Rotorua Chamber are asking that a line of ninety miles of new construction be undertaken at a huge expense of nearly £1,000,000, in order, as they say, to give Taupo outlet to Auckland *via* Tauranga. The Taupo people, on the other hand, want outlet to Auckland direct. They can obtain this by means of twenty miles of new-construction railway at no expense to the State, but at great benefit to State assets. They can leave Taupo at 7 a.m. and arrive in Auckland at 5 p.m. the same day *via* Putaruru. Such a connection can be running inside of two years, whereas the Tauranga connection will not be running, even if started at once, for about thirty years. Fourthly, the contour of the country on the Rotorua-Waiotapu line is against the construction of a railway. I understand no survey of this route has been made, consequently it has not been demonstrated to be a commercial practicability. It is quite likely that if a survey were made it would be found that the cost would be utterly prohibitive. Why did the Rotorua Chamber of Commerce not have a trial survey made if they are genuine in supporting their route? They have misrepresented the position in the pamphlet issued by them. They state on page 4 thereof that "There need be no tunnels and no big bridges"; yet their own sketch-plan attached shows that the line selected by them has to cross the Waikato River twice, consequently there would be two bridges, one of which, at any rate, would be a very large one. Further, they estimate the cost of construction of their line at £3,000 per mile, although the average cost of construction of Government railways is nearly £11,000 per mile (see page 5 of pamphlet). Then, again, their method of estimating the increased traffic is even more fallacious. On page 2 they say, "What increase of traffic would it be reasonable to anticipate from such cheapened and improved facilities? When omnibuses ran from Queen Street, Auckland, to Ponsonby at a fare of 6d., the weekly traffic amounted to about six hundred passengers. When horse-cars were established with more commodious and somewhat more comfortable vehicles, a more frequent service, and a fare reduced to 3d., the traffic rose to six thousand at once, or an immediate increase of tenfold with exactly the same population to work upon. When electric cars were established again with better vehicles, a much faster and more frequent service, and a fare reduced to 2d., the traffic jumped away out of sight. Precise figures on the Ponsonby run are not available, but it is well known that the number of passengers increased enormously—to a greater extent even than on the advent of horse-cars: so much so that the trams on all the lines have often carried well over

a hundred thousand passengers in a single day. Would it not, therefore, be very safe—indeed, an underestimate—to assume that the Rotorua-Taupo traffic with a greater improvement in facilities and a greater reduction in fares would increase at least half as fast—say, to five times the present numbers? This would give 20,000 fares, and, taking the average fare (first, 15s.; second, 10s.) at 12s. 6d., a revenue from passengers alone of £12,500 per annum. The existing goods traffic would not be worth a very great deal—say, £1,500 a year—but it would increase very rapidly. All this would bring profitable work to the railway, and it would be reasonable to suppose that ere long the return from goods would equal that from passengers.” Hence the Rotorua Chamber of Commerce estimates the revenue from their line at £25,000 a year. It is, of course, a ridiculous estimate. It is absurd also to compare an isolated district with only about ten settlers with Auckland with a population of 100,000. Discounting Rotorua’s figures by 75 per cent., and thus assuming an increase of £6,000 instead of £25,000, on that basis the Putaruru line would return a revenue of 7 per cent. on the cost of construction. I would like to refer to the country along the Rotorua route. As Mr. Kensington has said, on the western side of the Rotorua line is a ridge of mountains that would prevent the line tapping this country, while on the eastern side is the eruption country [map referred to]. Here is Tarawera Mountain, here Lake Rotomahana, and here Waimangu. I produce photographs taken by the Tourist Department showing what the country around Waimangu is like [photographs produced]. Waimangu is seven miles from Waiotapu, so that the proposed Rotorua Railway-line is close to the edge of this country, only about a mile away. The Taupo people, rightly or wrongly, feel that Rotorua is not sincere in its advocacy of the Rotorua-Taupo line; but, knowing that it cannot be constructed for thirty years, if at all, they are content to set it up and support as a bogey to kill the other line and so prevent Taupo obtaining communication. This is the attitude of the extremist section, but we are glad to be able to point out that men of standing in Rotorua, such as the Ven. Archdeacon Tisdall, Mr. Clinkard, Mr. Spain, and others, are prepared to take a more broad-minded view. The attitude these gentlemen take up is this: “Let us try and get a Rotorua-Taupo line, and if we find that this is not possible in the near future let us assist the Taupo settler to get communication *via* Putaruru, and not adopt a dog-in-the-manger attitude.” This is fair, and shows that the fair-minded section of the Rotorua people see no objection to the Putaruru line in itself, or to the proposals of the Taupo Totara Timber Company in themselves. The objections, therefore, cannot be deep-seated, or men of this stamp would not offer to support the Putaruru line under any conditions. I would now like to refer the Committee to a report of a meeting of the Chamber of Commerce appearing in the *Rotorua Times*, where the President says, “It was nothing to them what state the company was in. They must look at the broad question, Were they going to get as much benefit as would be derived from a railway from Rotorua?” And this extract from the report will also illustrate to the Committee the attitude taken up by the Rotorua people: “The Rev. C. A. Tisdall spoke as *advocatus diaboli*. Those who accuse the company of Taupo of seeking their own ends were probably judging by themselves. Mr. Raw had said that the company had been honest, and he dared say that if members of the Chamber had been in the same position they would do the same. (Voices: Of course we would.) He was for Rotorua—(‘Quite so,’ and ‘Hear, hear!’)—but he wanted to take a wider view. If they lived at Taupo and could obtain railway connection that would allow them to leave at 7 in the morning and reach Auckland at 5 p.m. they would strive to obtain it. (A member: We are not at the other end. Another member: Let the other fellow think for himself; we will think for ourselves. A third member: We are not at Taupo.) The question he desired to ask was, what possibility was there of getting a railway from Rotorua within the next twenty years? (A member: Every chance. Another: No chance at all. Mr. McLean: It would pay from the day it was opened.) Continuing, Mr. Tisdall said that, whilst a citizen of Rotorua, he thought they ought to try to consider the question from the other fellow’s point of view. If they could get a railway from Rotorua to Taupo within a reasonable time, let them strive for it; but if they could not get it there was no reason why they should stand in the way of other people. That was fair and ethical. They should not set the ‘dog in the manger.’” The Taupo settlers would point out that, being the settlers in the district referred to, and therefore those whose interests are most vitally affected by the proposed railway, whichever route be chosen, they have given the matter very deep and earnest consideration in all its bearings, and have unanimously come to the conclusion that it is in the interests of the Dominion generally, and in the interests of the white settlers and the Natives particularly, that the petition of the Taupo Totara Timber Company be favourably considered and granted either in its present or some modified form with such restrictions as the Government may deem it advisable to impose. The advantages of the Putaruru line and the company’s petition which have weighed with the Taupo settlers are mainly the following: The Putaruru line will (a) open up and lead to the development of over 2,000,000 acres of land now lying unproductive, and in addition to adding to the revenues of the State will do much to allay the present unsatisfied land-hunger, and that without any expense to the State. The Rotorua people want the Government to expend at least £400,000 to open up the Taupo lands, without taking into account the cost of the Paengaroa connection of thirty-four miles. They are not considering the State’s pocket at all. On the other hand, the Putaruru line will not require the expenditure of one penny by the State, and will equally—in fact, far better—aid the development of the Taupo lands. (b.) The Putaruru line will at least double the value without expense to the State of the 400,000 acres of Crown lands affected thereby now lying waste, and a heavy burden and expense to the State. This land could be cut up and settled by the State, and assuming the value to average £1 an acre when the railway is through, the State would receive £400,000 from the sale of these lands. This sum invested at 5 per cent. would in fifteen years double itself, so that in fifteen years the State would have made a profit of £400,000, which would be far more than sufficient to buy

the line twice over, and the State would still have its capital intact. That is, the State would get the Putaruru line out of the investment of the profits of the sale of half of its land. (c.) Thirdly, the line would greatly increase the value of the State freeholds in and around Taupo. The State owns the freehold of the greater portion of the sights in the Taupo district, nearly the whole of Taupo Township, and about 400,000 acres of Crown lands as well, so that by permitting the railway or acquiring it the State is directly enhancing the value of its own assets. Mr. Raw, in his evidence (page 12), states that as far as the attractions of both places, Taupo and Rotorua, were concerned, they did not feel the competition, and were not frightened of the competition of Taupo with Rotorua. If that is so (and it is the evidence solemnly given by the principal objector) I fail to see how the Putaruru line can depreciate the value of Rotorua. And I would further point out that, even if it did, it must not be forgotten that the State has only a landlord interest in Rotorua. The State land has been parted with on a ninety-nine-years lease, for which the State gets the absurd nominal rentals of about £15 a section on an average, the goodwill of which sections even off the main streets of Rotorua running into £400. Hence the State interest in Rotorua is really small at the present time, and the Rotorua people should not forget that the goodwill practically amounts to the huge unearned increment obtained by them from the assistance given by the State to the town, and they should under these circumstances be only too glad to assist in the development of other districts, instead of adopting a dog-in-the-manger policy. (d.) The Putaruru line will benefit the settlers of the district by giving them direct communication with the Waikato and Auckland, increased facilities for importing fertilizers, implements, fencing-materials, goods, &c., and exporting produce, and give a direct impetus to the progress of the country. (e.) The Putaruru line will vastly increase the tourist traffic of the Dominion, and so increase the revenue of railways and other Departments of the State. Page 8 of the Rotorua pamphlet admits the opening-up of Taupo will vastly increase the tourist traffic—a source of great benefit to the whole Dominion. And, again, I cannot do better than quote Mr. Raw, the leading objector, who, on page 11 of his evidence, stated that, “The knowledge that the whole of the thermal region of New Zealand was made so accessible (by railway to Taupo) to visitors from Australia and overseas would alone induce them to come in ever-increasing numbers.” It is universally admitted that the attractions of the Taupo and Wairakei district are far superior to those of Rotorua, therefore it is in the interests of the Dominion that railway communication should be established with Taupo at once. In fact, we contend that if the tourists could get to Wairakei and Taupo by railway, then nearly every visitor to Rotorua would visit Taupo as well, and consequently more money would be left in the Dominion. Furthermore, the visitors would be far more satisfied with the thermal wonders than they are at present, and would in themselves be the means of advertising the Dominion and so persuading more people to visit the sights, including Rotorua, and thus by increasing the tourist traffic increase Dominion revenue. We do not think that the railway would prejudicially affect Rotorua to any marked degree. Rotorua would participate in the increased tourist traffic, and we are satisfied that visitors to Wairakei and Taupo would not leave the Dominion without seeing Rotorua. In any case, we contend that the respective merits of the two districts should be allowed to decide the matter. It is quite wrong in principle that one district should be penalized and kept stagnant for fear that its development might injure another district. One of the planks of the new Government, we are glad to say, is equal opportunity for all. We trust and feel sure that the Government will recognize that we at Taupo are entitled to at least equal opportunity with Rotorua. (f.) The Putaruru line will form a direct link or extension of the proposed important connection of Wellington Main Trunk line *via* Tokaanu, Taupo, and Wairakei with the present Government line of railways *via* Putaruru to Auckland, and save a detour of thirty to forty miles for through passengers which would be occasioned by the Rotorua route. (g.) The Putaruru Extension is only twenty miles, and has been surveyed and demonstrated to be a line of easy gradients and cheap of construction. We contrast that against the Rotorua line of fifty-six miles of new construction, over a route which has not yet been surveyed, and with two bridges across the Waikato to construct. In addition the Rotorua scheme embraces the Paengaroa branch of line of about thirty-four miles of new construction, so that before Taupo gets communication with Tauranga the East Coast line has to be completed to Paengaroa, and then it means about ninety miles of new-construction railway as against twenty miles on the Putaruru line. At the same time we wish to make it plain that we do not object in the slightest to the Rotorua people getting their branch line *via* Paengaroa. (h.) The line *via* Rotorua would unnecessarily burden the Taupo people with the extra freight of thirty-two miles of railway from Putaruru to Rotorua. (i.) If the Government constructed a railway from Rotorua to Taupo at the present time they would have to contend with the opposition of the Putaruru line. (j.) Again, the very arguments of the Rotorua people serving to throw doubt on the quality of the land in the district and the commercial success of the undertaking form a very strong reason why the State should allow private enterprise to construct the railway, and thus save the Government the risk of sinking a huge sum of money in what the objectors consider a doubtful enterprise. If the enterprise fails the company will lose their money; if, on the other hand, the enterprise succeeds the Government can take over the railway. (k.) The interests of the State can be safeguarded (i) by taking over the line at once, or (ii) by provisions enabling the State to acquire the line at any time at a valuation after allowing the company a reasonable time. The interests of the settlers can be conserved by fixing a maximum scale of freight and passenger charges, &c. In this respect we think the freight charges should approach the scale of a Government line for the distance of fifty miles. As one of the *raison d'être* of the Putaruru line is the opening-up of the tourist resorts, we think provision should be made to secure that a station be erected within half a mile of the post-offices at Wairakei and Taupo. Rotorua objections: The only objections of the Rotorua people that, to my mind, call for any

answer at all are (1) monopoly, (2) Putaruru line not a connecting-link, (3) depreciation of Rotorua. Dealing with these in order, we wish to state that we at Taupo do not see where the alleged monopoly comes in. In the first place, there is no monopoly of the tourist traffic or hotels. The company has no option whatever over Wairakei, nor is there any understanding or arrangement to give them one. Hence this answers conclusively the argument of monopoly of hotels and tourist traffic. Next, with regard to railway, if the Government acquire the railway at once, or have the right of acquiring it at a valuation or fixed price, and in the meantime protect the settlers and tourists by the imposition of a scale of maximum charges and other conditions, there is a conclusive answer to the question of railway monopoly. Again, the company do not create for themselves a huge goodwill in regard to their line. They sell their line at cost, hence the goodwill of the business they are working up is given to the State for nothing. Again, it is the Taupo people who would have to fear the effect of a monopoly, and if we are satisfied, what business have the Rotorua people, who are not affected, to interfere? The Taupo people have received fair treatment from the company in the past, and are confident of fair treatment in the future, and we recognize that the company has already been a power for good in the district, and has materially assisted the settlers. The objection that the Putaruru line can never become, owing to its geographical position, a portion of a national scheme of railway communication is, to my mind, absolutely incorrect. A glance at the map shows that it is in the direct continuation of the Government railway system, linking Putaruru with Taupo. The Rotorua people advocate a detour of thirty-two miles into Rotorua and thence back to Taupo, solely that the traffic should have the distinction of passing through Rotorua. The objection that Rotorua will depreciate by the line is answered in paragraphs (c) and (e) already mentioned. I would like to again refer to Mr. Raw's evidence (page 12), where he states, "We do not mind the Government taking over the line and carrying it as suggested right through." Hence if the Government adopt paragraph (a) of the company's petition Rotorua will be satisfied. Again, on page 14, Mr. Raw says, "I believe the salvation of that country [Taupo country] lies in cheap manures and cheap live-stock." Also (page 13), "that it would be in the best interests of the people of the Dominion that the Taupo lands be opened up." All the Rotorua objections may be summed up in the word "self-interest," and this is admitted by Mr. Raw in his evidence, page 13, question 35: "Your principal objection is that it would interfere with the thermal district?" Answer, "Yes." Question 41: "Your grounds for objection being principally that it would be against the interests of Rotorua that this should be done." Answer, "Yes." The reply of the Taupo settlers is that they are at least entitled to some consideration as well as Rotorua, and the Putaruru line is directly in the interests of not only Taupo, not only the settlers, not only the Native population, not only the tourists and travelling public, but also in the best interests of the Dominion. We strongly urge the Government to adopt proposal (a) of the Taupo Totara Timber Company, under which the company will sell their line completed to Taupo at cost without goodwill or profit. The company do not require a cash payment, hence the Government can acquire the line without the expenditure of any capital at all. The purchase-money of the line can be raised during the next fifteen years out of the proceeds of the sales of Crown or Native lands, or, rather, out of the proceeds of the unearned increment arising to these lands from the completion of the railway. And the company is willing to take the purchase-money for its line out of such proceeds. We think the bargain in every way an excellent one for the State. If, however, the State will not acquire the line and so develop this vast area of country itself, then we think that, with proper safeguards, the company should be permitted to do so. There is one matter we wish very strongly to emphasize, and trust that the Committee will realize our position. There is no doubt in our minds that it is a case of now or never for the opening-up of the Taupo lands. It might be suggested that the State should wait till the end of fifteen years and acquire the line for a mere song. That would be an absolutely fatal policy—a mistaken and short-sighted one. There is not the slightest doubt but that the present traffic, apart from timber, does not justify the line. But if during the fifteen years' grace given to the line by the assured timber traffic the line is completed to Taupo, and the country has fifteen years or so in which to develop, by that time it is morally certain the traffic, apart from timber, will more than justify the line as a profitable concern. If, on the other hand, the Government waits for fifteen years and then acquires the line, then (1) the Government will have to run the line at a loss for probably fifteen years or so from date of acquisition, and this would entail a very heavy loss to the State—so heavy that we do not think the State would think of acquiring the line; (2) the whole of the Taupo district would be kept unnecessarily stagnant for fifteen years; (3) the Crown lands and assets of the State in the district would be kept from appreciating in value for fifteen years to the consequent loss of capital and revenue to the State. Hence we feel that if the proposal is not accepted our only chance of communication with the outside world is gone. We wish the Committee to realize how serious the position is to us at Taupo.

4. *Mr. Buchanan.*] What is your occupation, Mr. Graham?—Barrister and solicitor.

5. You could not give us any evidence from the land-produce point of view except at second-hand?—Well, I have seen the results of experiments on our own property.

6. In what sense do you mean?—We have grassed a small portion of our own property, and it has taken grass very well.

7. Close to the lake?—We are about six miles from the lake.

8. Along the Waikato River?—Yes. Just about half a mile from the Waikato, but up on the plateau above it.

9. What oats do you think are produced?—I could not say. We have never calculated it. They have grown a good height.

10. What area?—We have just got 7 acres down in oats. Then we have other paddocks, in which sometimes we put turnips and potatoes.

11. What is the total area in crop of yourselves and others?—We do not farm our property. Our main business is in connection with the tourist resort.

12. I mean in the locality generally?—No one attempts cropping much.

13. You mentioned fruit: what about fruit?—We have an orchard of about five hundred apple-trees, which grow magnificently. I am satisfied the country will grow fruit all right.

14. And fencing-material?—That is a big difficulty. When we want to fence off a portion of our land the cost of fencing is a big item alone in the first place, and then it comes to paying freight on fencing-wire from Auckland by the Government line and also on the company's line, and then we have to wagon it to the locality, so that it comes pretty heavy.

15. You have here on the map the totara forests dealt with by the Taupo Totara Company within twenty miles or more of Taupo?—I am not referring to the posts, but to the wire. We can get the posts from the bushes round about.

16. Do you realize how far 1 ton of wire would go in fencing? Do you realize that it is the posts that constitute the difficulty if you have long carriage to pay?—Yes, but it comes to this: We have all the ordinary expense a farmer in another district has in the way of getting posts, and then on top of that we have an extra freight on the wire and other material. We want also the manures. Then we have the extra freight to face on our goods in and our produce out again, when we have it.

17. This line is already built to Mokai?—Yes.

18. And helps you to get your materials and produce in?—Yes.

19. The line is fifty miles long?—Yes.

20. Do you know this country very well [map referred to]?—Generally, I do.

21. Is not this land within easy reach on both sides and in as good a position for settlement as the land would be supposing the remaining twenty miles of the line were completed?—I should think it would be.

22. Can you explain, then, why settlement is not progressing?—I think settlement is progressing. In the first place, the company has a large area in the neighbourhood of the line. Canterbury settlers are coming up and taking up the land. Mr. Rollitt is a Canterbury settler who has taken up a block.

23. From the company or from whom?—From the Selwyn Estate, I am informed. Then, another Canterbury settler, Mr. Hansen, has taken up land on the eastern side. If there was any certainty that the line was going to be permanently there it would do away with a good deal of hesitation; but it is no good people coming up thinking there is going to be a railway while in fifteen years or so the line may be taken up. We do not know that the company may be able to carry on their operations. We have no certainty that that line will continue to be open.

24. You do not seriously put it into the minds of intending settlers there that the line is likely to take unto itself wings?—I say this as being interested in property in that locality: that it is a matter of deep concern to us whether that line is going to remain there or not. It only taps the bush at present. The goods traffic is not sufficient to keep the line going, and if it were not for the timber I do not suppose it would run for a month as a business proposition, unless the owners were philanthropists.

25. Surely, if the land is able to do what is claimed for it, there is no possibility of the line being taken away when the timber is done?—The point is this: intending purchasers thinking of taking up land in that district would consider, as one of the first things before deciding the purchase, whether the line was permanent or not, and would not buy land in the locality if they knew the line might be taken up at any time.

26. It is claimed that this land is of such a productive character that if reasonable carriage facilities were given there is no chance of the line not paying. Well, then, assuming that all this land is taken up and the carriage is there, what chance would there be of the company taking up its line?—If I go and take up that land I may be confident that it is good, and be satisfied about the line even; but the trouble is to get other settlers to see it in the same light, and take up adjoining land, and I may be left in the lurch. That prevents us getting a start.

27. *Mr. MacDonald.*] There is settlement going on along the line from Putaruru?—Yes.

28. Undoubtedly, if the land were cut up into large areas, one difficulty would be the taking up of the railway?—Yes.

29. The possibilities are very great that the line would be abandoned, because it would provide for no settlement?—Yes, I think it is very probable. In fact, one settler who is up there now and is otherwise quite satisfied with his prospects considers that had he known that it was not a permanent line he never would have taken up his land; but he assumed that it was a permanent line.

30. *Mr. Laurensen.*] You said that if the line were completed you reckoned it would pay 7 per cent. on the cost of construction?—I think I said 75 per cent. of the Rotorua people's estimates could be taken off, and thus adopt less than 25 per cent. of their estimate of the increased traffic. The Rotorua people say that their line would bring in £25,000 a year. I said, "Cut that down by over three-fourths and make it £6,000 for increased traffic, and add that to the figures of the company, which are based on the present working." I add that to the company's present estimate, and that gives 7 per cent. on a capital of £180,000.

31. Mr. Buchanan asked you some questions: he asked you why settlement had not taken place, and you said it was because the settlers were not sure of the permanency of the present tramway-track?—That is one reason which keeps them away.

32. You think the company might take up the track?—Yes.

33. Your argument is that if the Government made the railway permanent that would cause

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

these bushes—that is, they will yield a substantial sum above working-expenses. I do not mean that they will return a profit, or even capital, to the original shareholder; but leaving out of account interest upon capital locked up in the venture, it is clear there will always be a substantial profit to be earned until the timber is exhausted. This means that it is certain the timber traffic will be available for the line until the bushes are worked out—a period of from fifteen to twenty years. It means also that the goods and passenger traffic of the Mokai Settlement will also be available for that period. For some time after the line was opened the goods traffic of Taupo and Wairakei was taken partly by the line and partly by wagon on the Rotorua-Taupo Road; but the wagons have now gone off the Rotorua Road, and practically the whole of the traffic goes by rail to the Taupo Company's terminus, and thence by wagon to Taupo and Wairakei. Since the company was formed it has expended—in wages, £352,000; in freights on Government railway, £79,000; in machinery, interest, rates, taxes, &c., £223,000: a total of £654,000. It has not paid any dividends to its shareholders, and the timber available (amounting to from 150,000,000 ft. to 200,000,000 ft., mainly first-class totara and matai) will not yield a profit sufficient to repay the shareholders' capital. The company is naturally desirous of getting back the cost of the line. It is plain, however, that it cannot hope to do this unless it can show that the line is worth that sum as a permanent line without the company's timber traffic. Mr. Buchanan asked Mr. Graham whether the land from Putaruru to the company's present terminus would not alone be sufficient to justify the retention of the line. It is possible that when it is all closely settled it might be so, but looking at it as a practical proposition no one would touch it now, because the land is not yet known. It would be quite impossible, I think, within fifteen years to get that land so developed that it would support the line independently of the Taupo-Wairakei tourist traffic. It is improbable that the line will pay after the timber traffic is exhausted unless it can rely upon the passenger and goods traffic of the district surrounding Lake Taupo. With a view to obtaining the right to extend the line to Taupo, the company has had a detailed survey made of the route, and it is now certain that a good line can be obtained at small cost. The present line has cost the company about £120,000, and rolling-stock about £10,000; the extension and the proposed improvement of the existing line, with necessary rolling-stock, should not cost more than £50,000: a total of £180,000. The completed line will not be more than sixty-five miles in length. The traffic available for the completed line will be—(a) the company's timber, which at Government freight rates the company is prepared to guarantee will produce an annual revenue for not less than fifteen years of £11,606; (b) the goods traffic, which on the basis of the present traffic will at Government rates for the completed line produce £2,000; (c) the company's own goods traffic other than timber at Government rates, £875; (d) passenger traffic at Government rates on 4,000 passengers who at present go to Taupo annually, £3,000: a total of £17,481. The cost of running the line, based on the company's last two years' running, would be about £9,450, leaving a profit of £8,031, sufficient to pay $4\frac{1}{2}$ per cent. on £180,000, or 4 per cent. on £200,000. These figures are not estimates; they are calculations made on traffic now available, and no credit has been taken for the increase which is certain to arise on the completion of the line to Wairakei and Taupo. It is certain that with the company's line completed to Taupo the trip from Auckland to Taupo would take only ten hours instead of two days, as at present; and from Wellington to Taupo twenty-two hours, instead of three days as at present; and careful consideration of the effect of this saving of time, involving as it does much reduction in cost, will, I think, convince any one that it would mean a great increase in the passenger traffic to the Taupo district. It is also clear that as soon as the public become aware that a railway to Taupo is permanently established there will be a great development in the district served by the line. It is true that development along the company's line already constructed has been slow. There are several reasons for this. In the first place, the land has mainly been held in large areas by private individuals, who have held it idle for many years in the belief that it was valueless—as no doubt it was proved to be at the time they purchased. In the next place, the presence of the company's line as a permanent factor in the development of the district has not been made public; and, further, it is only the Putaruru dairying development, and recent experiments in other pumice areas, that have created the feeling of confidence which has undoubtedly arisen in regard to these lands. It is to be remembered that the completion of the line to Taupo will open up the whole Lake Taupo basin, because it will connect with the steamer service on the lake. A glance at the map will show that the whole of that country is served. As Mr. Crowther has told you, the land down from Tarawera can be much more served by the line from Taupo than from a line from Napier. The district thus served includes many thousands of acres of bush lands admittedly equal, if not superior, to the Putaruru lands for farming purposes. It also includes some thousands of acres of land at Tokaanu probably equal to any land in New Zealand. The line will also serve the Pohokura Block, recently purchased by the Government, and other lands in the same locality.

2. How far away is that?—Tarawera, I believe, is about forty miles. It is a coach stopping-place—not Tarawera Lake—just outside the borders of the coloured area on the map. That land has recently been purchased by the Crown, and must be most readily served by this line, and there are many thousand acres of it. It cannot be doubted that the Tokaanu lands—and this is the point I would like to stress—and the bush areas will be occupied as soon as permanent railway communication is established, and that other areas will be gradually brought into use. But no one in his senses would suggest that all this country would be settled in the immediate future. There is a good deal of it very poor pumice land indeed. What we believe is that the Tokaanu lands and these bush areas will be occupied as soon as railway access is given, and there are hundreds of thousands of acres which can be immediately occupied when railway access is given. The cultivation and occupation of that land will result, we believe, in the poorest land in the district being ultimately worked and settled, but it must be a gradual process. It

is estimated by the Rotorua objectors to this petition that on the completion of a passenger line to Taupo the annual number of passengers going to this district would be not less than twenty thousand, providing annual revenue of £12,000. This estimate is probably not excessive, and there would seem to be no doubt that this increase in the passenger traffic, and the traffic arising from the land-development, would within fifteen or twenty years make up for the loss of the timber traffic at the expiration of that time. We have realized for some time past that if our line is to have a permanent value we must make it available for the whole Taupo district as speedily as possible, because unless the district is developed while the timber traffic is bearing the bulk of the cost we will find when the timber is exhausted that there has not been sufficient development to provide the traffic necessary to pay the running-cost. It is not a matter of great importance to the company that its line should be purchased by the Crown in the near future; on the contrary, its timber business would be better served if it continued to hold the line until the timber is cut out. But what is of importance to us (and I suggest of even more importance to the community) is that the public should know as speedily as possible that the Taupo district will be permanently served by a railway, so that they may be encouraged to assist in developing this district before the timber, without which a line to Taupo cannot at present be run, is exhausted. After considering the matter very carefully, and going into it very fully, we are convinced that every year you refrain from putting this line through means a year wasted in the development of the country; and it also means taking away some of the produce which may be found ultimately necessary to the continued running of this line. Our purpose naturally is to get every possible assistance to make this line have a permanent value, and anybody who knows this district as I and Mr. MacDonald do will realize that the one important thing is to get the line through to Taupo as speedily as possible, in order to take advantage of this timber traffic, because that is all there is to pay for the running of the line in the near future. The resources of the district, we are satisfied, will not do that. We believe that it is hopeless to expect any of the Public Works Fund to be devoted to the development of the district while there are richer lands calling for railway services; and we have for some time past been endeavouring to arrive at some scheme whereby the district can finance its own development. It is not practicable to impose a rate on such country, and the only feasible scheme seems to be for the district to pay in land for the line. This is the conclusion at which we have arrived, and, as nearly the whole of the land to be served by the extension is either Crown or Native land, we have found it necessary to approach Parliament. We realize that there may be some prejudice against this line being taken over by the Government, owing to the fear that funds may be diverted from other districts, and we therefore think it well to say at once that we are content to look for payment for our line out of the lands in the district to be served by it. I might explain that the Taupo property includes about 8 acres of land in the centre of the Taupo Township, which is at the proposed terminus of the company's line. It also includes some land on which The Spa is situated, through which the company's line will go. My reason for acquiring that property was that it would very much facilitate the company's operations at its terminus. I would like to say, also, that the whole of this property is available to the Crown at cost price if it takes over the railway. Our proposal, shortly, is that the line completed to Taupo should be purchased by the Crown at cost, approximately £180,000, and should be paid for out of the Crown and Native lands to be served. There are about 800,000 acres of Native lands and 350,000 acres of Crown lands, and the Natives are willing to sell a considerable area of their lands. We therefore suggest that the Crown should purchase with the moneys annually set apart for the purchase of Native lands a portion of this area at present values, and that the purchase-money for the line should be a charge upon the proceeds arising from the sale of the Native lands so purchased and the Crown lands. We are also willing to run an efficient passenger and goods service on the line for the period of fifteen years, and that the Crown should only then be compelled to purchase if the service is proved to be payable. We suggest, however, that the proceeds of sales should be paid over to the company as realized, to be secured by a first charge on the company's assets, and to be repayable if the line is not taken over. It will thus be seen that we are content to make the purchase by the Crown contingent upon the successful development of the district. It may be said that this proposal does not give the public an assurance that the line will run permanently, but we are satisfied that settlers would be content if the only risk they ran was the prospect of the land not producing a profit. If this proposal does not meet with approval, then we ask in the alternative that the company should be allowed to purchase an area not exceeding 200,000 acres of Crown or Native land at present values, to be settled within a reasonable time on such terms as may be agreed upon. We also ask that we should be given an Order in Council permitting us to extend our line to Taupo. In asking this we are not asking any monopoly. As Mr. Short informed you, it only involves the right to cross certain roads. Before concluding my evidence I would like to make it plain that in this matter the only interest the Taupo Company has is to get back the value of its line, and then only if it is worth that sum as a permanent line. I would like also to take this opportunity of contradicting certain rumours in circulation tending to prejudice these proposals. It is said that we have secured a monopoly of the hotels and thermal resorts in the district. This is not true. Options were taken over the Wairakei, Taupo, and Terraces properties, but the whole of these options were abandoned. Recently, however, I have been offered the Taupo property on satisfactory terms, and arrangements have been made whereby it will be available to the company, and, if desired, to the Crown, for the purposes of its terminus, if the line is constructed. Apart from this, neither the company nor any of its directors or shareholders has, I believe, any interest in the Taupo district which will be directly or indirectly served by this proposal. It has also been said that this company has some connection with the Tongariro Company, and that they are aiming at some monopoly. There is no foundation for this suggestion. There has never been any association or negotiation

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

restricted, and we came to the conclusion that it would be better to hold it rather than sell it at a low price.

9. Could you not have cut it up into blocks, reserving your right to the bush?—We had that in view. As a matter of fact, our manager did go over the land and portion it out into blocks, but the development that has taken place along the line has induced us to hold our hand to see what we could do with it.

10. Could not the owners of Maraetae and the Smith Block and other blocks have pushed settlement too?—Again it is a question of only recent years that the belief has arisen that this land can be profitably occupied.

11. Is it not a fact that a good many years ago the Bank of New Zealand's estates in the Waikato—pumice lands—were manured by direct shipments in large quantities, and was it not known therefore that years ago as much as it is now that great benefit accrued from the application of manure?—It may be so, but I have no knowledge of that. There can be no doubt about this: that many years ago this land would not have paid to work. It is only the recent progress in dairying that has created this value.

12. You have fifteen years in prospect to cut out the timber, have you not?—Yes.

13. Taking the existing knowledge of what can be done, or supposed to be capable of being done, by the application of manures, would not that fifteen years be a reasonable time in which this land should be developed and made capable of contributing to the freights upon the line; and, not only that, would the lands extending beyond the present terminus not be within sufficiently short range of the railway to benefit from the manures and produce carried by the railway? Surely fifteen years would be ample time in which to get the country developed and put the line in a good financial position?—I am doubtful. You stop at Mokai.

14. I am contemplating that?—I would urge this upon the Committee: that the passenger traffic ought to be used for developing all that district. If you cultivate your passenger traffic in that district you are helping the country.

15. I am putting my questions on the assumption that the company retains its railway?—Yes.

16. I am asking whether the fifteen years during which the timber is in process of being cut is not sufficient time in which to develop a large amount of traffic from the carriage of manures, the carriage of passengers, and the carriage of produce from the lands, putting the line in a paying position when the timber is cut out?—In answer to that I would say it is quite impossible for anybody to say whether the development will or will not be sufficient. We all know that these lands are still to some extent in an experimental stage; but I say this, that there is no doubt whatever that no business man would go into the proposition on those lines.

17. I think you stated that the Tokaanu land was equal to any in New Zealand?—I am going now by the evidence of a witness which will be given later—one who lived for seven years and managed a station property near by.

18. I was not able to follow you in your new proposal that the Government should not be asked to decide finally on the purchase of the line until the expiry of fifteen years, and the ascertainment of whether the line was going to be payable or not: am I right there?—Yes, sir.

19. In the meantime do you propose that the company out of its own resources should continue the construction of the line to Taupo?—That is so; of course, on the security of the land.

20. In what way do you suggest that security should be given?—It would have to be by statute, and on the proceeds of the realization of the Crown and Native land.

21. *Mr. MacDonald.*] You mentioned that the real reason for coming to the Government is that either the Government should acquire the line or acquire land in the vicinity of the line so that the increased profits arising from its resale should help to pay for the extension?—Yes.

22. Without having some such understanding the company would have difficulty in financing?—Yes, that is so.

23. So that if neither proposal were given effect to by the Government there would be no prospect of the company considering any further extension of the line?—That is so; we could not finance it.

24. *Mr. Buick.*] Your offer is now a semi-compulsory purchase in fifteen years; at the end of fifteen years the Government will be almost compelled to purchase. You have to prove that it is paying, and if it is you may not be inclined to part with it?—The advantage to us in the meantime is that the purchase-money is charged upon the Crown lands and on the Native lands they purchase. That enables us to finance the extension. But we make this condition, because we believe that that country will pay for the development: we are content that the Government should have the option at the expiration of fifteen years of saying whether it will take the line over or not.

25. *Mr. Buchanan.*] Is this a correct presentment: assuming that the value of the Government land to-day was 10s. per acre, if the Government get £1 for it then that profit would go towards the purchase of the line; and, similarly, in the case of the Government purchasing the Native land the profit of that would go similarly to the purchase of the line?—Yes, we would be content with that.

26. *The Chairman.*] What I understand is this: that at the end of fifteen years if the line is paying the Government may or may not take it over?—We would not mind the Government not taking it over if it were paying.

27. It is not a question of compulsory purchase?—If it pays we are content to hold it; if it does not pay the Government need not take it.

28. If it is paying you are not particular whether the Government take it over or not, but if it is not paying you give it the option of taking it over as a *quid pro quo* for providing you with security over the purchased lands?—Yes.

29. *Mr. Collins.*] Is the £180,000 a fixed offer, or is it merely a suggestion of about the price you will require?—I might say this, that that is the price at which we proposed to sell it to the English syndicate last year.

30. £180,000 is, then, a definite price?—We are prepared to take that for it and to complete the line to Taupo.

31. You want the equivalent in areas of land, and that will depend upon the price to be paid?—Yes, we do not want that in addition to the line; we want it in exchange for the line. We want the purchase price of the line; we do not want the land except to the extent of the purchase-money. We do not want any profit.

32. Do you suggest that the Crown should acquire the Native lands at their present values whether the Natives are prepared to sell them or not?—That is a matter of policy in which we are not concerned. I do not suggest that necessarily. I say that the Natives are willing to-day to sell a considerable area of their lands at present values.

33. Will the whole proposal fall through if the Natives are not prepared to sell at a price?—Not necessarily; the Crown lands alone are sufficient.

34. Then you want the increase of value likely to arise in the sale of Crown lands contiguous to the railway?—We do not want the Government to commit itself to a penny in cash. We only wanted to charge these lands with the purchase price, and whatever is sufficient from the purchase is all we are interested in.

35. All you will eventually get is the advanced profit from the sale of these lands?—The whole proceeds from the sale of the Crown lands after paying expenses.

36. You are not content that the Government's responsibilities in that respect should be limited to £180,000 plus reasonable interest?—Yes, we are.

37. Certain steps have already been taken to test the utility of this land?—Yes.

38. Has the company itself taken any steps to do so?—Yes; there are two areas. There is an area of 10 acres just at the mill which has been sown in grass in conjunction with the Government.

39. *Mr. Buchanan.*] Bush land?—No, pumice land. And another area has been taken up by our manager. There is another 10-acre block near the Taupo Township.

40. *Mr. Collins.*] In connection with one of your previous proposals it was suggested that the company should spend a certain sum of money on improvements on the land?—Yes.

41. That, of course, will not be part of the present proposal?—No, because we do not get the land.

42. Is there to be any condition as to the time in which the Crown has to resell or dispose of its own land or Native lands?—That is not a matter of importance to us, but I should say it would be disposed of within fifteen years. It will remain with the Crown as to whether it will sell the lands next year or ten years hence.

43. With regard to the present line the primary object of the company was the carriage of its timber?—Yes.

44. The object of the extension is something essentially different?—Yes.

45. It is suggested now that the company should become common carriers if the company does the work?—It does now.

46. Does it carry goods now or any other timber than its own?—There is no other timber being worked in this district.

47. How do you suggest that the price the Crown should pay for the railway should be arrived at?—By valuation.

48. That is the present value of the permanent railway and the cost of construction?—Yes.

49. Do you wish any price for goodwill from the Crown?—No.

50. What price do you think will be got for the land sold to the actual settlers?—It would be impossible to say. Mr. Barnett, I think, gave you the best evidence you can get on the subject, because he is a practical man. I have had a good deal of experience of him, and know him to be a man who has been successful, and whose judgment is relied upon by most of the people who know him. His idea is that the land might cost up to 10s. an acre, another 10s. to cut it up and sell it, and that you ought then to get an average profit of about 10s. an acre.

51. It was stated last year in evidence that there is some swamp land in this area which, when drained, may bring as much as £40 an acre?—It was so stated, I believe.

52. Do you challenge that statement—it was Mr. Vaile's evidence?—He was talking of an area down at Waitapu. No one, I think, to-day would fix the value of dairy land.

53. The profits of the company depend upon the price that is eventually got for the land from the *bona fide* settler. This is a business proposition made for the purpose of securing some profit. That profit depends upon the price ultimately got from the farmer who farms the land in small areas?—The farmer must ultimately provide the traffic for the line.

54. But I am referring to the profit in regard to this proposal?—There is no profit asked on this proposal; it is merely the cost of the line.

55. That is to say, you are not looking for any speculative profit at all?—No.

56. Sir John Findlay, in his opening, mentioned that there has been a loss to the company generally because of non-production in these areas?—Yes.

57. Has not the company contributed to that loss by holding large areas which have been non-productive for years?—If it had worked the 45,000 acres it holds it would have produced something, but it was running a timber business, and the timber business required all the capital the company had.

WEDNESDAY, 11TH SEPTEMBER, 1912.

Examination of F. G. DALZIELL continued.

1. *Mr. Collins.*] I am dealing with paragraph (a), 1, of the prayer of the petition as amended by your fresh proposal of yesterday?—Yes.

2. It appears from the colouring of the map that most of the land served by the existing railway is privately owned?—That is so.

3. Then, all you have said about the increase in Crown and Native land values applies with equal effect to this privately owned land?—No, because that has already got this line through it. The line we are talking of now is the extension of the Putaruru to Mokai line.

4. The benefit these properties will receive will come from an efficient service?—Yes.

5. They have no passenger service there now?—No.

6. And it is a complaint that the rates on goods are high?—I never heard of that complaint.

7. Mr. Vaile spoke of it last year?—Mr. Vaile was speaking without experience. On the contrary, we are carrying goods for £1 2s. 6d. per ton fifty miles. For the additional sixteen miles to Wairakei it costs £1 7s. 6d. a ton. As Mr. Graham told you, we are entitled to charge £2, while we are only charging £1 2s. 6d.

8. Something was said about the loss to this locality if the line were pulled up?—Yes.

9. Is there any obligation on the part of the company to continue its present service?—No.

10. None in the Order in Council?—No.

11. And none in the Tramway Act?—If we do not continue it the Government can cancel our right.

12. What is the position if you should discontinue?—The result would be that we should lose the right and the permanent-way. Unfortunately we could not take that away, but the steel rails we could take away. The steel rails would be the only part of the line we could remove.

13. The sleepers and ballasting would remain?—Yes.

14. Whatever conditions are imposed, it would be an advantage to the company to dispose of the present railway?—Unquestionably. That is what we are asking for.

15. Dealing with paragraph (a), 2, which I understand is the original proposal of the company, and as to which you said it was the proposal that you individually preferred?—Pardon me, I said I thought it was the best proposal in the interests of the country.

16. You did not suggest that it was the proposal in the best interests of the company?—I did not suggest that. I did not discuss it.

17. The area to be acquired under this alternative proposal would be 200,000 acres, I understand?—Yes.

18. What are the localities in which it is hoped to acquire this area?—There are no special localities.

19. You would prefer to acquire it, of course, where the land is likely to improve mostly in value?—No doubt.

20. I suppose that remark would apply with the same force to the Tokaanu lands?—Yes.

21. Those lands I think you described as being as valuable as any in the Dominion?—It has been so described.

22. What price do you expect to have to pay for that particular land?—It is impossible to say.

23. And you are equally at a loss as to what you would be likely to get for it?—Yes.

24. Can you tell me what amount it is proposed to expend in improving these lands to be acquired under this proposal—the 200,000 acres?—That is a matter which we have not really gone into. It is a question merely for the Government to stipulate what it thinks reasonable.

25. It is for the Government to stipulate that?—Exactly.

26. If a condition were proposed, you would not object to it being made conditional on the granting of this land?—Not if reasonable.

27. If this alternative proposal is adopted the State can acquire the railway at present values equally as under the land proposal, I understand?—That is so.

28. A fair value would be approximately what has been expended and interest on the money?—Yes.

29. With regard to the land, of course there will be no such provision for State resumption, or non-user, for example, at a fair price?—I take it that the State can always resume at what is a fair price.

30. The fair price being—what?—The actual market value of the day.

31. And the market value depends not merely on what the land will produce at any given time, but to some extent what it is likely to earn in the future?—I think not. I think always the test—except in a very few instances—is what it will bring to-day. That is the practical test.

32. I understand that if this alternative proposal were adopted the company would guarantee certain things?—You mean the primary proposal: yes.

33. Yours is a public company?—Yes.

34. And your balance-sheet is among the documents which you file with the Registrar of Companies every year?—That is so.

35. You will have no objection to putting your last balance-sheet on record?—None at all.

36. With regard to the debentures, I understand from your counsel's opening that they absorb a considerable portion of the present company's assets: is that so?—The debentures amount to about £88,000.

37. And what is, approximately, the present value of the company's assets?—Will you tell me what the value of the railway is?

38. Has the company not made out a balance-sheet and given an estimate of its assets?—It has.

39. What is this estimate?—£120,000 for the line, and £10,000 for the rolling-stock.

40. That is to say, the assets, roughly, comprise £120,000 and the debentures £88,000?—We have other assets, such as machinery, and so on.

41. You cannot tell me what the company's assets are?—The book value is equal to the liabilities of the company less about £52,000. My own opinion is that the values are too high. We have not altered them because, unfortunately, we have not been able to pay dividends, and therefore it was not necessary to make any alteration.

42. These debentures have, of course, priority over the present and future debts and obligations of the company?—Not necessarily over any future debts.

43. The debentures in regard to any ordinary company's business have priority?—That is so.

44. That is to say, unless there was a special arrangement with the debenture-holders, the debentures would have priority over the Government claim?—I have told the Government that there would be no difficulty at all in getting the debenture-holders to agree. In fact, the shares are held very largely by the debenture-holders. What I offered was a first charge to the Crown.

45. It was mentioned last year, when a similar petition came up, that it was proposed that the English financiers would take over the proposal?—Yes.

46. It was proposed to sell to others?—Yes.

47. The company acting as a sort of brokers in the matter?—As a vendor.

48. Is that the idea now?—We would endeavour to do that if the Government gave us the second alternative. We would have to finance and to arrange with the London syndicate. I do not know whether that is available to us to-day; there is no binding obligation.

49. Under the second alternative you would, of course, require capital to continue the line?—That is so.

50. Some point was made in your counsel's opening as to this being wholly a New Zealand company?—Yes.

51. I presume you have no objection to putting on record the names of the present shareholders of the company?—None at all.

52. And the names of the debenture-holders?—Yes, I will do so now.

53. Sir John Findlay said it was proposed to extend the line in any case?—Yes.

54. Will you indicate the extension that is proposed?—It will be from the junction of the present line to Oruanui. I would like to say this further at this moment, which I omitted to say yesterday: I have had ten years' experience of this pumice district and know it fairly well, and I know also New Zealand fairly well, and I do not think you can for the same expenditure of money open up so much country anywhere as you can by this proposal—for this reason: that by making the proposed extension of twenty miles you get what is in effect a railway probably over a hundred miles; you get the railway all round the lake. A steamer service would probably be cheaper or as cheap as a railway service, and there is a steamer now on the lake that serves any part of it; so that you get in effect a railway round that lake, because you can get almost to any part of the lake down to the water. The whole country is of a pumice nature, which enables you to get down to any point. You get for an expenditure of £1,500 a mile, or a total of £50,000, twenty miles of railway which will serve probably approaching a hundred miles of country.

55. *Mr. Buchanan.*] What would you say is the approximate variation of the level of the lake? You have floods, and so on?—I am afraid I do not know. I have never had occasion to go into that. There is no difficulty at all in approaching any part of the lake with a boat, and you can get a road at a very small expenditure indeed to any part, owing to the nature of the country.

56. *Mr. Buick.*] What is the nature of the country?—At Mokai, where they grow almost anything, it is about 2,000 ft. high.

57. That is not from the lake?—No, it is all rolling country. There is no country at all round the lake which is not ploughable—that is, excepting the actual ravines. None of that country is very high. I think Mokai is one of the highest points, and you have no difficulty in growing anything you like there. There are very keen frosts at times, but nothing compared with what you get in the south. All that land is ploughable, and would be served efficiently by a railway.

58. Most of the country is rolling tablelands 300 ft. above the lake?—That is so.

59. *Mr. Buchanan.*] My question as to the level of the lake had reference to a wharf, so that the wharf could be available at all levels of the lake?—There is no difficulty at all. There is one wharf at Taupo and another at Tokaanu. There is no difficulty in serving them with a small steamer.

60. *The Chairman.*] Will you produce the agreement you have with the Natives in regard to their rights: you have Native lands?—We have no Native agreements. We have Land Transfer leases registered under the Land Transfer Act.

JAMES ROBERT RAW sworn and examined. (No. 7.)

1. *The Chairman.*] What is your profession?—Storekeeper.

2. You understand that the petition as originally presented to the House has been materially amplified?—Yes, I do understand that. The Committee will admit that it is practically impossible for the Rotorua Chamber of Commerce, which I represent, to reply to different phases of the question which continue to rise from day to day containing modifications of the proposals. We have gone into the matter with a view to obtaining approximately a unanimous opinion, and, so far as my address is concerned, I can only reply from the point of view of the Chamber of Commerce, and with the information they had at hand to the matters contained in the original petition. But I am quite ready, if I have the right then, to answer any questions or give such

opinions as may be necessary. I have been deputed by the Rotorua Chamber of Commerce to submit to this Committee their objections to the petition of the Taupo Totara Timber Company. As the Rotorua Chamber of Commerce is the only public body in Rotorua whereby expressions of opinions are obtainable, we may reasonably claim as representing the unanimous opinion of that Chamber to thus represent the State town and district of Rotorua, with an approximate population of between two thousand five hundred and three thousand. We desire in the first place to summarize our objections under the following headings: (1) That the conditions of the petition are unreasonable, and opposed to the best interests of the Dominion and also to the State town of Rotorua; (2) that a State-owned line from Rotorua to Taupo, connecting with the East Coast and Main Trunk lines, would be more advantageous in every respect than a privately owned Putaruru-Taupo line, and would form an integral part of the general railway scheme of the Dominion at a cost of approximately £100,000 less than any other route; (3) that if the present petition is granted, the possibilities of a State-owned connection between the coast and Taupo will be relegated to the very remote future; (4) that in an interior district the existence of a private railway, with the concessions asked for, is a bar to settlement and development of the country, when compared with the advantages appertaining to a State-owned line under similar conditions; (5) that as a tourist route the suggested Taupo-Rotorua line is incomparably superior and capable of greater development than the Putaruru-Taupo line; (6) that a Putaruru-Taupo Railway would depreciate the value of Rotorua as a State asset; that a Rotorua-Taupo Railway would increase the State asset; (7) that if the present petition be granted a gigantic and objectionable monopoly will be created; (8) that section 6 of the petition is contrary to the law of the Dominion, and foreshadows a monopoly of the fish in Lake Taupo itself. (1.) "That the conditions of the petition are unreasonable, and opposed to the best interests of the Dominion and the State town of Rotorua": It is open for the company to apply for and obtain an order authorizing the construction of the extension under section 5, Tramways Act, 1908, without parliamentary sanction. It seems plain that the real object of the petition is to effect the sale of fifty miles of railway or tramway already in existence from Putaruru to Mokai, and thus realize the cash value of a portion of the Taupo Totara Timber Company's assets. Evidently the necessity for this sale arises from the unsatisfactory position of the Taupo Totara Timber Company as stated by the petitioners, seeing that with a capital of £341,000 its operations throughout the eleven years of its existence have been so unsuccessful that no dividends have been paid, that ordinary shares are practically valueless, and that grave doubts exist as to the possibility of returning money to holders of preferential shares. It is also admitted that previous efforts to induce capitalists to take over and complete its tramway have failed, even when the company offered to pledge all its assets as security and guaranteed 5 per cent. interest for fifteen years. It is now stated that if permission be granted to acquire 200,000 acres of Native and Crown land at present value the petitioners have reason to believe that a new company can be found to purchase the present line and complete the extension. In other words, that the concession would become a valuable subsidiary asset, and that concession would, to all intents and purposes, be open to immediate sale. We respectfully submit that it is a most unusual proceeding to seek a concession from Parliament based on grounds of public welfare, and at the same time indicate the intention to immediately place that concession on the market and realize the value in cash. The case for the petitioners depends to a great extent on the contention that the proposed railway will result in the rapid development and settlement of a large area of Native and Crown lands. The realization or otherwise of this prognostication depends principally upon whether or not the land in question is capable of profitable cultivation. If the land is unsuitable for settlement we take it that no amount of railway-construction, either by Government or private enterprise, can possibly induce settlement, and under such circumstances the benefits suggested in this direction would be non-existent. If, on the contrary, the land is fertile and capable of maintaining a large population, as the petitioners claim, we submit that the State should provide the necessary railway facilities, acquire a great proportion of the 800,000 acres of Native land at present value, open up these lands as well as the 350,000 acres of Crown lands, and thus conserve the enhanced value for the public benefit. This would be in accordance with the avowed policy of the present Government, to purchase large areas of lands in advance of railway-construction, instead of permitting a capitalistic body to exploit an immense area purely for money-making purposes. The area proposed to be acquired is equivalent to a block of country fifteen miles wide and running throughout the entire length of the projected railway. It is reasonable to assume that the better-class land in the vicinity of the tramway would be secured by the petitioners. The consequence would be that to all intents and purposes the choicest land to an extent of about 200,000 acres, and mostly situated conveniently, would be closed to settlement except upon such terms and conditions which it would be safe to assume would compare unfavourably with the advantages pertaining to direct dealing with the Crown. Intending settlers would thus be debarred from the advantages provided by our liberal land laws for placing settlers on the land under easy and favourable conditions, unless satisfied with inferior land or that more remote from the tramway-line. We submit that grave doubts exist regarding the adaptability of this immense area of pumice land (about 1,500,000 acres) for profitable cultivation and close settlement by the ordinary class of farmer. If a rush of settlement is to attend the construction of the proposed twenty miles of railway as the petition infers, why has the present fifty miles of line not resulted similarly? The fact that comparatively small areas of the better quality of pumice land, principally river-flats, have proved profitable when worked by men of means does not demonstrate that the immense expanse of hilly country is suitable for settlement by men of moderate means, which is the class essentially catered for. There is a tremendous demand for farming lands in this country at the present time—a veritable land-hunger. This is shown by the rush for sections of suitable Crown lands wherever offered and by the high prices paid in

private sales. Why, then, have these land-seekers not coveted Taupo lands, and why has not a great protest been raised against the Crown locking up 350,000 acres of reputedly fertile lands in the Taupo district? Why have the landless men with some capital and much experience not dealt directly with the Natives, seeing that practically unlimited areas are available at comparatively nominal prices? We say that the keen practical farmers of this country by their attitude towards the Taupo lands offer a tacit and weighty opinion which is opposed to the petitioners' optimistic estimate of the value of the lands for ordinary close settlement. Absence of railway communication cannot possibly be accepted as an all-sufficient reason for non-development, seeing that fifty miles of the present railway has been open for six years, and that the proposed extension, which is to revolutionize matters, is only twenty miles in length. Even people who own land in this district appear to emphatically doubt its capabilities in regard to profitable occupation. As an instance, an estate of over 1,000 acres at Wairakei, in the heart of the district, and through which the proposed line would pass, has been held by one family for many years—about a quarter of a century—who also conduct a large hotel on the estate, and have been more or less engaged in coaching and transport business. Despite the fact that their business calls for considerable consumption of farm and dairy produce, they have not evinced sufficient faith in the capabilities of their land to induce them to cultivate it, even to the extent of providing for the requirements of their business on the spot. Surely the expense of carriage by road should, in this instance, encourage rather than retard development of cultivation at least to the extent mentioned. Nevertheless this land still remains practically in its original state. The realization or otherwise of the beneficent effects of the construction of the proposed extension of the tramway would not be of material interest to the company, seeing that it is their intention to dispose of their tramway, together with all the concessions, options, &c., to outside capitalists. (2.) "That a State-owned line from Rotorua to Taupo, connecting with the East Coast and Main Trunk lines, would be more advantageous in every respect than a privately owned Putaruru-Taupo line, and would form an integral part of the general railway scheme of the Dominion, at a cost of approximately £100,000 less than any other route": It has been urged that we as a community are opposing the Taupo Totara Timber Company because we fear the competition of Taupo and Wairakei as opposed to Rotorua. We wish now definitely to give all such and similar statements an emphatic denial. Taupo and Rotorua are naturally and inseparably linked together, inasmuch as they are the recognized centres of thermal activity in the Dominion; and experience has shown that tourists and visitors go as a matter of course from one place to the other, thus obtaining a thorough acquaintance with the various features of New Zealand thermal action. We have previously urged that, as part of the general scheme of State railways, a railway should connect Rotorua and Taupo. At the present time the East Coast line is about to pass within twenty-two miles of Rotorua. The trial survey of this line has now been completed, and we can presume that the promise of the late Minister of Public Works that the connection between Rotorua and the East Coast Railway will be in the field of actuality within a very limited period. Such will give us connection with one of the finest harbours on the east coast of the North Island, Tauranga, which is destined by its position to play an important part in the near future in the development of the Bay of Plenty and Rotorua-Taupo district. A glance at the map will convince any unbiased person that this is the natural port for the whole of the districts mentioned. It has water deep enough to float deep-sea-going vessels, and it is the centre of a large agricultural and pastoral district, where it is proposed to build freezing-works and other adjuncts of a deep-water port. The effect of this would be to bring Taupo within a hundred miles of deep water over one continuous State-owned line, against two hundred miles partly per medium of a private trust line running on to a State line. It would have the advantage of long-distance fares and freights against the two separates fares to be paid, partly State and trust. It would mean eight hours for stock against sixteen as at present proposed. The difference which the trust line can charge as per their charter and the charges that are in operation at the present time are matters of grave importance, irrespective of the big advantage of distance in favour of the coast line. From what we have already stated it must be admitted that we are not opposed to the progress of the district or in any way opposed to the development of the Taupo district; but we urge that if a railway is countenanced or constructed it should be one that will conform to the general scheme we have here outlined—from the present railhead at Rotorua, and thence on through Waitapu to Wairakei and Taupo by a connection across the lake to the nearest point on the Main Trunk line, which is, we believe, Kakahi. Such a route would make one of the finest tourist routes in the world. It would shorten the distance by nearly a hundred miles for travellers leaving Wellington, passing through the thermal regions and on to Auckland, or *vice versa*. As an asset the two places are of incalculable value to this Dominion, and it is obvious that facility of transit from one place to the other will rapidly bring this region within the reach of an ever-increasing class of people. At present during the season there is a continuous stream of traffic from one place to the other, notwithstanding the delays and inconveniences incidental to coaching, and there can be no doubt that were there a railway between the two places traffic would be at once enormously increased. The knowledge that the whole of the thermal region of New Zealand was made so accessible to visitors from Australia and overseas would alone induce them to come in ever-increasing numbers. As a business proposition, therefore, it is absolutely clear that direct access by the quickest route from one place to the other is an imperative necessity. A glance at the map will again show that from this point of view the Mokai scheme is an impossible one. It severs Rotorua from Taupo, and it creates a conflict between the interests of the two places where community of interest should exist. On the other hand, a line through Waitapu *via* Wairakei to Taupo would be through the heart of the thermal district. It would bring Waitapu within easy reach of Taupo or Rotorua, and it would conserve the national interests of the thermal regions. (3.) "That if the present petition is granted the possibilities of a State-owned connec-

tion between the coast and Taupo will be relegated to the very remote future": The contention against any petition in the future would be that the district is already served by the private line of the Taupo Totara Timber Company, and if the concessions asked for are granted it would be unfair for the Government to enter into active competition where they have already granted a charter on the security of which capitalists had been induced to invest their money. And in our opinion the country would be saddled with this private line practically for all time, because it would never be advisable for the country to purchase it. (4.) "That in an interior district the existence of a private railway with the concessions asked for is a bar to the settlement and development of the country when compared with the advantages appertaining to a State-owned line under similar conditions": In section 2 of the petition it is specifically mentioned that the cost of cartage of the necessities of settlement and of products for markets and export renders settlement under present conditions virtually impossible. The fallacy of the petitioners' contention in regard to offering facilities and cheapening the carriage of such goods as are essential to the settlement of a new district can be best exemplified by citing the actual rates now being charged by the Taupo Totara Timber Company on the fifty miles of line already in operation, at the same time bearing in mind that the salvation of the pumice lands in this Dominion depends on cheap transit and cheap manures, and that the products of poor lands have to compete with the products of more favoured and fertile districts. Class E ($1\frac{1}{2}$ tons minimum)—Barley, bonedust, flour, oats, wheat, maize, bran, pollard, manures, grass-seeds, fibre: Government line, 140 miles, Auckland to Putaruru, present rate 11s. 4d.; Taupo Totara Timber Company could charge £1 18s. maximum; Putaruru—Oruanui, 48 miles, present rate £1 2s. 6d.; total, Auckland—Oruanui, 188 miles (16 miles from Taupo), £1 13s. 10d.; Auckland to Oruanui Siding, maximum rate £2 9s. 4d.; Government line, 230 miles, Auckland to Taupo *via* Rotorua, 15s. 7d. Class D—Bacon, soap, butter, cheese, wire netting, wool-packs, plain wire, corrugated iron. Government line, Auckland to Putaruru, present rate £1 11s. 6d.; Taupo Totara Timber Company, Putaruru—Oruanui, present rate £1 2s. 6d.; total, Auckland to Oruanui, present rates £2 14s.; Auckland to Oruanui Siding, maximum rate £3 9s. 6d.; Government line, 230 miles, Auckland to Taupo *via* Rotorua, £1 19s. Class C—Cabin bread, castings, door-frames, nails, poultry, rope, sashes, barrel beer, barbed wire: Government line, Auckland to Putaruru, present rate £1 18s. 9d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate £1 2s. 6d.; total, Auckland to Oruanui, present rates £3 1s. 3d.; Auckland to Oruanui Siding, maximum rate £3 16s. 9d.; Government line, 230 miles, Auckland to Taupo *via* Rotorua, £2 6s. 4d. Class B—Case beer, biscuits, boats, boots, cheese, confectionery, earthenware, preserved fruit (New Zealand), hides, implements, luggage, saddlery, sugar: Government line, Auckland to Putaruru, present rate £2 8s. 2d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate £1 2s. 6d.; total, Auckland to Oruanui, present rates, £4 6s. 2d.; Government line, 230 miles, Auckland to Taupo *via* Rotorua, £2 19s. 3d. Class A—Bedsteads, benzine, cartridges, all sundries, kerosene, spirits: Government line, Auckland to Putaruru, present rate £2 19s. 4d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate £1 2s. 6d.; total, Auckland to Oruanui, present rates £4 1s. 10d.; Auckland to Oruanui Siding, maximum rate £4 17s. 4d.; Government line, Auckland to Taupo *via* Rotorua, £3 14s. 4d. Chaff (6-ton trucks): Government line, Auckland to Putaruru, present rate £2 6s. 3d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate £6 15s.; total, Auckland to Oruanui, present rates £9 1s. 3d.; Government line, Auckland to Taupo *via* Rotorua, £3 8s. 6d. Coal, native (4-ton minimum, per ton): Government line, Auckland to Putaruru, present rate 9s. 8d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate (open trucks) 17s. 6d.; total, Auckland to Oruanui, present rates £1 7s. 2d.; Government line, Auckland to Taupo *via* Rotorua, 13s. 4d. Flax, dressed fibre: Government line, Auckland to Putaruru, present rate 11s. 4d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate £1 2s. 6d.; total, Auckland to Oruanui, present rates £1 13s. 10d.; Government line, Auckland to Taupo *via* Rotorua, 15s. 7d. Coke: Government line, Auckland to Putaruru, present rate 14s. 3d.; Taupo Totara Timber Company, Putaruru to Oruanui, present rate (open trucks) 17s. 6d.; total, Auckland to Oruanui, present rates £1 11s. 9d.; Government line, Auckland to Taupo *via* Rotorua, 19s. Wool: Oruanui Siding to Auckland, 9s. 9d. per bale (3 cwt. bales, undumped); Taupo to Auckland *via* Rotorua, 7s. 9d. per bale. NOTE.—Present rate shown is still 16 miles from Taupo (Taupo Totara Timber Company); Government rate is to Taupo. Class E (minimum $1\frac{1}{2}$ tons): State-owned railways tariff enables consignor to forward goods 400 miles, as against under 50, Taupo Totara Timber Company's rates (minimum) of £1 2s. 6d. (5.) "That as a tourist route the suggested Taupo—Rotorua line is incomparably superior and capable of greater development than the Putaruru—Taupo line": The petitioners claim in clause 5 that the extension of their tramway will result in the rapid development of a tourist district not now fully known, and that this would result in a largely increased passenger traffic upon the Government railways to and from Putaruru. To favourably compare the development of increased tourist traffic to Taupo, following upon the opening of a line from Putaruru, with the probable increase accruing from a line from Rotorua is manifestly absurd, seeing that at Rotorua there is continually about a thousand to two thousand visitors in temporary residence who could visit Taupo and return to Rotorua on the same day, as compared with a special trip of thirty-two miles to Putaruru to connect with the Taupo Totara Timber Company's line, and the return journey of thirty-two miles. The opposition of Rotorua residents to the present petition has been attributed to a fear that the superior attractions of Taupo would result in reduction of traffic to Rotorua. The absurdity of this contention is evident from the very fact that the people of Rotorua are agitating for railway communication with Taupo, by what they consider the best route. What the people of Rotorua are afraid of is the operations of a gigantic trust, whose self-interest will operate by every possible means to deflect as much as possible of the tourist traffic from State railways and a State town to a private railway and an opposition

thermal district, where the principal avenues of revenue will be controlled by this same company. In connection with this phase of the question we suggest that if the petition be granted conditions be imposed prohibiting the inauguration of lower fares than are charged on State lines, in order to prevent unfair competition for the tourist traffic. The interests of Rotorua cannot be dissociated from the interests of the State, and the people of Rotorua feel sure that their interests and the interests of their State-owned town will not be sacrificed to mercenary private enterprise. As an indication of the importance of the tourist traffic, it may be mentioned that in annual reports of the Tourist Department as submitted to Parliament the value of the tourist traffic to the Dominion was assessed at £100,000 in 1900, and at £449,000 in 1909. The arrivals in Rotorua by train in 1901 numbered 5,066, whilst in 1910 the number reached 21,021. The revenue of the Tourist Department at Rotorua by way of bath fees, &c., is given at £4,616 in 1903, and £12,678 in 1910. It has been asserted in opposition to the proposed Rotorua-Taupo line that there is no prospect of its construction for many years to come. In view of the extraordinary rapid increase in traffic above mentioned, and in view of probable increased settlement, such a statement is rather hazardous. The importance of the tourist traffic in relation to railway-construction in the thermal district cannot be denied, as witness the traffic on the present line to Rotorua. The lines we now suggest would make the distance between Wellington and Auckland, including a detour connection with the Main Trunk line at Kakahi and Frankton, 529 miles. Considering that the distance at present is 426 miles, and that the detour of only 103 miles would be through the heart of New Zealand's wonderland, it is inevitable that immense numbers of people travelling by the Main Trunk would be induced to make the detour, to say nothing of establishing direct communication with the East Coast line. A Rotorua-Taupo Railway, with a further short line from about Kakahi on the Main Trunk line, linked up by steamer service across Lake Taupo, would eventually prove highly profitable as a tourist and passenger route, and fit in with the general scheme of railways. (6.) "That a Putaruru-Taupo Railway would depreciate the value of Rotorua as a State asset, whereas a Rotorua-Taupo Railway would increase the State asset": We are emphatically of the opinion that the request of the Taupo Totara Timber Company for an extension of their charter and power to construct a further twenty miles of railway, and the granting of power to acquire 200,000 acres of Native lands, is opposed to the best and vital interests of the State, and particularly the thermal regions of New Zealand comprised in the areas of the Taupo and Rotorua Counties. The creating of such a huge monopoly or trust, which, in addition to its present holding of many square miles of country, proposes to buy or acquire from the Natives without competition a huge slice of some 312 square miles of land, is opposed to settlement as at present understood by the people of New Zealand. It evidently would be the policy of the company to sell to men who had capital enough to purchase outright, and who were able to spend the money necessary to bring the pumice and swamp lands into profitable occupation. This class of settlement is limited, and it would be many years before such settlement would be successfully accomplished. In the event of their scheme not being successful the company have proposed, after a lapse of time—say, ten years—to throw up the land and allow it to be sold by the Native Land Board. They would then have only one class of trade left which it would be safe to say had any prospect of being an increasing one. The bushes on their own estimate have a prospective profitable life of fifteen years. If at the expiration of ten years their land-settlement scheme is a failure or not a financial success, the tourist trade of the Dominion is their principal asset. It therefore seems to us, seeing they are candid in their admissions, that the reasons for obtaining options over the whole of the hotels and sights in the Taupo district are to obtain the increased value of such caused by the extension of their railway to Taupo, and such values are entirely dependent on the tourist traffic; that as a business proposition they will put the whole, or a large part, of their energies and capital into inducing the ever-increasing body of tourists to travel on their railway, ride in their motor-cars, voyage in their steamers across Lake Taupo, and thus on to the proposed railway from the southern end of Lake Taupo to the Town of Kakahi, on the Main Trunk line. If it is a fact that they have already an option over the boats at present engaged on the lake, or whether they intend to form a fleet of steamers of their own, private competition will have no chance against a company which can issue through tickets from one end of its system to the other. By this and various other means it will control the traffic of the lake and fishing-camps, which must rely upon it for supplies and attendance. The best fishing-camps are held by the present Ferry Company on leases from the Natives and others. We believe it has been the practice of the Taupo Totara Timber Company in the past to supply those who are in its employ with stores and other necessities. It carries on the business of general storekeepers, and it is logical to deduct that it will use all those avenues of profit for its own benefit. Private enterprise will then find it unprofitable to carry on operations, and the field will be left to a strong company of foreign capitalists, who will endeavour by all the monopoly which they are asking to have granted to them to make the highest possible return to their shareholders that it is possible to make. So far as we are concerned, we have no objection to the Taupo Totara Timber Company as a timber company, but the proposal of the company is of such a nature that if it can sell its railway with the advantage of the large areas of land it proposes to acquire and the still greater control they will have of transit by land and water, we are no longer dealing with the Taupo Totara Timber Company, but with a body of foreign capitalists with a huge monopoly of land and traffic. It means, in effect, that this Dominion is making such a combination a present, without any equivalent, of the control of Lake Taupo and of the finest fishing in the world. It will have the control of half the thermal region, with all the spas, springs, and medicinal waters within its borders; the advantage of all its wide-world reputation, its prestige, and the fame of its healing waters, and the illimitable potentialities of its undoubted future. As an asset it is of incalculable value. The Government has already and is at the present time spending large sums of money in advertising

the thermal district and developing the tourist trade. Tourist officers and offices are stationed in various parts of the Dominion and the Old World, and it is absurd that a private enterprise should have the benefit of this expenditure. Either Taupo must be cut out of the Tourist Department's programmes or they must act as agents for the company. The existing Government lines will of necessity be used for the purpose of feeding the proposed private lines. The proposed extension would make the Rotorua end of the present Government line to a large extent a dead end, depriving it of all the goods traffic for Taupo, and a large share of passengers and a considerable portion of the southern traffic across Lake Taupo would naturally be deflected by the private line *via* Mokai. It needs no prophecy to point out that the trust will not be a party to inducing tourists to visit Rotorua; its interest will be to keep them moving on its own private track or route, which cannot include Rotorua. The Dominion has already spent large sums of money in and about Rotorua in the erection of a Sanatorium and bath-houses, with all the attendant adjuncts of an up-to-date spa, and in other works of a like nature, at an approximate cost of £300,000. If the Taupo-Mokai scheme be approved, the effect will be that the Government will be a party to the side-tracking of Rotorua, and thus depriving the latter place of its opportunity of making an adequate return on the money spent on it. The effect will be that the public money spent on Rotorua will be immeasurably depreciated. It has been a settled policy with the Government for many years to create and maintain a spa in Rotorua, and to a large extent because of this a town has sprung up. This town is State-owned; it is against the interests of the Dominion to do anything which will have the effect of sacrificing to private speculation the interests of the State-owned town of Rotorua. The tenants took their holdings from the State, relying on the State to continue its policy, or, at any rate, to do nothing which would have the effect of prejudicially affecting them. Ever since the passing of the Thermal Springs Act the Government has steadfastly adhered to the view that the thermal district of New Zealand was a national asset, and as such held for the people for all time. If this extension be assented to that policy is at end, for a powerful capitalistic body will then have established itself in control of the Taupo zone. The fiction may be preserved that the State may resume and that some of the properties are only leasehold, but all kinds of difficulties would be in the way of resumption. If there be a resumption the cost will be prohibitive, and in the meantime the trust will control the position and all transit facilities. The State would be called upon to pay heavily in hard coin for liberties it gives without a sufficient *quid pro quo*. We again affirm that this is a State matter of vital moment to the future of an important part of the Dominion, and should be judged as such. If the principle, so long affirmed, of State railways is to be set aside, it opens up the whole question of private charters, with all its attendant undemocratic eventualities. (7.) "That section 6 of the petition is contrary to the law of the Dominion, and foreshadows a monopoly of the fish in Lake Taupo itself": This seems to presuppose that special legislation will be asked for for their (the petitioners) special benefit. This fishing district is under special control by the State, who are the conservers under the Acclimatization Act, and if anything of a commercial nature is contemplated it should only be left in the hands of those who are expert in fish-management and responsible for the maintenance of the fishing on a satisfactory basis. The subject-matter of section (a), clause 12, conjointly with subsection (1) (a), clause 13, whereby the State is practically requested to subsidise this company in regard to the cost of construction of the proposed tramway, and in addition partially insure the said company against loss in the running of a passenger and goods service, would in substance amount to the bolstering-up of a doubtful private enterprise to such an extent as to constitute a dangerous and obnoxious precedent, which would not be tolerated by the public of this or any other democratic country.

3. *Hon. Sir J. Findlay.*] You are a resident, I take it, of Rotorua, Mr. Raw?—I am.

4. And a storekeeper there?—Yes.

5. Do you own any sections there?—Yes, I do.

6. You are the owner of one of those leases?—I am a joint owner of a sublease. The rest I have sold since I came here first.

7. You were an original lessee?—No.

8. What leases did you acquire in Rotorua?—I acquired a quarter-acre section outside the Town of Rotorua for the purpose of building a house.

9. Within Rotorua did you acquire any leases?—No.

10. Then you are interested to the extent you mention in a lease in Rotorua now?—I am interested as a lessee in a matter of thirty leases outside the Town of Rotorua, but they are sub-leases.

11. When you spoke of the proposed Rotorua-Taupo line increasing the State asset, may I ask you what you mean by "State asset"?—The value of what the State owns.

12. What is that?—It owns the thermal springs in Rotorua for one thing. It has absolute control over the medicinal waters. It owns the Spa waters and the baths, and everything necessary for catering for the different diseases through the waters there.

13. That is your definition of State assets?—Yes.

14. Would the Rotorua line increase the State assets?—It would increase the value of the land by increasing the population.

15. Would it not be purely for the benefit of the people?—Seeing that all the sections are held in Rotorua under leases which define what they shall pay for the term of ninety-nine years, less, approximately, eighteen years, I do not see that it is purely for the benefit of the people there.

16. You say that the proposed Rotorua-Taupo line would increase the assets of the State in Rotorua?—Yes.

17. Do you say it will not increase the value of the leases privately held in Rotorua?—I believe it would.

18. In point of fact those leases have some eighty years to run?—Yes.

19. And to the extent to which those leases would increase the population and the general trade of Rotorua they would increase the value of those leases?—That is so.

20. If the line from Rotorua to Taupo increased the State leases it would increase the value of the privately owned leases?—Yes.

21. And your knowledge of human nature will dictate to you that if the private owners can get this increased value they will?—Certainly.

22. You represent the Rotorua Chamber of Commerce, the representatives of which are elected on no franchise whatever?—That is so.

23. Is there any one member of that Chamber of Commerce who does not own land in Rotorua, or who is not interested in land in or adjoining Rotorua?—That is a pretty big question. I could not answer it.

24. How many members are there in the Chamber of Commerce?—Seventy.

25. I ask you if there is one in that seventy who does not own land in Rotorua?—Mr. King does not own any land in Rotorua.

26. Do you say he is not interested in any way in land in Rotorua?—Yes.

27. What is his business?—He is a farmer at Horowiwi.

28. Where is that?—Past Mamaku, towards Auckland.

29. How many miles is this farm from Rotorua?—Approximately, twenty miles.

30. You know of no others?—I cannot say.

31. The great majority of the persons you represent to-day are interested in land either in or near Rotorua?—I do not say that.

32. Can you give me any other name than Mr. King's out of the seventy members of the Chamber of Commerce? However, if you have any great difficulty about it I am content to leave it there. You tell me you represent the Rotorua Chamber of Commerce, and that they have voiced through you their objections to this Putaruru-Taupo extension?—Yes.

33. Do you know whether there is one single settler on this area [map referred to] who opposes the extension of the line from Mokai to Taupo?—I know a great many who would prefer to see it go *via* Rotorua.

34. Can you tell me whether the petitioners, having their own interests in favour of the company's line, know their own interests as well as the Rotorua people know them?—I should say so, approximately.

35. Do you think they would know their own interests as well as the members of the Chamber of Commerce?—I suppose so.

36. Would they not know them better?—I might say they would prefer any railway to no railway at all.

37. You have spoken very largely and cogently about the tourist traffic: in your opinion is it more important to the whole of this district that the tourist traffic should be promoted or that settlement should be promoted—how would you put them in point of importance?—Judging by the capabilities of the land I should say the tourist traffic is the more valuable.

38. Which is more valuable to Rotorua?—The tourist traffic and the State railway.

39. You place the tourist traffic as being of more importance, then?—That is the way I demonstrate it under present conditions.

40. You consider it more important than to settle the present large areas of land?—I do.

41. I will take you down from Rotorua to Taupo [map referred to]. Do you suggest that westward of the proposed Rotorua line you could serve all this land?—No.

42. Then, I take it that you will agree with the evidence already given that the configuration of the land would prevent service to the westward by the Rotorua line?—There would only be the same difficulties that you experience in serving it.

43. Do you know the country?—Yes, I have been over both routes.

44. Several witnesses have shown that there is very high country to the west: you have to come down by way of Wairakei?—I think if your engineers could get over your difficulties other engineers could get over these.

45. I am speaking of ordinary access from the railway to the lands to the westward?—I think one line would be just as easy as the other to serve that country.

46. You assume that from your knowledge?—I have no data except personal observation.

47. In arriving at a conclusion you have assumed that the country to the westward could be served by the Rotorua line?—Yes.

48. Do you know what class of country it is to the eastward of the Rotorua line from Rotorua to Waiotapu? Do you pretend that it is land that could be settled at all?—I certainly pretend that it could be settled, because if the conditions apply to the country round to the southward they also apply to that land there.

49. You know the land around Rotomahana: is that as good land as the land round Rotorua?—Judging by the stuff that comes off, I should say so.

50. You know the Tarawera land: do you think that is as good?—I do.

51. What products do you suggest will form the traffic on this proposed Rotorua-Taupo line?—Ordinary farming products of the nature of chaff, oats, dairy-produce, and cattle. There is a certain amount of timber away to the southward on the right-hand side of the route.

52. Are you referring to the plantations?—No.

53. Can you give me an idea of the area?—I do not know what area it is.

54. The suggestion is that the only timber traffic this line could expect is timber from the Government plantations when the trees have matured?—There may be something in that.

55. Do you think that these traffics and the tourist traffic would make the line a payable concern?—Yes, practically from the start.

56. What are you assuming the cost would be of this line from Rotorua to Taupo? Have you arrived at any conclusion as to what the line will earn or what the cost will be?—Yes. The

approximate cost of the line is easily calculated. Taking the State railway as a standard the line from Rotorua to Taupo would cost about £400,000.

57. Has any trial survey been made?—No, but the figures I am quoting now are those of a flying survey made by the Chief Engineer.

58. Has any estimate been made of the cost of bridging the Waikato?—It does not cross the Waikato.

59. Are you responsible for the plan given in the pamphlet issued?—Yes, as one of the members of the Chamber of Commerce.

60. Will you look at that and then say that the railway does not cross the river [pamphlet referred to]? Does it go through Wairakei?—Yes, it touches Wairakei. According to the original idea it goes on the far side. It will give access to Wairakei.

61. Then it must cross the river twice. You did not draw the plan?—No.

62. And you have not considered what the bridges will cost?—No.

63. But you are assuming an expenditure of £400,000?—Yes.

64. What is the distance of the line considered necessary to connect Rotorua with Tauranga?—Twenty-two miles.

65. Have you any idea of the cost of that line?—No.

66. Would you be surprised to learn that it would cost £200,000?—I should be much surprised. I judge by my own observation and a statement made to me at different times by responsible Government officials and a Minister that the line could be easily constructed. No tunnels would be necessary, and to give the grade necessary their trial surveys show that it would be a remarkably easy one. I judge that it would therefore come considerably cheaper.

67. If we have an estimate of £400,000 for it, would you contradict that?—No.

68. Will you pledge your word that these two lines will not cost more than, £750,000 at least?—I am not inclined to pledge my word at all.

69. Do you say that the Rotorua-Tauranga line should be commenced before the Rotorua-Taupo line?—Yes, I do say that.

70. When that line is completed do you think the Government should then go on with the Rotorua-Taupo line?—Yes.

71. And you have every confidence that the Government are going to spend in this district the amount requisite to complete these two lines?—Yes, I have.

72. Within what time? You have not been a candidate for Parliament yet?—No. I have not had the experience and advantage you have had.

73. Including a defeat which is quite enjoyable. If you were a candidate for Parliament, in what time would you say these railway-lines would be completed?—Ask me as a private individual.

74. Within what time, then, do you think this large sum of money will be spent by the Government in completing these lines?—I think it possible, if the people of the Taupo and Rotorua districts realize what is best in their own interests, they will agitate and get them within five or six years.

75. Or it might take fifty?—It will not take that time.

76. If the people of Rotorua oppose the Taupo people all they know, is it likely they will be completed within fifty years?—Yes, I think it is reasonable to suppose so, considering the population in Rotorua and the district so far as Taupo.

77. You know that the tramway is not permitted to carry passengers?—The Rotorua people do not object to the company taking passengers over its tramway. I suppose it is purely a matter of self-interest on both sides.

78. Do you say that the territory west of the proposed Rotorua line would be better served by the Rotorua line than the Putaruru line?—No, I do not say that; but I say the line from Rotorua to Taupo would serve a larger area than the company's line, because it would open the Kaimangaroa Plains.

79. You say that the Rotorua-Taupo line would serve a larger area than the Putaruru-Taupo line?—I say it would serve just as big an area, and that it would serve the Kaimangaroa land.

80. The whole of your objections were based upon the assumption that this Putaruru-Taupo Railway was to be privately owned?—That is so.

81. Supposing it were not privately owned, but were bought by the Government and completed within eighteen months, would your objections still prevail?—My objections would cease.

82. I put this proposition to you because you are quite consistent. Last year when you were giving evidence you were asked by one of the members of the Committee, "Do the Rotorua people anticipate that trade is going to be developed and Taupo going to be a competitor with the Rotorua attractions, or do they consider their attractions will hold their own?" This is your answer: "We do not mind the Government taking over the line and carrying it as at present suggested right through." You have no objection, then, to the Government taking over the line and carrying it right through to Taupo?—No, except for the reasons I have stated in the comparison of cost to the settlers.

83. We are amending our proposal, and this is the proposal now of the company: the company offers to sell its railway completed to Taupo for £180,000?—I understand that.

84. We propose that immediately the Government buys an area of Native land, out of the proceeds of the sale of that land and the Crown land from time to time it should pay the total purchase-money to the company; that at the end of fifteen years, or a term to be agreed upon, the Government shall decide whether it will then take over the line—that is, to affirm the purchase or disaffirm the purchase; if it disaffirm the purchase any moneys paid to the company have to be returned to the Crown, and in the meantime the company gives a guarantee satisfactory to the Government that these moneys will be returned. The proposal is, therefore, that the com-

pany shall accept the entire risk of the line proving a success, and if at the end of fifteen years the Government is not satisfied that it is going to be a payable concern, the line will be thrown on the company's hands. I put that proposition to you as a business man, and ask you if it is not a sound proposition to make to the Government?—No, because they would have to take the line.

85. Within the fifteen years these settlers will have a line to Taupo?—Yes.

86. Supposing you were living at Taupo, would you not rather have that line from Putaruru to Taupo than no line at all anywhere in this district?—Speaking privately—I am not going to commit the Chamber of Commerce—I will say this: that if I were a resident at Taupo and all my interests were in Taupo I would probably be fighting as hard for this line as some of the Taupo people are. It is the difference between conflicting interests. It is the man behind the gun and a matter of human nature.

87. You do not suggest that we could not complete this line within two years—we have had surveys made and pledged ourselves to make it?—No. We do not object to the line if it is owned by the State.

88. Because then the charge for traffic would be what would promote traffic?—Yes.

89. Our proposition to-day is State ownership of the line and not private ownership, and I take it that in that case all your objections would be dispelled?—If it is State-owned and run by the State as a State railway, under all the ordinary classifications, Rotorua cannot offer any reasonable objection.

90. *Mr. Wilson.*] Your advocacy of the Rotorua-Taupo line is purely in the interests of Rotorua?—No, it is in the interests of Rotorua and the State as the owner of Rotorua.

91. It would be a severe blow to Rotorua if the other line were taken over?—It would, but it would also be an injury to the State.

92. *Mr. Buick.*] Do you think if the railway were completed to Wairakei that Wairakei would become a dangerous competitor with Rotorua?—It would never be a more dangerous competitor except by diverting the tourist traffic from Rotorua. Rotorua considers there are sufficient attractions at both places.

93. *Mr. Wilson.*] You say that if there were sufficient agitation the Government would complete the line in five or six years?—Yes, jointly with the settlers along the route and the Rotorua people.

94. How many settlers are there along the route?—Say, twenty within a short distance of the route at present.

95. *Mr. Buchanan.*] When you commenced giving your evidence you used words to the following effect: that the Rotorua line would be cheaper by £100,000 than the Putaruru-Taupo line?—If I am correct I think I said it would be cheaper than any other route State-constructed.

96. I do not follow you exactly: what other line had you in contemplation?—I think Mr. MacDonald can bear me out in this, that there have been four routes suggested.

97. You have no wish to examine the other side—they have examined you?—No, they can have it all. I do not feel up to fighting two gentlemen like Mr. Dalziel and Sir John Findlay.

98. *Mr. Collins.*] May I take it that you have no intimate knowledge of the company's present proposal?—No intimate knowledge of the alterations made within the last two days. I left Rotorua last Saturday morning and only arrived in Wellington on Tuesday, so I have been out of touch with the newspapers.

99. May I take it that you would like to consult the body you represent before committing yourself to a definite opinion on the company's present petition, particularly with regard to the clause which provides for the company's control of the line for fifteen years?—Yes, I think it is only reasonable.

100. *Hon. Sir J. Findlay.*] Your people may support the petition now?—Yes.

101. *Mr. Collins.*] I suppose you know that the present Government has introduced two important principles with regard to railway-construction—namely, the principle that the lands to be served by a railway, which are likely to be increased in value, ought in some way to be charged with the cost; and also that a system of light feeding-railways might be adopted in regard to interior railway-lines: did you have these important proposals in mind when you suggested that the Rotorua-Taupo line might be completed within a comparatively short time?—Yes, for this reason: that we have always been surprised at the modesty of the Taupo Totara Timber Company in connection with the falls running electrical power over their line. That is one prime factor. In the event of the country being committed to a light railway we think that the power from the Huka Falls might be used. There is just one other matter which I would like to refer to which I think ought to be contradicted in fairness to others. It was stated I believe before this Committee that the construction of the line to Taupo will have the effect of reducing the cost of goods carried from Rotorua from £5 or £6 per ton. That is reported in the *Rotorua Times*.

102. *The Chairman.*] You wish to deny that statement?—I want to deny it because from my knowledge of Rotorua for the last six years the cost of carting has never been higher than £3 10s. a ton from Rotorua to Taupo, a distance of fifty-six miles.

103. *Hon. Sir J. Findlay.*] That is since it has been in competition with the company's line: what was it before six years ago?—But what was the road like at that time? It might have been £5 or £6 per ton when the company made its line, but it came down to £3 10s., and has been down to £2 10s. for a considerable time. It has come down occasionally to £2 5s.

104. *Mr. Dalziel.*] The wagons have gone off the line?—No, they have not, but there may not be a regular service.

105. *The Chairman.*] You say that the *Rotorua Times* states that the company said their railway was the means of reducing the cost of carriage between Rotorua and Taupo from £5 a

ton to £2 10s.?—My statement is that the cost of carriage from Rotorua to Taupo has not been £5 a ton.

Hon. Sir J. Findlay: Our point was this: that before we started a railway cartage from Rotorua to Taupo was as high as £6 a ton, but as soon as we started the railway it has come down to £2 10s.

106. *The Chairman* (to witness).] You do not deny that?—No; but it is not due to the competition of the railway, but owing to the fact that they are now able to cart over a much better road.

107. *Mr. Buchanan.*] Is this fifty-six miles of road metalled?—No, it is pumiced, because we have no metal in the district.

108. *Mr. Wilson.*] You would not suggest that a man could cart goods over than fifty-six miles at £2 10s. a ton and make a profit?—Yes; the road has been improved.

109. *Mr. Buchanan.*] The road has been improved by formation and not by metalling?—That is so.

110. *The Chairman.*] You were over this road before six years ago?—I have lived on the east coast within what is known as the Bay of Plenty for the last sixteen or eighteen years.

111. And you were over this road before?—Yes, many years before.

THURSDAY, 12TH SEPTEMBER, 1912.

F. G. DALZIELL recalled. (No. 8.)

1. *Mr. Buchanan.*] Your idea of financing the completion of the twenty miles from Mokai to Taupo was from the sale of Crown land now in the possession of the Government and of Native land to be subsequently purchased, was it not?—You would hardly call it financing on that. We would have to find the capital ourselves, of course, and it would give us greater security to offer if the price of the railway were to be secured by this land. In the meantime we would have to finance it on our present assets—that is, we would give a first charge over the whole of our present assets for the money necessary for the extension. But we cannot hope to get our present debenture-holders to agree to that unless we get some security of the kind mentioned. We would not want the cash immediately; we would wait until the land was sold.

2. You would expect the cash in instalments as the land was sold?—That would suit us. It will take some courage to finance it, and we do suggest that if the sales were made it would only be fair that the purchase-money as received should be handed over to the company, if the Crown is satisfied that it has sufficient security for the return of it should the line ultimately fail to make good. The nature of that security would necessarily have to be determined. The Government would have to be satisfied that the security was sufficient for the purpose.

3. Is the share capital of the company all called up?—No, there is about £14,000 uncalled.

4. What about the 43,000 acres of freehold owned by the company: would that be included in the security?—Yes, all our assets.

5. Would you not be in a difficulty as to settling that in the meantime if it were pledged to the Government?—Yes. If the line is purchased all these matters of detail would have to be arranged. I have no doubt the Crown would be glad if we were to dispose of it on terms not affecting their security.

6. Supposing the Government says this: "This tram-line was designed for a specific object—namely, the carrying of timber. As to curves and grades, we could not possibly accept the line as fixed now, because it would mean to a considerable extent shifting the line"?—So far as the grades are concerned, I might say that the ruling grade is better than that from Wellington to Johnsonville.

7. Assuming that, supposing the Government says, "This is comparatively easy country; it would be foolish to adopt the present grades permanently when so much better grades could be got. It would be foolish also to accept the present curves when they could be easily flattened, and consequently we shall have to go to a great expense to put this line on the proper permanent route": what would you say to that?—My answer to that is that that should not be done until the traffic of the district justifies it. You must remember this, that the timber traffic is probably heavier than any other traffic which the line is likely to take at any time. Wagons such as ours, piled high with timber, form very heavy traffic—as heavy as anything, or heavier than anything, the district is likely to produce. This line provides for that traffic now, and as the Public Works Department says, it is equipped and fitted for the Taupo district. The grade is satisfactory, because it is equal to that of the Rotorua line and to the line from here to Johnsonville. The highest grade on the line is, of course, the ruling grade, and our ruling grade is better than the Main Trunk line's. The question of curves, I understand the Department to concur, is simply a question of speed at those points. What we suggest is that not very much more money should be spent on the line until the settlement of the district warrants it.

8. My question was more relative to the taking-over of the line by the Government at the end of the fifteen years than to any alteration now?—At the end of fifteen years they would probably be able to determine whether the line should be improved or whether this Rotorua scheme should not be taken up. It may be that it will ultimately be better to run what might be called the Main Trunk line of that district by way of Rotorua, but in the meantime I think there can be no question at all that this line should be completed to Taupo, because for all time it will be necessary to serve this district by a line of some kind, and until you do serve this country surrounding Lake Taupo by a railway of some kind you will never get the development necessary to warrant the more expensive line.

9. *Mr. Buick.*] You say that the grades on this line are better than those on either the Johnsonville or Rotorua lines?—It is 1 in 35 on the Rotorua line and 1 in 33 to Johnsonville.

10. Are there any pinches?—The ruling grade is always the steepest, and the steepest on our line is 1 in 35.

11. *Mr. Buchanan.*] What are the curves?—1 in $1\frac{1}{2}$ in a chain-and-a-half radius.

12. Are you aware that the Wairarapa line is of 5-chain radius?—Yes, the Government standard was a 5-chain radius, but it is now, I think, 10.

13. Would you not then anticipate a Government objection to a chain-and-a-half radius when the Government limit is, say, 5 chains?—That, of course, is for a heavy line. It is entirely a matter of speed.

14. Speed and power: you have great friction in getting round sharp curves?—With this exception, these sharp curves are absolutely flat. Mr. Fulton laid out the line, and it was arranged that we could straighten the line to 1 in 35 as a maximum grade. That is the design of the line.

15. *Mr. Buick.*] Did I not understand from your evidence that the company were prepared to straighten some of these curves?—Yes. The money referred to—from £5,000 to £7,000—would be expended in doing that. The sharpest of the curves would be taken up.

16. *Hon. Sir J. Findlay.*] You have considered Mr. Coom's report and recommendations?—Yes.

17. You have noted that he says in his "Recommendations and Suggestions," after inspecting this line, "Taking the whole line throughout, the track is well maintained, and, with the exception of the sharper curves, which will regulate the speeds, is quite fitted for twenty miles an hour, which is fixed by the Order in Council"?—Yes.

18. How many of these sharp curves are there?—There are only two of the $1\frac{1}{2}$ -chain radius.

19. Mr. Coom says, "The original specification provides that the sharp curves should be so laid that they could be easily improved. It is evident that this has been done in some cases, but without an inspection of the plans and sections of the line as completed it cannot be said that the condition exists throughout." The final conclusion he arrives at is this: "In a general way I might remark that I was surprised to find the line and works so efficiently maintained. There is nothing in the condition of the track to-day, with the exception of the narrowness of some of the banks, to which any objection can be raised. As I have pointed out, these can be widened at a small cost, and I should have no hesitation in giving a certificate that the line is fit for passenger traffic at moderate speed, say, twenty to twenty-five miles an hour on the straight lines, as soon as this has been done." Then he sets out the alterations and additions, which he puts down as a whole at £675?—Yes.

20. You have Mr. Fulton's idea on the matter as well?—Yes.

21. Can you tell us what sum would be necessary to make these sharp curves quite safe for passenger traffic?—They are safe to-day for passenger traffic. It is only a question of speed. You must remember that the curves on our street tramways are very much less than $1\frac{1}{2}$ -chain radius.

22. *Mr. Buchanan.*] Down at the Railway Offices in Wellington the speed of the trams has to be reduced very much to enable passengers to get on them?—Yes. The total length of these sharp curves is very small compared with the total length of the line.

23. *Hon. Sir J. Findlay.*] My object will be served by a general answer. What maximum sum will be required to enable this line to be travelled on in safety by passenger vehicles running sixteen miles per hour?—£5,000; but we have to guarantee to the English syndicate that the line will not cost more than £180,000 approved for passenger service. We went into it very thoroughly, and our estimate was that it would cost £5,000; but to be safe we included in the estimate £7,500.

24. *Mr. Buchanan.*] Do you use any ballast other than pumice sand?—No. It is the same ballast as is used upon the Rotorua line.

25. Is it in contemplation to use any other ballast than the pumice sand?—No, there is no other ballast in the district.

26. *Mr. Buick.*] Proposals 1 and 2 must be looked upon as purely alternative, and the company is prepared to accept either?—Yes. Mr. Buchanan asked yesterday about the rise and fall of Lake Taupo: I am informed by Mr. Crowther that it never exceeds 3 ft., and that there has never been any trouble in serving the wharves. I was also asked by Mr. Crowther to say that he made a mistake in stating that 30 acres were under wheat at the place he indicated. He tells me that he should have said it was nearer 300 acres. He was also anxious to come before the Committee to say that he was in no way connected with the Taupo Totara Timber Company. Mr. Buchanan also asked yesterday as to the ownership of the private lands through which the private line runs. I can now give the whole of the ownerships of that country. The first portion of the line from Putaruru to some miles beyond Lichfield was formerly the property of the Bank of New Zealand Estates Company. That is now called the Selwyn Estate. That went out for about ten miles along the company's line. It was purchased by the Government, and has been cut up since the company commenced its operations, and the whole of it has been settled. Mr. Barnett said there were about a hundred settlers on it. The whole of it is not on our line; portion of it is on the Government line. The next property—the Tokoroa Block—has been purchased by a Canterbury syndicate, which has been during the last two years engaged in surveying the land for the purpose of roading and subdivision. That contains about 20,000 acres.

27. Is any of that land taken up yet?—It has not been put on the market yet. I understand it is to be placed on the market shortly. The next block is an education reserve of nearly 20,000 acres: that has not been occupied. Then there is the Maraetai Estate, which formerly belonged to the Bank of New Zealand Estates Company. That was sold a few years ago by the bank for 3s. 9d. an acre, I think. There are about 50,000 acres in that, and that is also in

process of being settled, I understand. In fact, the Bank of New Zealand had some cultivation on it, but I am informed that the owners have been offered 17s. 6d. an acre for at least 20,000 acres since the company began its operations. Then there is the block called Smith's block, of 58,000 acres. That has been sold and is being subdivided. I understand that 20,000 acres of it have been sold to eight settlers at from £1 5s. to £1 10s. per acre. Smith's block comes down from the Waikato. The block adjoining the Waikato was largely Native, but there are two dairy farms there at the present time, and settlers have recently begun dairy-farming operations on those two properties. That comprises practically the whole of the private lands between Putaruru and Mokai, with the exception of the company's land of 43,000 acres. The rest is Native and Crown land.

28. *Hon. Mr. Ngata.*] What is the total area of the private lands?—It must run into about half a million acres, I should think.

29. How much does the company own of that?—43,000 acres.

30. *Mr. Buchanan.*] You have not cited nearly the whole of that area?—I have only been giving you the area along the line at present constructed. The remainder of it is down south. There are 60,000 acres of Vaile's property, and then there is the Ohiwa Block, south of Taupo. I have been speaking only of the lands along the present railway-line.

WEDNESDAY, 11TH SEPTEMBER, 1912.

WILLIAM ROLLITT sworn and examined. (No. 9.)

1. *The Chairman.*] What are you?—A farmer, residing at Lichfield.

2. *Hon. Sir J. Finlay.*] Have you a statement prepared?—There are one or two statements I would like to make. I was here when the evidence of Mr. Barnett, a neighbour of mine, was given some days ago, when he went into the question of bringing this particular land into cultivation. Before I left home I took out of my books the amount it cost me to put about 200 acres in grass. I think it would, perhaps, be interesting to the Committee to know what it costs. I might say the labour was done by my boys, but in the estimate of the cost I have included the cost of living and rent. It does not include interest on implements or the cost of horseflesh. I have had to buy all my oats for feeding purposes. I will give you an estimate of what it will cost to bring this land into cultivation. I have reckoned what it has cost us to live, and for seed and manure, also rent, but not wages. I take it that if any settler goes on to land to bring it into a state of efficiency this is what he can expect it will cost at the beginning. He gets his profit out of the grass afterwards, but you can put down what you think proper for wages. As Mr. Barnett said, he does not base his calculations on that. I put in 24 lb. of seed per acre—that is, cow-grass, cocksfoot, and Italian rye and white clover. That cost me 16s. 1d. per acre.

3. *Mr. Wilson.*] Give us the quantities?—1 lb. of white clover, 7 lb. of cow-grass, 6 lb. of cocksfoot, and 10 lb. of Italian rye. The total cost was 16s. 1d. I might say I bought it for prompt cash.

4. *Mr. Buchanan.*] That is 24 lb. altogether?—The white clover was 1s. per pound; cow-grass, 1s.; cocksfoot, 9d.; and Italian rye, 3d. I put 2 cwt. of manure in to the acre, two parts of superphosphate and one part of Maldern Island guano: that comes to 11s. at 5s. 6d. per hundredweight.

5. *Mr. Buck.*] Do you get it delivered on the ground for that?—Yes. That makes a total of £1 7s. 6d. per acre. Now, added to that I put down the working-expenses at £1: that covers the cost of living and horse-feed, &c. If you work that out you will find it pretty well substantiates what Mr. Barnett said in his evidence.

6. *The Chairman.*] That is not allowing anything for your own labour?—No, nor any interest on the capital as far as the horses are concerned and implements. Now, what I want to show is, if you put men on that particular land, what the prospects of their making a living out of it are as compared with putting them on bush land. I have no intimate knowledge of bush land, and have only the evidence of other people as to the cost of burning, felling, and grass-seeding it. From the evidence I have had I understand you cannot do it under £3 to £3 10s. per acre. Well, if you can get this class of land into grass for a lesser sum than that the advantage of using the pumice land from a farmer's point of view is this: I presume, taking the King-country, you get considerable frosts, and where you do you get no grass—that is a natural sequence—and you cannot, owing to the stumps, plough it and grow turnips for winter feed. You can go on the pumice land at any time, and we can show you as good turnips grown on pumice land as can be grown in any part of New Zealand. I have seen 90 acres of turnips sold for £300 cash. They were grown at Lichfield by a man named Davis, who will confirm everything I say. If you can get results like that I think as a settler it was better for me to go on that class of land than to go on bush land. I might say that I am here—somewhat like my friend from Rotorua—from a selfish point of view. I am on the Taupo Totara Timber Company's line of railway, and personally, if I were sure that company were going to run their line for all time I would not wish the Government or any one else to take it over. I will give you the reasons why: I have a considerable frontage within three-quarters to a mile from the timber company's line. We can get a dray over it, and the company has met us in this way: that wherever you want your stuff, they say, "Show us the spot, and we will dump it down for you." If the Government owned the line we would have to go to a station perhaps three or five miles away. That saves us a day's carting. The Rotorua people try to make out that the timber company is behaving badly to us, but that is not so. I have gone into the company's yard and picked out the building timber I required, made my bargain for that particular timber, and it has always been delivered to the

very nearest point for me. From my point of view, if it were not for the doubt about the continuity of this line, I would not want it to go under the Government control. That is a point that should not be overlooked. Probably some of you gentlemen know the Canterbury Plains. Thirty-five years ago I came to New Zealand, and at that time I was told by lots of people not to go on the land, because I would do nothing with it, the soil was so light. Another reason was that there was no water there; yet all the difficulties have been overcome. I maintain that the pumice lands are in exactly the same position as the Canterbury lands were thirty-five years ago; but as science has advanced, with a thorough knowledge of how to work the land, a change has come over the whole thing. The prices of different commodities, such as beef, wool, and mutton, are good, and I say without hesitation we can grow on that land now, with manure and proper tillage, better clover and turnips than were ever grown on the stony lands of the Canterbury Plains within my knowledge. That is a very great thing to say, but I am open to prove it by showing what the Canterbury Plains were many years ago and what this place is now.

7. *Hon. Sir J. Findlay.*] What is land on the Canterbury Plains selling at now?—The very worst of it not under £6 an acre. A property I had a mortgage over I sold for £4 an acre, and was very glad to get it. That very property is now valued at £12 an acre. That land lies between Hororata and Dunsandel. I was going to refer to a large block of land in my present district known as Smith's Block. I believe that was purchased some time ago for a mere nominal sum. It has been repurchased within the last twelve months by some friends of mine from Canterbury, and is now subdivided. I find that they have sold a portion of it—somewhere within the region of 15,000 and 20,000 acres—at £1 5s. to £1 10s. per acre. There are 57,000 acres altogether in Smith's Block [position pointed out on the map].

8. Is that in an unimproved condition?—Absolutely. I have been all over it, and am quite satisfied there is a big future before that particular area. I have been south of my place to Taupo, and seen the land all through there, and am satisfied that it is a crime that such a large area should be left in the condition it is to-day when there is such a crying-out for land. The Maraetai property adjoins my property. There is a lot of land there which is quite equal to anything in Lichfield and the Putaruru district, and I believe they are making an endeavour to cut it up and sell it.

9. Do you know anything about the prices?—They are trying to sell it as a whole block, and they are asking £1 5s. an acre. The Tokoroa people bought their land for £1 5s. They have had it surveyed and are putting roads through it, and the price they are asking for the small sections is £2 10s. up to £3 15s. per acre. It has only just been put on the market, and people are going up to have a look at it.

10. The piece of land you broke in and put down in grass was in its virgin state?—Yes.

11. And you converted it from its virgin state to what kind of grass?—Very good; it looks exceedingly promising, and was only put in in the spring.

12. Is there any superiority over the average of this country?—I think it is a little stronger.

13. You have been farming—how many years?—Thirty-five years.

14. I wish to get your frank opinion as to what proportion of this land is capable of profitable cultivation if the line is completed?—I think you can say about two-thirds of the 2,000,000 acres.

15. With regard to what you said about having an assurance of the permanence of this line in the hands of the company: what influence, in your opinion, has the uncertainty of the continuancy of the line upon settlement?—It is a little bit difficult to answer that, but wherever there is doubt as to how they are going to work the place and get their goods to and from a certain point it must have a disturbing effect on intending settlers.

16. You told the Committee that this land has been retarded as regards settlement by want of knowledge on the part of settlers?—Yes.

17. The same feeling acted against the settlement of the Canterbury Plains?—Yes.

18. And you say that this will disappear in the case of these lands as in the case of the Canterbury Plains?—Yes, I am quite satisfied of that.

19. *Mr. Wilson.*] How many miles are you south of Lichfield?—My nearest point is five or six miles.

20. You adjoin the Taupo Totara Timber Company's line?—No, I am about three-quarters of a mile away.

21. Your country is mostly open pumice country?—Yes.

22. South again of your property, away towards Mokai, is there much country of that character?—Hundreds of thousands of acres.

23. Is the quality of that country such as that you are on?—I do not think it is quite so good.

24. In your judgment is it capable of treatment to render it profitable?—I think every acre you can get a plough into is.

25. Should the railway be closed down, what would be the effect?—Well, if it were closed down I should very seriously consider whether I should not let some one else work my land.

26. *Mr. Buchanan.*] How long have you been farming in this particular locality?—Two years.

27. That is the extent of your knowledge of this class of country?—I have also travelled about it a good deal, and learned a good deal from other people.

28. We had a witness before the Committee—a Mr. Crowther—who has for forty years been up and down that country, and he stated that oats attempted to be grown were only 10 in. high?—I can tell him that I bought oats from a man named Pearson grown on a place called "The Club" that went a ton and a half to the acre, and I gave him £5 a ton for them.

29. That is your evidence after an experience of two years, as against the evidence of another witness of forty?—I do not know anything about the other witness.

30. You gave us some figures as to the cost of cultivating open land with a view of making a comparison between working open land and bush land, did you not?—Yes.

31. You told us that you did not charge for your labour?—That is so.

32. If that was fair as applied to open land it would be fair as applied to bush land?—I do not think it would be, because the bulk of the expense in clearing bush land is on account of labour. My boys have been ploughing 3 acres a day with a double-furrow plough.

33. Supposing you were keeping a set of books for the farm, would that be your plan of reckoning up your profit and loss account for the year?—I do not think so.

34. You reckon the cost of felling and grassing a piece of bush land at £3 10s. an acre?—I said I was told that was the price. I had no knowledge of it.

35. You know nothing about breaking in bush land?—Nothing whatever.

36. I paid my ploughman that I had for a good many years, roughly, £2 a week, including keep, but he saved his money and has gone on a piece of land of his own. How would you explain his labour being worth £2 a week while he was with me, and when he went on his own place—as he might have done in your neighbourhood—his labour was worth nothing at all?—You must remember that I have credited ourselves with the cost of living.

37. That would be only 25 per cent.?—I have left it to you gentlemen to determine what the wages ought to be.

38. You lived in Canterbury a good many years?—Yes.

39. What would you call the return of oats there per acre on the average?—From 25 to 30 bushels.

40. What is the maximum crop you have seen there?—I have grown 102 bushels myself.

41. And the minimum?—The minimum was that I turned the sheep into it.

42. It was a very dry year?—Yes.

43. Would you not get a very much better crop of oats in Canterbury than the 10 in. growth referred to by Mr. Crowther?—I did not see that. I can only give evidence on what I know myself. The great point I wish to make is that they can get winter feed on this ground.

44. *Mr. MacDonald.*] In ploughing or sowing and crop, even grass, you can get very quick results compared with bush land. If you start in March you do not burn your bush off the land until December or January; whereas in your case you would get it in six months at least as against twelve months in the case of bush?—I started ploughing in August, put some spring grass in in November, and had horses and cows on it in January.

45. *Mr. Wilson.*] You are an advocate of private ownership in the railway?—No, personally I do not care whether it is private ownership or not, so long as it is continued.

46. Your experience shows that you get greater satisfaction?—I find it is very much cheaper than carting.

47. There is an enormous area of this country, and it would be absolute folly to have no access to it?—Absolutely.

48. It is recognized by many men that there is no permanency in this country?—A man named Fleming settled there about four years ago, and the first year he put down 200 acres in grass, and it is there yet.

49. It is recognized that the first sowing is not a permanent grass?—It is recognized that every time you plough it it improves it.

50. What is the annual cost of manures? Supposing your first sowing is a permanent grass, what would you put on?—I suppose in about three years you would have to top-dress it.

51. What would you put on then?—Basic slag, about 3 cwt. I have got a very good result from 2 cwt.

52. You have given us a list showing the cost: is not that a very low average?—No, I do not think so.

53. With reference to cutting the lands up into small areas, what would you say was a fair area?—I am not quite at one with the evidence I have heard given. I am of opinion that larger areas would be better.

54. Do you not think it would be folly to put poor men on that land?—There is no disguising the fact that a man must have capital.

55. In fact, he wants a fair amount of capital to get it broken in quickly?—I do not think it requires so much as with bush land.

56. Is there any employment in this country for “cockatoos”?—I think most of them are working their own places.

57. In bush countries there is a good deal of employment?—Of course, these men take contracts from other farmers.

58. What do you think this country, when broken in, will carry in sheep?—I think it will carry a sheep and a half to the acre.

59. Without any fertilizers?—No, you must use fertilizers, but probably not to the extent you might think.

60. *Mr. Raw.*] Would you mind telling the Committee at what distance you are actually by rail at Putaruru from a straight line?—Fifteen miles.

61. And what rate do you pay for the carriage of goods?—I have a special rate with the Taupo Totara Timber Company. I deposit a sum of money with it for anything I want. My account is always in credit, and there is no book-keeping.

62. Then you do not object to the Taupo Totara Timber Company in any shape or form, so long as it continues to run its tramway as at present?—No.

63. And the cost of conveying your goods fifteen miles is very small indeed?—Yes.

64. In the prices you gave you said your manure cost 11s. landed on the place: did that include the cost of freight?—I bought ex ship.

65. The price is a fine one for manures so far away from a port?—I can prove it.

66. You have heard a good deal about the selfish interests of the Rotorua people?—I have not heard much.

67. Will you tell the Committee whether you were invited to come and give evidence before the Committee?—I was asked by the settlers to come. I was also asked by the Taupo Totara Timber Company if I had any objection, and as I had been asked first by the settlers I said I would come.

68. Then I take it you did not come actually out of disinterestedness?—It was not disinterestedness on my part, because I want the continuity of the line.

69. The price you really paid for the carriage of your goods is so small that if it were privately owned or State-owned it would make very little difference to you?—I do not know anything about that. I have been served with the line at a reasonable cost, and I want no change; neither do the Atiamuri settlers.

70. You referred to the conditions in the South Island and the poor land, and the conditions around Putaruru so far as frosts are concerned: do you find the frost affected the new grass that you sowed?—Very little—not nearly so much as I was led to believe it would. If you roll your ground well and get it consolidated the frost does not affect it very much.

71. *Mr. Buchanan.*] Supposing the line was fixed up for passengers, as is suggested, would you get your goods dumped down where you wanted them?—By the company?

72. Yes?—I cannot answer that. You know the value of getting your goods down to where you want them as well as I do.

THURSDAY, 12TH SEPTEMBER, 1912.

ARCHIBALD WILLIAM BLAIR sworn and examined. (No. 10.)

1. *The Chairman.*] What are you?—Barrister and solicitor, and a member of the firm of Skerrett, Chapman, Wylie, and Tripp. I appear on behalf of Te Heu Heu and his family. They have very large landed interests in the Taupo district. The land they own is approximately about 100,000 acres. A large portion of it—roughly, about a half—is affected by this particular railway, and the remaining half is affected by a contemplated railway to be constructed by the Tongariro Timber Company. I am instructed by Te Heu Heu to say that so far as concerns any land on the north of Lake Taupo in which he has an interest—and he is by far the largest landed proprietor there—he cordially supports the petition in every way, particularly in the amended way in which Sir John Findlay has now made the offer on behalf of the company. On the south-western portion of Lake Taupo Te Heu Heu, and the Government also, have very large holdings, and with regard to them he desires me to point out to the Committee that they have entered into a contract with the Tongariro Company for the construction of a railway which, in terms of the agreements now subsisting, is to be completed before the 1st March, 1916. That railway will run from Tokaanu to Kakahi—that is the nearest point on the Main Trunk line from Tokaanu—and that is the intended end of the railway. I have got for the Committee's information a plan showing the intended destination of the railway by dotted lines, and the lands affected by this contract marked in red ink. I have a printed copy of the original contract which was made between the various Natives and the Tongariro Timber Company. A statute was passed which empowered the Maori Land Board to sign on behalf of the Natives. It is done by statutory power included in the Native Land Laws Act of 1909. That contract provides for the sale and purchase by the company of timber, and contains also elaborate provisions for the construction of the railway. The contract was made on the 23rd September, 1908, and on the 21st December, 1910, an amended deed was agreed to which extended the time within which they were to construct the railway, and also made a reduction of 25 per cent. all round on the royalties payable for the timber. That was done in order to assist the Tongariro Timber Company to complete the railway. The point I am asked to make with regard to all lands to be affected by the Tongariro Company's railway is that, so far as the lands are concerned, the various owners interested have by a reduction of the royalties virtually done their share towards assisting the construction of this particular railway. Objection was taken because it was thought possible there might be a compulsory rating of the land, but I am aware that that claim has been abandoned. I would point out to the Committee that we would like the Committee to exclude from the question of construction of the line from Putaruru to Taupo any lands which will be affected by the Tongariro Timber Company's railway.

2. Will you give us the part on the map you wished left out?—The exact point at which we suggested the line should take is a point called Waikaka [map referred to]. That constitutes the boundary of the Aotea Maori Land District and the Warareki Land District. It roughly divides Lake Taupo into two portions. That is all I have to say to the Committee. I put in for the convenience of the Committee a map showing the Crown portion of the Tongariro Company's land.

3. Has the company got a lease over all that?—Yes, they are affected. Te Heu Heu is interested in the white lands, but possibly they are not affected. This is the draft of the amended agreement which was adopted with some slight modifications by the Court [produced]. Mr. Ngata is familiar with the whole of these matters. He sat on the Native Commission with Sir Robert Stout and knows the history. Before that Commission this matter was gone into and an agreement came to.

4. You say the first agreement was made in 1908?—That is so.

5. And that legislative power was taken in the Act of 1909?—There was a special clause put into the Maori "washing-up" Bill in 1909 to enable this document to be signed by the Maori Land Board on behalf of all the Natives.

6. The agreement was made before the legislation was passed?—Yes.

7. And this legislation was passed to make the retrospective agreement good?—The actual position was this: an agreement had been made with the Natives. This matter had been inquired into by the Native Land Commission and other Courts, but the Commission was the final Court. They made certain recommendations, and the modifications were agreed upon—some in the Natives' favour and some in the Tongariro Company's favour. Mr. Skerrett and I were acting on behalf of the Natives, and we put in a stringent clause in the agreement for the protection of the Natives. Afterwards it was found that the company could not finance it, and they came again to the Court, when a modification was agreed to including a 25-per-cent. reduction in the royalties.

8. An agreement was made between the Natives and the Tongariro Timber Company in 1908?—Some time prior to that.

9. And that could not be carried out because the law would not allow it—is that the position?—It was more a question of title. From the company's point of view it was absolutely imperative that they should have an indefeasible title. Native titles are always subject to objection, and as it was necessary to undertake heavy financial responsibilities it was imperative that the company should be in a position to get an indefeasible title. It was for that purpose that resort was had to legislation.

10. That was in 1909?—That is so.

11. No further legislation was required for the 1910 modification?—No; that was consented to by the various persons who were authorized to consent. It is section 37 of the Maori Land Laws Act, 1907.

12. The agreement was made with the Natives before this legislation was passed?—Yes.

13. And you had to get this legislation passed in order to give an indefeasible title to the company?—Yes, and then a new agreement was made in terms of that, as soon as the necessary legislation was passed, with the Maniapoto.

14. *Mr. Young.*] You say the Te Heu Heu family have 100,000 acres?—Approximately.

15. Is that in the south of Taupo?—In the north as well.

16. And also large interests to the west of Taupo?—100,000 acres round about north and west Taupo. Roughly, half of it, 50,000 acres, is affected by this railway, and the other half is affected by the Tongariro Timber Company's railway.

17. Taking the total altogether, what is affected by the Putaruru-Taupo Railway, and what would be affected by the Tongariro Timber Company's railway: it is 100,000 in all?—Yes.

18. What would be the extent of Te Heu Heu's family interested?—About sixty persons.

19. In the ownership of 100,000 acres?—Yes.

20. *The Chairman.*] There has been no land parted with by these Natives—it is only the timber royalties?—Yes, except that there is an agreement to part with small sites and station-sites.

21. *Hon. Sir J. Findlay.*] I understand your clients offer no objection to the prayer of this petition as amended?—No.

22. And so far as you are concerned you desire the prayer to be acceded to?—Yes, we cordially support it. I should say we are not in any way interested. I am not representing the Tongariro Company, and I can affirm as far as the Natives are concerned that there is no arrangement existing between the Tongariro Company and your company as far as I am aware of, and I think I would be aware of it if it were so.

23. The Tongariro Timber Company undertook to complete their railway in the first instance in five years?—Yes.

24. When did that five years expire?—The original arrangement was for completion within five years from the 23rd December, 1908; that would be the 22nd December, 1913. Then that was subsequently extended to five years from the 1st March, 1911, which makes the 1st March, 1916. They got about two and a half years' extension.

25. Now, although the agreement is as old as the date you mention, no work or construction of any kind has yet been commenced?—That is so.

26. The insuperable difficulty is to find capital?—That is the whole difficulty.

27. Do you know what the estimated cost of the railway is?—I did hear the figures, but I have forgotten them now. It was mentioned at Rotorua.

28. £280,000, I think?—It was within the region of a quarter of a million.

29. And with the example of the Taupo Totara Company's experience before New Zealand capitalists there has been so far no rush to take up this enterprise?—I think it is to some extent the experience of the Taupo Totara Company's railway that has militated against the successful financing of this railway.

30. You would not like to undertake to say in what time this railway, if offered, would be completed?—No.

31. You have not the gift of prophecy?—I do not pretend to have the gift of prophecy.

32. You have not inherited that as a family feature?—No.

CHARLES BOWER COLLINS made a statement. (No. 11.)

1. *The Chairman.*] You are a barrister and solicitor?—Yes.

2. And you appear on behalf of the Wellington Trades and Labour Council?—Yes. This is the statement of the grounds of objection made by the Wellington Trades and Labour Council: We make the following formal statement of the grounds of our objection because we recognize that, whatever the Committee's recommendation may be, the responsibility of any action thereon must rest with the Government. The alternative proposals contained in paragraph A1 (as expanded by the proposals filed a week after the commencement of the hearing) and in paragraph A2 of the prayer of the petition are so different in character that they are dealt with

separately. As to what Mr. Dalziel described as the "main proposal"—namely, Government acquisition—we offer no objection, provided the following conditions are satisfied: (1.) That the capital cost of the railway is paid for out of the increased value of privately-owned land, as well as land now in the possession of the Crown, or to be acquired by the Crown from the Natives. We welcome the recognition of the principle that the cost of railways should be discharged out of consequent increases of land-values as well as out of working-profits, but the present proposal applies this principle in a partial and unfair way, seeing that there is an enormous area of privately owned land to be served by an efficient railway service at fair rates on the present line and the proposed extension. (2.) That a plan is devised whereby it will not be essential to the project that the Crown should dispose of the freehold title of its lands. Our support of the leasehold system (meaning thereby renewable leases) is for the reason that it secures to the tenant all improvements effected by him, while keeping for the benefit of the State the most of the community-created value, and enables the Crown to insist on proper conditions of improvements and user. Until this system is applied to the whole of the lands of New Zealand (not by buying out the proprietors, but by declining to allow them to appropriate for their individual benefit the result of industry and progress and of the increase of population), we are absolutely opposed to the State parting with any portion of Crown lands. (3.) That the railway shall immediately be operated and controlled by the Crown. A railway must necessarily be a monopoly; it is subject to no competition; and that monopoly ought to be permitted only to the State, and be operated for the public benefit. The device of fixing a maximum scale is an ineffective and clumsy expedient. (4.) That the purchase price does not exceed the fair actual value of the railway-line and rolling-stock. Whatever conditions are stipulated for by the State on purchase, the company will have the benefit of being able to dispose of its permanent-way (*i.e.*, rails and sleepers) *in situ*. We are altogether opposed to the alternative proposal (which was the original proposal) that the company should be permitted to acquire 312 square miles of Crown or Native land, and thus be enabled to appropriate for its own benefit (and at the expense of the community) the much-enhanced values that the evidence shows will probably be obtained when the public recognize the proved utility of these lands, when suitably treated for growing root and grain crops and grass. Such increase will be due not only to railway facilities, but also to improvements in agricultural methods, increase of population, scientific discoveries, and the many other contributing factors which go to make up the unimproved value of land. Supposing the company acquires this area of 200,000 acres at 5s. an acre; it is possible that in the ten or fifteen years which it is suggested the company should have in which to dispose of it in small areas the value may increase, with little or no expenditure on the part of the company, to £1,000,000 (200,000 acres at £5). The resulting profit may conceivably therefore be £950,000, which is sufficient condemnation of the proposal, seeing that this very large sum would come not from the cultivation of the land, but out of the earnings of the whole of the community. We respectfully submit that this, the original, proposal was conceived in the lust for wealth without labour or service, and brought forth as the twin brother of a railway monopoly which the company is prepared to offer as a sacrifice to the State on the condition that its lusty twin brother (the land monopoly) is clothed with the sanction of Parliament. We ask the Committee to stifle both; and, in conclusion, we regret that it is a condition precedent to the interment that the country should be put to the expense of another inquest. On this point we draw the attention of the Committee to the Parliamentary Costs Act of the Imperial Parliament as a model to be followed in such cases.

WALTER ERNEST PEARSON sworn and examined. (No. 12.)

1. *Hon. Sir J. Findlay.*] Your calling?—At present I am secretary to the Wellesley Club.
2. Resident in Wellington?—Yes.
3. You know the lands particularly well immediately south of Lake Taupo?—Yes.
4. Will you be good enough to tell the Committee what your experience of these lands is and for what length of time? I think you have prepared a statement?—Yes.
5. Will you read that statement to the Committee yourself?—Yes. Some thirty years ago I lived for some years in the neighbourhood of Tokaanu. I was engaged on a sheep-run owned by Messrs. Morrin and Studholme, extending from Waimarino to beyond Lake Rotoaira; the run contained about 200,000 acres of land, and we ran about twenty thousand sheep.
6. Will you be good enough to give us some idea of the locality of the station where you were employed?—It runs from the eastern slopes of Ruapehu round to the west of Rotoaira.
7. It runs west of Rotoaira for a distance of ten miles [map referred to]?—To shorten the description, it embraces practically the whole of what was known as the Waimarino Plains.
8. An area of how much?—When I was there it had never been properly surveyed, but we estimated it at about 200,000 acres.
9. How long were you on the run itself?—From its inception to the time we had to sell the stock owing to the interference of legislation in acquiring the title.
10. You were managing the place?—No, I was under Mr. John Grace.
11. What was your position then?—I think it was generally somewhat in the nature of chief bottle-washer. I kept the books of that and another station, I looked after the shearing and assisted in mustering and docking, and I ran a schooner on the lake, and did what I was told to do. I had rather a busy time. During this period I was also interested in a store at Waihi, near Tokaanu, and in a schooner trading on Lake Taupo. At that time a considerable area of the Tokaanu Flat was under wheat. It grew very good crops, and I was astonished to find that it had been producing crops of wheat for many years in succession. The wheat was grown by the Natives, who also owned a flour-mill in which the flour required by the considerable number of Natives then in the district was manufactured. In my opinion the delta of the Tongariro River, comprising somewhere between 7,000 to 10,000 acres, is all first-class land, probably some

of it as good as anything in New Zealand. I have had experience in a small way in cultivating at Opepe and in the Taupo Township. Where there has been bush you can grow anything. In the Taupo Township, which is, I think, as poor land as any in the district, I have seen splendid vegetables grown without manure. If the land is trenched and the soil left exposed to the atmosphere for some time it grows excellent vegetables of nearly every kind. It grows also fruit-trees, including apples, cherries, and the smaller fruits. One of the finest orchards I have seen was situated around the Mission Station at Pukawa, near Tokaanu. The hill-slopes surrounding Tokaanu and as far as Lake Rotoaira, containing many thousands of acres of land, are also, in my opinion, really good land. At the time I was there a considerable area of these slopes was cultivated by the Natives as gardens. The reason the station I was on was abandoned by the lessees was that it was only Native leasehold held by a short term, and the lessees were prevented from acquiring the fee-simple by the passage of an Act of Parliament passed about that time which prohibited dealings in Native lands by private individuals. In my opinion there is a great future before the Taupo-Tokaanu district once it is served by a line such as the Taupo Company's tramway. I would like to say that I have no interest whatever, directly or indirectly, in the Taupo Company or in the district. My object in giving evidence is merely to assist in the development of the district, which I think has a great future before it.

12. *Mr. Buchanan.*] Are you not aware that there were other causes which induced the lessees of this big extent of country to abandon it?—None whatever.

13. What about the young stock? Is it not a fact that lambs, for instance, partly grown up to the stage of having to be, to a considerable extent, dependent upon grass instead of milk food sickened and died—are you not aware of that?—I am perfectly aware of that, but it was not a factor at all in Messrs. Morrin and Studholme abandoning the country. It is a fact, but we arrived at the cause by a *post-mortem* examination of the hoggets. The full-grown sheep were not apparently affected. There was a poison plant on the Waimarino Plains which used to set up an intense inflammation of the smaller intestines, and it was only in the hoggets that there was a considerable loss through that. But that was not a factor in the abandonment of the country.

14. Are you not aware that this trouble in young sheep was more of a lingering character than an inflammation or any complaint characteristic of poisoning?—No, sir; I would certainly say that was not correct. I think it was not lingering. It was very quick in its operation, and the inflammation disclosed by the opening-up of these hoggets showed that they could not possibly have lived any length of time, owing to the intense inflammation of the smaller intestines. It was some time before we were able to find out what was killing off the hoggets. The only other man besides myself who inquired into the matter was Mr. Maunsell, cousin of the Maunsells, of Masterton, and for our own satisfaction we started dissecting these hoggets, and that is how we discovered that every one had exactly the same symptoms. There was a tiny young growing plant there—a species of trefoil—and in each one of the hoggets we found an undigested portion of this trefoil. But it was not a lingering disease at all. I think they died very quickly after they got poisoned.

15. Are you aware that this trouble extended to other parts of the country?—No, sir; as far as my knowledge goes, which embraces the Karioi Run, and the Karioi Plains, and other country, I never heard of it at all.

16. Are you not aware that other settlers took up country in that region and abandoned it because of their inability to bring their young stock to maturity?—No, excepting on that large area of the Waimarino Plains.

17. Would you be surprised to learn that an admission was made to me by a well-known settler in the Auckland Provincial District that this was so?—I would be surprised, because I have been living in the country for many years, on sheep and cattle stations, and it is the only place I have ever heard of it. The only similar thing to my knowledge was in the north of Australia, where the horses used to get poisoned and die off like flies. Practically it was the same kind of plant.

18. You are aware of bush sickness in the Rotorua district?—I have heard of it; I do not know of it.

19. You have seen prominent references to it in the Press of the Dominion, and the endeavours made by the Government to ascertain the cause and find a remedy?—Yes, sir, but those conditions you speak of have arisen in the public mind years after I left the district. I am talking of close on thirty years ago.

20. Why do you say this question of bush sickness has arisen in the public mind? Are you not aware that it has actually occurred on a large tract of country?—Judging by the public prints, I am quite aware of it.

21. Could Messrs. Morrin and Studholme have got their lease renewed?—I am not really sure, because I was not in the secret councils of the firm; but I am not at all sure whether it was a legal lease or not. It was a more or less verbal lease between the father of a Native whom I saw going out this morning—Te Heu Heu—and Messrs. Morrin and Studholme. I am not sure whether it was anything more than an agreement drawn up between the two without the sanction of the Court; but it was generally known and understood that Mr. Grace—who was nominally the manager of the run, but whom we really never saw, because nearly the whole of his time was devoted to trying to get the signatures of the owners of this country to put it through the Native Land Court—was endeavouring to obtain a proper lease or the fee-simple. I think all they wanted was a proper lease, and Mr. Grace had the whole of the signatures except three, as far as my memory serves me, when the disabling Act was passed. Then we all had instructions from headquarters to go, and the whole country was thrown up. Everything was abandoned except the sheep, which we took down to Hawke's Bay and sold, and Messrs. Morrin and Stud-

holme lost £11,000 or £12,000 in the transaction, which they were in a good way of getting back, because the sheep were doing well year after year.

22. Was this poison plant widely distributed?—As far as we could tell it was distributed only on the Waimarino Plains.

23. On the plains was it widely distributed?—Yes, over the greater portion of it, so far as we could find. Probably the worst part was immediately under Mount Ruapehu: that is at the south-eastern portion of the run.

24. Was it a native plant, or had it been introduced?—It was a native plant.

25. *Mr. MacDonald.*] What year was that in?—I went up at the end of 1879, and it was just about Christmas or New Year time.

26. At what period was the run abandoned?—I think it was about 1884, but am not positive about that, because I have a very bad memory for figures.

27. It was in 1884 when Mr. Bryce's Land Act was passed prohibiting any dealings in more than 5,000 acres?—That was the year then, no doubt, but I had forgotten the fact. It was after that Act was passed.

28. *Mr. Laurenson.*] You said that wheat was grown there?—No, on the delta of the Tongariro River, about Tokaanu.

29. Do you know how many bushels to the acre?—No, I do not; but the astonishing thing to me, knowing a little bit about farming, was that when I went to Tokaanu first they were growing wheat and getting very fair crops. They had been growing wheat on the same land for fifteen years without rotation, and any farmer knows that that is a most astonishing thing. They grew wheat until they sickened the whole country. They simply ruined the land so far as wheat-growing was concerned.

30. *Mr. Buchanan.*] Are you aware that in England, on what they call the Rothamstead Experimental Farm, they have grown wheat for forty years in succession?—Not without artificial aid in the way of manures?

31. Without any manure; the only aid to the crop was cultivation and suppression of weeds?—I have not heard of it.

32. *Mr. Laurenson.*] You said there were 200,000 acres of land in that big area and twenty thousand sheep; that is one sheep to 10 acres: was that its carrying-capacity?—No, it was not; but, quite naturally, until they had some title they were not going to thoroughly stock the land. As a matter of fact, I suppose, taking that land as it stands to-day—and it has never been stocked since—no one ever stocks it; it is lying idle—I should say you could not carry more than one sheep to the 2 acres.

33. That is without artificially dealing with the land?—Yes.

34. *Mr. Buick.*] You said you saw good wheat growing at Tokaanu: how much land do you think is capable of growing a crop of wheat?—If it were cleared I should say the majority of the land. I bicycled through there about four years ago, and it seemed to me that the land was exactly in the same condition as it was thirty-two years ago. There were small clearings here and there and heavy manuka scrub. There is a class of manuka which denotes good land, and another class which denotes poor land; but there was heavy manuka scrub there. I should say that if it were cleared, and a certain amount of drainage done—because it is only a few feet above the level of Lake Taupo—good results could be obtained. I think 7,000 acres and upwards of it is all first-class land. And the hills surrounding the south end of the lake for miles are as good land as could be found in any part of New Zealand. From Pihunga round to the old Mission Station at Pukawa—probably twenty-five miles—the whole of those slopes from the top of the ranges to Buchanan are absolutely first class, and just as good as any land you have in the Wairarapa. When I first went there the bulk of it was very heavy bush, with no black-birch except on the top of the ranges. When you go on the other side of the desert, as it is called, you practically get nothing but black-birch; but, as I have said, I am speaking of what it was originally. There is a large quantity left of very good bush containing totara, matai, and rimu, with good trees running up to 3 ft. in diameter. In the early days when I went there there was only a Maori track, but when the Government started to make roads they let contracts for bridging and building, and the timber used was some of the finest totara I have seen in New Zealand. Many thousands of acres consisted of heavy fern with just the stumps sticking up. It was originally heavy bush, and the Maoris cultivated it for their gardens, but a fire got into it and it spread. It was never scrub country, but heavy bush country with a first-class soil. I do not think there is anything in the Wairarapa to beat those slopes for twenty or twenty-five miles.

35. Do you consider that if this country were made accessible by rail it could be profitably worked?—That opens up a very large question, because we have not the population to work it. If the population were there I think a large portion of that country would be regarded as the garden of New Zealand.

36. Speaking of the poison plant, is it confined to high altitudes?—I cannot tell. I only know of it on that particular portion of the country—that is, roughly, about 2,500 ft. above sea-level.

37. Is it in the nature of a shrub?—No, it is a small trefoil running among the native grass, and it never grows more than about an inch in height.

38. *Mr. Laurenson.*] You said you ran a schooner on the lake: was there enough traffic to warrant it?—We ran it chiefly in the interest of the run and our store, and for the Natives.

39. Would a railway down to the north end of the lake, such as is suggested, enable settlers all round to be put into communication with the railway?—I do not think there are many settlers, but I honestly think that if the line were extended to Taupo it would make for settlement. I have no doubt a lot of the country would be taken up if settlers could get there. It used to cost us 3d. per pound for everything we got from Auckland or Tauranga—it did not matter what it was. If that line is carried along as far as Lake Taupo I think it will undoubtedly give a very

great impetus to settlement in that district; and not only that, it will prove a very valuable extra route for tourists. There are a large number of people now going up since motor-cars came into vogue. Many years ago, as you are aware, the Napier-Taupo Road was the best route for tourists, but when the Rotorua line was opened from Auckland the whole of the Napier-Taupo Road traffic died. Since the motor-cars have come into use the Napier-Taupo traffic has revived, and a very large number of Hawke's Bay residents go up every year, but do not go any further than Taupo. If the line were opened to Taupo it would save a whole day in transit, because it takes a day to go down to Rotorua and another day to Auckland. On the face of it, that must encourage tourist traffic.

40. *Mr. Buick.*] Are you acquainted with the land on the western side of Tokaanu?—Yes.

41. What is the land there—bush?—All open fern pumice country. It is better, for some reason—I do not know why, not being a geologist—than the country at the northern end, but apparently as far as you can see it looks just the same. It is all pumice, but the whole of that country is susceptible by treatment of growing very fine crops. The only thing is that I think we shall not live to see it cropped, because it is not taken up.

42. If it were tapped by a railway do you think that area would be settled?—Yes.

43. *Mr. Buchanan.*] Do you know the track from Lake Rotoaira into Lake Taupo, over the hill?—Yes, I have been over it many times.

44. Would you include that land on the track in your description of land which is as good as can be found anywhere?—Yes, if you mean the old Native track from Lake Rotoaira. It climbs the spurs of Pihunga and goes through the bush to Tokaanu. I should certainly call it first-class land when it is cleared.

45. A party of us went up the Main Trunk line, and turned off across the Waimarino Plains, skirted Lake Rotoaira, and made as straight as we could to Tokaanu. The track lay over pretty steep country past Lake Rotoaira, and then down straight to Tokaanu. Would you class that land in the description you gave us just now?—As long as you are in the bush. I would not when you get outside. You will get a line of demarcation as sharp as the edge of the table, and only a few feet away you get into pumice.

46. Would you be surprised if three or four practical men, some from the Wairarapa and some from Rangitikei, differed from you as to the quality of the land?—No, I would not be surprised. I have lived too long to be surprised at anything.

47. And you would not be surprised if men—presumably competent men, who have made their living out of land for many years—would not be able to agree with you?—No, sir.

48. Would you not fairly assume that they would be better judges of land than a person who had not gone through that ordeal?—I would like to say that I struggled very hard to make my living out of land on a sheep and cattle station, but I gave it up and came into Wellington, and have done better. With all due submission to your knowledge, and all your friends with you, I think a man who has lived on the spot for so many years, and has been over that track at least twenty times, would probably see deeper into things than you did by just walking over the track. I think I have something on my side there.

49. You are aware of the land-hunger all over New Zealand?—I have heard a lot about it.

50. You say the want of population has been the cause of this land not being taken up: why did not the land-hungry people go there?—They are not likely to unless they can get better communication. It is the absolute centre of the North Island of New Zealand, and further from the coast than any other part, and they are not likely to go there until they get the carriage. The want of communication is a perfect bar to it at present, because of the cost of transit.

51. You say that a man can find very bad land there if he is looking for it?—Apparently very bad land, but I qualify that because, although it is perfectly true that there is land that is not good, I have seen cabbages, turnips, and other vegetables grown upon what appears to be pure pumice. On the top you will see disintegrated pumice 2½ in. deep, but if you turn that over and bury it, and let it lie for a couple of months, you can grow any vegetable or fruit-tree you like in it. I think that country all round Lake Taupo has been absolutely left through people thinking it was no good at all, and it is going to be as good as a large part of New Zealand.

52. *Mr. Raw.*] Do you mind telling us whether it is a fact that the wheat which was grown at Tokaanu was grown entirely on the flat on some swamp between there and Waihi, where the ruins of the mill now stand?—It is only a short distance from Tokaanu. The mill was only a couple of hundred yards from the accommodation-house, and not on the Waihi side at all. All the wheat grown there was grown on the Tongariro delta flats entirely. On the higher ground, on the slopes, is where they grew their potatoes; but the wheat was grown on the Tongariro flats.

53. That is alluvial soil there?—It is the detritus of the Tongariro River.

54. Who were the owners of that land?—The Natives bought the township some time ago. I suppose Te Heu Heu has just leased it.

55. Do you know Mr. Grace's property there?—Yes.

56. That is on the alluvial flat, and was about where the wheat was grown?—You puzzle me now—I do not think it is. Mr. Grace has removed his residence two or three times. He was not there the last time I was up there.

57. My object in asking you is that we have heard a great deal about the value of this land and its capabilities for growing wheat, and I suggest that the wheat grown at Tokaanu was on the alluvial flats, and does not apply to the ordinary lands termed pumice lands?—That is not so.

HUGH LEAF WILSON sworn and examined. (No. 13.)

1. *Hon. Sir J. Findlay.*] What are you?—Land agent.
2. Residing where?—Christchurch.
3. You know the Tokoroa Block?—Yes.
4. It is about fifteen miles from?—Putaruru.
5. Southward from Putaruru about fifteen miles?—Yes.
6. What is the area of the block?—Tokoroa No. 1?
7. Yes?—I should say, about 50,000 acres.
8. Who is the owner of it?—There are several owners.
9. You are one of them?—I am in touch with some of them.
10. You have had dealings in connection with this land?—Yes.
11. The owners, we are told, were Canterbury people?—Yes, the Canterbury people are owning 21,000 acres.
12. Who owns the balance?—I think there is another Canterbury company.
13. It is all Canterbury-owned, as far as you know—the whole 50,000 acres?—Yes.
14. Does this Taupo Totara Timber Company's railway go through the block?—Yes.
15. At a point about fifteen miles from Putaruru?—Yes.
16. So that, so far as the block is concerned, it will not be affected by any extension—it is served already by the railway?—Yes.
17. Can you tell the Committee the purpose of the present owners—is it to cut the land up and sell it?—They have already surveyed it into blocks of from 300 to 1,500 acres.
18. With what view?—To put settlers on it. It is now being roaded. We are putting through twelve miles and a half of roads, and I have had, personally, fifteen Canterbury farmers over it who know the country well. Some of them are retired men, and they are all intensely satisfied with it.
19. It has not yet been actually put on the market?—No.
20. From what you have learned do you anticipate any particular difficulty in disposing of it?—No.
21. In sizes such as you have mentioned?—Yes. I may say, if I take a man over there, each day as he becomes more familiar with it he likes it the better.
22. And they are all practical men who have been over it?—Yes.
23. Can you give the Committee any idea of what you are asking for the smaller blocks of 300 acres?—We are asking from £2 10s. to £3 10s. an acre.
24. And what for the larger blocks of 1,500 acres?—£2 5s., I think.
25. The only improvements will be the roading?—Yes.
26. Whoever takes it up at those prices will have to do the fertilizing themselves?—Yes.
27. Can you tell the Committee whether, from the practical men who have gone over and examined it, you think they can make it pay at those prices?—The men I have referred to are members of the company who have purchased it.
28. Have you had any prospective settlers over it?—I have two now.
29. Those are the prices you propose to fix?—Yes.
30. Have you any objection to saying at what price it was acquired by your syndicate?—I hardly think that would be fair.
31. Do you know anything of the rest of the country in the vicinity of the block you mentioned?—Yes, I spent two months there last year, and, generally speaking, it is practically all the same class of country.
32. As this block you have referred to?—Yes. I noticed that the tussock seems to be gaining ground gradually everywhere and eating out everything else.
33. What do you infer from that?—Well, the lands have been so burned by the Natives at different times that other growths will not stand it, and the tussock is following it.
34. From what you have seen during the months you have been examining it do you think there is any reason why the great bulk of this land lying along the route of the company's line embraced within these borders [map referred to] should not be settled in areas the size you have mentioned, from 300 to 1,500 acres?—I think the sooner the Government assist in opening up that land and putting people on it the sooner we shall have a great increase in the export of butter, &c.
35. That is, if it gets access from the railway?—Yes.
36. Without access what will happen to settlement?—The cartage is too big an item for people to live there. I produce a photograph showing the size of the red clover grown at Lichfield. That was originally 4 ft. high.
37. *Mr. Dickie.*] How many acres of that were growing when you were there?—I think, about 25 acres.
38. *Mr. Buchanan.*] Are you aware that by means of photography you can extend the length and depth of anything indefinitely?—Photography never extended that.
39. You are a farmer?—No.
40. A simple business man?—Yes.
41. Your shareholders in this company—are they farmers?—Yes, almost every one of them.
42. Can you name any of them?—Yes. Mr. Robert Sloss, president of the Farmers' Union, Cheviot; Mr. Mulcock, living on the Cashmere Hills; Mr. Andrew Macfarlane, Alford Forest; Mr. Holland, of Waikari; and Mr. George Wade, of Kaituna.
43. Have they any experience of that class of land?—I do not think so.
44. They went, like yourself, on the land and expressed their opinion as you have stated?—Yes. One other member—a Mr. Millar, from Methven—has a farm, which is known as the model farm. His contention is that willow-trees will grow on the highest points of the hills there.

45. Do you wish the Committee to assume that willow-trees are a marketable commodity? Has Canterbury invested much money in North Island land—say, in the Waikato, for instance?—I think so.

46. How much money have they been able to get back?—They did not get much back a good many years ago.

47. A new generation has arisen?—Yes.

48. And they are going to have another try?—They are going to get it back this time.

49. *Mr. MacDonald.*] This association or company of Canterbury settlers have gone and examined this land, and no doubt compared it with similar land under cultivation in the vicinity?—Yes.

50. That is one reason why they are of opinion that that land can be made profitable for cultivation?—Yes.

51. *Mr. Dickie.*] I suppose that would lead these men to believe that it was good land at low prices compared with the prices they have been paying for land down in Canterbury?—The farmers did not look at it in that way: they looked at it purely from the quality of the soil.

52. If this railway were closed down where this block of land has been taken up, I suppose the "spec." would not be much good?—It would certainly have a very detrimental effect.

53. *Mr. Buick.*] I suppose the gentlemen you mentioned are more interested in selling than in improving the land?—I think they are just now.

54. *Mr. Laurenson.*] Where does that 20,000-acre block that you mentioned lie?—About fifteen miles south of Putaruru, to the north of the lake.

55. *Mr. Buchanan.*] Would fifteen miles distance from the railway-station be considered any serious matter in Canterbury, as far as carriage is concerned?—It would not be so serious there as in the North. In Canterbury the roads are all metalled, which makes all the difference.

56. Is it correct that 3 tons is a fair wagon-load on the pumice roads up yonder?—I do not know that I am in a position to answer that question. I have not had to deal with any loading at all.

57. Did you not say that it would be a serious matter if the railway were taken away?—Yes, it would be.

58. Is it not fair, then, to assume that you have considered this question of carriage?—Yes.

59. But you are not able to answer my question?—I have never had a practical knowledge of carting in the North.

60. What do you consider should be charged for cartage for fifteen miles from Putaruru outwards towards this block of land?—I can only judge by what they charge from Rotorua to Waio-tapu: that is twenty-two miles, and the charge is about £3 a ton.

61. Would you be surprised to learn that evidence was given before the Committee that cartage was done for fifty-six miles at £2 a ton?—I should be surprised.

62. *Mr. Dickie.*] Are these roads suitable for traction-engine service?—Some portions of them.

63. In Canterbury most of the haulage is done by traction-engine?—Yes.

EDMOND CLIFTON examined on oath. (No. 14.)

1. *The Chairman.*] What are you, Mr. Clifton?—Director of Fields and Experimental Stations, Department of Agriculture.

2. The Committee desire to hear any statement that you may wish to make as to the value, characteristics, or capability of this country for close settlement, and will be glad of any other information you can give them upon the subject. We understand that you are acquainted with the country in question. Will you make a statement?—I would sooner reply to any questions that you may wish to put.

3. *Mr. Buchanan.*] What knowledge have you of the country now served, and proposed to be served after the railway is extended, by the Putaruru-Taupo Railway?—I know the Taupo country fairly well—better some years ago than of late—even so long ago as 1876; and of later years the Taupo district came into my district when I was Stock Inspector in the Auckland Provincial District. The part of this country in immediate consideration, of which I do not know much, is that at the further end of the Mokai Railway—the company's railway. At the time I knew the country that part was forest—there was no access; but the rest of the country I have travelled over extensively.

4. Will you tell us what you know of the productive capabilities of that country?—It is country of a somewhat similar nature to a great part of the lighter lands of the Waikato, and extends from that description of land to the very light pumice soils with which one cannot at present associate utility. It is very difficult, however, to make an estimate of the proportion of those lands. As a rough estimate one might say that two-thirds of that land would come into useful occupation. As to the other third, at present I have no conception of what use might be made of it. Taking the other two-thirds, one-third would be useful land; the other third would, I think, require to be occupied in large, or comparatively large, pastoral holdings. It is to be clearly understood that there is no natural stock-carrying capacity as the term is accepted in most parts of New Zealand. The capacity of that land depends practically and entirely on the extent of the agricultural operations to grass it and to maintain that grass.

5. As to the portion that you think could be occupied in comparatively large pastoral areas, how could it be so occupied without cultivation?—I do not think any of it can be improved except with the assistance of cultivation. I do not think any part can be naturally grassed without some form of cultivation.

6. What proportion of the country would you call easily ploughable land—that is, so level or undulating as to be capable of fairly easy cultivation?—An enormous proportion of the Taupo

district can be ploughed. It is very difficult to estimate that without inspecting the country for that purpose. A great part consists of rolling downs, plateaus, and flats, extending in parts into hills, regarding which no question of cultivation would be considered.

7. You cannot give us a shot at the relative areas of cultivable and uncultivable land?—If you accept it simply as a shot, I would say that two-thirds of the Taupo district generally might be ploughed.

8. *The Chairman.*] You are referring to the country affected by the railway?—

Mr. Buchanan. Yes. I began by pointing to that area as the subject of my questions.

Witness. I should think in that particular portion possibly less than that proportion may be ploughed. The hills certainly are more prominent than in other parts of Taupo.

9. *Mr. Buchanan.*] You think, then, that roughly speaking one-half would not be cultivable, owing to hills?—Fully one-half. But I want you to take that purely as an estimate, made without looking at the country for the purpose.

10. Have you any idea of the location of Crown land, of Native land, and of private land comprising that area?—Only of some of the Native lands and a portion of the freehold.

11. You could not, therefore, give us any idea whether the rough land is mostly the Native land, the Crown land, or the privately-owned land?—I could not help you in that direction.

12. We have been told over and over again that want of the means of carriage at a reasonable rate has been the cause of this land lying undeveloped for so many years?—It is quite certain that the country cannot be profitably occupied until means of communication are improved: that is certain. I think that must appeal to every one. But at the same time the nature of the country has also prevented its being sought for. For one thing, it would require, under present conditions, a very considerable capital to operate on this land. It is not a poor man's country, under present conditions.

13. We have been told by some of the witnesses that it is more suitable for occupation in areas of from 300 to 500 and 600 acres than in larger areas, irrespective of the capital at the disposal of the intending settlers. Would you give us your idea as to that?—My own opinion is that the country must of necessity be occupied in areas of considerable size. I should say that you must make that country attractive to people of some means; that the capital involved must be considerable. The return from such lands that we know perfectly well are not of the highest class cannot be great; therefore men of reasonable means to take up a fair-sized holding are those who would be likely to occupy this country. Of course, another factor comes in, and that is, if the present owners improve that land and make it available. That is a process that has taken place throughout the greater part of the Waikato. Those intractable lands—as they were in the early days—were taken up by strong financial companies and improved. These companies' operations resulted in bringing that land into such a state that men of limited means can occupy it profitably.

14. Can you see anything to prevent the profitable occupation of these lands by settlers possessing a reasonable amount of capital, although the land may be, say, forty miles from a railway-station?—In these days forty miles is regarded as a considerable distance to transport stock. I think communication would require to be closer than that.

15. What would you consider the carrying-capacity of that class of land if it were worked by cultivation in rotation in the usual way? At what would you put down the capacity in, say, sheep, per acre?—That depends entirely on the extent and intensity of your agricultural operations. Take other places—for instance, the properties that have been developed in the Waikato. Possibly, with a rotation, renewing grass every fourth year, a sheep and a half to two sheep to the acre. That is on the understanding that grass is renewed by cultivation, or possibly maintained by top-dressings. That is another phase that may enter. And I must make another qualification: that would apply only to the lands of the better class.

16. Would you consider it possible to make a success of dairying on this country?—It does not in any way appeal to me as a district suitable for dairying. I should consider it more as a stock-raising country than one for dairying or for fattening.

17. You say that, having a fair knowledge of the history of the Waikato dairying country?—Yes.

18. In the Waikato they go in largely for dairying, do they not?—They do. A portion of the better class of land would come to that use, undoubtedly. But I should say that Taupo cannot become a dairying district.

19. How about water?—Taupo is generally well watered.

20. *Mr. MacDonald.*] You have been from Putaruru to Mokai?—Not quite into Mokai. That part towards Mokai I do not know.

21. You know from Putaruru to Lichfield?—Yes.

22. There are large areas of ploughable land right through to Lichfield and on?—Yes, very large.

23. You say that in fairly large pastoral runs the country can be occupied?—I take it that that must be the first development.

24. How are you going to grass it for pastoral purposes?—In the way in which the large properties in the Waikato were dealt with—practically through the medium of the plough.

25. *Mr. Buick.*] Do you consider that the cheap conveyance of artificial manures is a great factor in the cultivation of the bulk of those lands?—It is essential that manures be availed of; they must be obtainable on the farm at a reasonable cost, and for this transport must be cheap.

26. Do you think it would be possible to successfully cultivate those lands without a railway—by simply hauling the manures over the ground? Would it be possible to bring them from Putaruru to the southern end of the block that would be served by the proposed railway?—I do not think it is possible to bring those lands into occupation unless there is transport by a railway.

27. *The Chairman.*] I notice that you said in your evidence last year that the vegetation is principally the ordinary tussock—the silver-tussock?—That is the principal form of grass that is seen there.

28. You told Mr. Buchanan to-day that you thought there ought to be large holdings?—Yes.

29. That is down the route of that railway?—Of course, I can only speak of the route of the railway for a certain distance, say, about half-way from the Waikato to Mokai.

30. Do you think that along the railway a man could make a living on 300 acres?—I should not expect it myself.

31. Does the land grow good roots?—I have seen very good roots growing on that country.

32. That is, with plenty of manure?—With reasonable manuring.

33. What would you call reasonable manuring?—The usual manure applied in the Waikato. I take that district because the lighter land of Waikato is of a somewhat similar formation: it is generally 3 cwt. of manure to the acre.

34. *Mr. Buick.*] As a rule 2 cwt. would not be quite enough?—Even more than 3 cwt. would be useful; then it becomes a question of cost.

35. *The Chairman.*] You said last year that fruit will grow very well there. With manure, or without?—There are fruit-trees that were established there many years ago by the Natives and the missionaries; they were very satisfactory, and without manure, as far as that goes. But that is not quite the point; all commercial orchards are manured.

36. I meant, would you need an extra amount of manure in that country?—Probably more.

37. Would it become a fruit-growing country, do you think?—Up to a limited extent.

38. Apples?—Apples principally. Apples are practically the only form of fruit that has any promise of being profitably cultivated or conveyed to other countries. It is to exportation that one would look to for the development of fruit-growing.

39. Would you think of putting people there as orchardists on such small areas?—One would not. At present I think one would feel rather doubtful in recommending any very enormous extension of fruit-growing anywhere in New Zealand; so that my answer does not apply to this district only.

40. You have told us already that you think it would be wise to have the railway to give facilities for transport of manures and produce, and other things?—I cannot imagine this country as likely to develop until there is railway communication.

41. Last year some of the witnesses gave evidence to the effect that certain of the swamps would be worth £20 an acre after being drained: is that correct?—I do not think we have tested those swamps sufficiently to put a value of that kind on them. There are useful swamps there—some particularly good. One has to take into consideration the locality; they are rather far from a market in any case. Although there are certainly good swamps.

42. Are there any along this line of railway?—I do not know of any extensive swamps in that direction.

43. I notice that last year you said that in the Waikato the land was ten times as valuable as the land shown on this map. Are you still of that opinion?—Yes. I think the first question was, What is its value? It is very difficult to put a money value on such land. It was only arrived at by a comparison with some other country.

44. Do you know the country at the foot of the lake about Tokaanu?—Yes.

45. One witness to-day told us that the land, taking an area round from that small lake—Rotoaira—was all first-class land—that is, the slopes leading down to the lake—and as good as any country in New Zealand: I think that is what he inferred?—There is some good land, as the swamp at Tokaanu, and the hills that are now carrying timber are good land. I should not have regarded any of the land in that direction as being the equal of—

46. Say, the Wairarapa: he said (the other witness) the Wairarapa?—I should not have included any of this land in the same class as those that were forest-clad in the Wairarapa.

47. He told us that land in the delta of the Tongariro River—I think he said—was first-class land, and that wheat had been grown on some portions of it for fifteen years continuously?—There is some very good land on the swamp at the delta, close to Tokaanu.

48. Do you think there are several thousands of acres there fit for wheat?—I could not say what the area is; it is fairly extensive, but I do not think wheat would be grown there. The land would produce wheat probably. I have seen maize growing there.

49. *Mr. Buchanan.*] Is it not a fact that, speaking generally, for apple-growing clay land is considered amongst the best?—The apple is supposed to be suitable particularly to clay lands, but it also adapts itself to other kinds of soil.

50. It depends upon the variety, I suppose?—To some extent; still, the apple-tree will adapt itself to many conditions.

51. But, speaking generally, what I have stated is correct?—Speaking generally, it is a clay-land tree.

52. *The Chairman.*] Do you know anything about a poisonous plant on the Waimarino Plains—a small, low-growing plant amongst the grass?—I have heard it spoken of, but I cannot tell you the name of the plant. I have not understood that it was of any very serious importance. It was claimed regarding the celmisia, the so-called cotton-plant, that stock eating it were affected by the fluff from the leaves; but I do not think that is of importance.

53. Did you ever hear of a number of hoggets dying on account of this poisonous plant, and it being so serious that it interfered with the carrying of stock on the Waimarino Plains?—No.

54. *Mr. Buchanan.*] Is it your experience that in pumice country a difficulty frequently arises in carrying the hoggets through the winter?—I do not think that difficulty applies more to pumice country than to other land. It is a question of providing the proper feed.

55. What, then, is the cause of the acknowledged difference between rearing young sheep up the west coast, for instance, beyond Wanganui, and rearing them, we will say, in the Wairarapa or Canterbury?—The wet climate of the west coast is principally responsible.

56. Would that apply to Wairarapa?—The Wairarapa climate is much drier than that of the west coast; there is on those lands an enormous growth of grasses. On the drier country probably the herbage is more nutritious.

57. *Hon. Sir J. Findlay.*] It is about a year since you gave evidence before a Committee that was dealing with the same matter as this Committee is dealing with?—Yes.

58. During that time have you had occasion to alter your mind regarding any of the main statements you made here a year ago?—No. I would willingly have put my former evidence in to-day.

59. I desire, therefore, to merely draw your attention to some of the evidence you gave then for the purpose of getting your reaffirmation of what you said then upon half a dozen important points. You were asked whether, looking at the whole country within the borders appearing on the map, you were hopeful of it, and you said, "Decidedly." You still take that view?—I do.

60. Then you were asked: "And you think it is amenable to treatment?" and you answered, "Yes. It is on that account that I have induced the Department to make experiments. It is only now several experimental plots are being completed throughout this district." Have these been advanced since then?—Yes.

61. And has the result been to encourage your view?—In most directions, yes. They are principally grass-plots; it is found that certain grasses are, as far as one can tell, successfully adapting themselves to the conditions.

62. *The Chairman.*] With the 3 cwt. of manure?—That has been the usual application. I think it would have been about that.

63. *Mr. Buick.*] Do you put it down every year?—No. The usual process is to apply the manure at each crop—that is, when the land is in cultivation. In top-dressing it would depend on the state of the pasture. Probably an application every third year would be satisfactory.

64. *Hon. Sir J. Findlay.*] At any rate, the experiments you have so far made assure you that the view you expressed a year ago was right?—Yes.

65. Then you were asked, "Taking it all over, you think the land would improve very much by occupation?" and you answered, "I think two-thirds in the course of some years will be useful land for settlers." Do you reaffirm that to-day?—I do.

66. Then you were asked, "Do you think a reasonable amount of settlement can be effected along this comparatively poor country if they have communication?" and you answered, "Yes, the better part of it immediately, and almost all for pastoral purposes"—That is so.

67. Then you were asked to make a comparison: "You think as good results can be got in this country as in the Murimotu country?" and you said, "Yes, over the greater part of it; and from the experiments we have made for years past there is great encouragement. The red-top grass (*Agrostis canina*) is not a first-class grass, but it is growing well." Where is the Murimotu country?—Out towards the Main Trunk line; but this plot that we are speaking of is on the road from Waiotapu to Galatea.

68. Then, it is on the class of country we are now dealing with?—Yes, practically the same district.

69. Then you were asked, "You think it is absolutely necessary to have communication there before the land is tackled?" and your answer was, "I think, undoubtedly so. All this country requires fertilizers, as all other country. It is a long distance to transport, is expensive, and fertilizers and supplies must be obtained cheaply. I do not think the country can be attacked without railway communication." That is what you state to-day?—Yes.

70. Then it goes on, "The present line or the line that has been spoken of from Rotorua to Taupo—which do you think would open up the most country?—If I were a settler at Taupo I should prefer the railway from Putaruru, inasmuch as the distance would be shorter"—That is evident.

71. "You are quite satisfied that, as far as growing root crops is concerned, that country has passed the experimental stage?—Decidedly. Of course, there is land of many varying descriptions. On the greater part of it root crops can be grown." That answer you reaffirm to-day?—Yes.

72. Then finally you were asked this: "Apart from the quality of the soil, are the general conditions in this district suited to settlement?" and you answered, "Yes." Then, "Would you say they are exceptionally favourable—the climate, for instance?—I should think the climate is the finest in New Zealand. Apart from its present isolation, it would be eminently suitable, as far as health conditions are concerned." Q. "And the cultivation of the soil would be very cheap in the working of the land?—It is very light land and easily worked." Q. "It does not contain much clay, and is easily ploughed at any time and in any weather?—The greater part could be cultivated at any time"—That is so.

73. You think, then, that, taken generally, there is wide room for settlement in this large area of country?—Undoubtedly.

74. And that settlement cannot proceed without a railway?—It cannot proceed. It is impossible to attack that country without railway communication.

75. And do you think that the railway proposed, leaving Putaruru and ending at Taupo, and making the whole of Lake Taupo available as a means of transport, would furnish the necessary communication?—It would be the first means. I think it is certain that there would require to be extensions; but the key to it is an approach to Lake Taupo.

76. May I put it in this way: if that railway is completed to Taupo, and Lake Taupo is joined with the Main Trunk Railway in that way, you will have found the first key to the settlement of this country?—Undoubtedly.

Mr. G. W. Russell, M.P.: May I, Mr. Chairman, as representing the holders of about 300,000 acres of land who are deeply interested in this matter, ask Mr. Clifton a few questions?

The Chairman: Certainly.

77. *Mr. Russell.*] I think you hold the opinion, from what you have said, that this country will be broken in in the first place in fairly large pastoral areas?—I think that is the essential process.

78. That is, you anticipate that a large part of it will be sheep country?—Yes.

79. Do you think there is any possibility, with reasonable cultivation and manuring, of fat lambs being produced on that country?—I think that will follow.

80. Is there any possibility of fat lambs being sent to market from that country unless there is railway communication that enables the lambs to be forwarded rapidly to the market?—We know it is impossible.

81. All the country south of Taupo, including Wharetoto and Runanga and the big stations down there—is there any possibility of those stations now forwarding fat lambs to Napier?—They could not possibly send fat lambs to arrive in reasonable condition. The only alternative is to raise stock and fatten on other lands.

82. In other words, stock can only be sent away as forward stores?—I think that is the position.

83. Supposing this line from Putaruru is linked up with Taupo, would it not greatly increase the carrying-capacity of all the country south, including Wharetoto, Runanga, Pohukura, Taharua, and all the stations down there, which altogether at the present time are carrying upwards of eighty thousand to one hundred thousand sheep?—It would afford the means of using it reasonably.

84. Do you think it is possible, then, for any of this country lying between Putaruru and extending within an area of from twenty-five to fifty miles of Taupo ever to be fat-lamb country unless that railway is made accessible, in order to reach the market at Hamilton?—It is impossible to get lambs from there unless some communication is provided by railway.

85. A very large area of the country that you have been dealing with to-day is not bush country but open country. In preparing that land for cultivation would not the fact that it is easily ploughable stand as against the expense of felling the bush and taking the chances?—Those are two different forms of development altogether. It might bring them together as far as profit is concerned; as a matter of fact, I should prefer the bush lands.

86. And take the chance?—Yes.

87. But the difference would not be so great when you set the felling of the bush as against the open country?—It is difficult to estimate. My preference would be for the bush country.

88. Dealing with the question of the smaller areas, would not a man who took up, say, 5,000 acres of this country leave the greater portion of it untouched and undeveloped, and merely make it by putting his stock on it?—I do not think a great deal of that country is amenable to improvement by merely stocking. The better portions perhaps would be, but a great part of the medium-class land would not be so improved—that is, judging by what has taken place through a great part of the Waikato. In any case it would require many years for that improvement to become of importance.

89. If this country were cut up into comparatively small areas—say, up to 600 acres—would not the owner then be compelled to cultivate and fertilize in order to get a return, and consequently would not the settlement be much greater and more rapid in small areas than in big ones?—That may apply to the better class of land in the Taupo district. It could, as a matter of common-sense, apply only to the better lands.

90. Assuming those statements to be correct, that country will open up a field for small settlement, and will be more likely to be successfully handled as small-settlement country than in big areas of 10,000 and 15,000 acres?—Yes. I must always make a distinction between the better land suitable for smaller holdings and the poorer class of land of the Taupo district.

91. You have had a good deal to do with the wattle plantations at Rangiriri and down there, have you not?—Yes.

92. Those plantations have turned out a financial success, have they not?—Yes.

93. Is it not a fact that even the very worst of the pumice country will provide excellent soil for acacia plantations on the same lines, for the purpose of exporting the bark for tanning?—They would, but there is this qualification, as often happens with enterprises of that sort: the question of the availability of labour would be very serious.

94. *Mr. Buchanan.*] The frost is very severe in the Taupo country, is it not?—Acacia-trees are growing in the Taupo country. I should not regard frost as being dangerous or a serious consideration. The labour would probably preclude any proposal to plant largely and to harvest the bark. I find already that difficulty at Rangiriri.

95. *The Chairman.*] The frost at Taupo is nothing like it is in Southland?—No. The frost penetrates the light land more deeply; but acacia-trees grow there very successfully.

96. *Mr. Russell.*] I do not wish to mention particularly any block, but on the hill country and even on the river-flats and the plains—on what you regard as the better-class land—have you not found that cocksfoot and cow-grass and red clover all grow well?—Yes, on the better soils.

97. Have you examined any of the cocksfoot on the hill country at all, or on any of the old Native settlements?—Not of late years. I have seen it there, but I have not specially observed it.

98. *Mr. Buchanan.*] In the course of your evidence you expressed a preference for the development of bush land rather than open land: how would you maintain the pasture upon this bush land?—The only means of maintaining pasture would be by top-dressing. That is what I think I said. The question of the carrying-capacity depends on the extent of the agricultural operations, or the alternative of top-dressing.

FRIDAY, 13TH SEPTEMBER, 1912.

BARNARD CRACROFT ASTON sworn and examined. (No. 15.)

1. *Hon. Sir J. Findlay.*] What is your profession?—Government Agricultural Chemist.

2. Will you make a statement?—I have prepared a short statement on the lines of the statement I made last year. Since I had the honour to give evidence on the pumice soils before the Committee of last year the field experiments which then had only been instituted a few months have yielded results which emphasize the truth of several statements then made as to the manurial treatment likely to prove most advantageous to the farmer of pumice soils. For the most part these experiments have been conducted on lands which originally supported a dense forest, but are now laid down in grass. One series of experiments was, however, instituted at Lichfield on an area which originally was covered with scrub. The results on both types of country—forest and scrub land—have been substantially the same, and go to prove that a good top-dressing of phosphatic fertilizer has a great ameliorative effect, increasing both the feeding-quality and the quantity of the pasture. It is thus satisfactory to be able to substantiate the opinions I expressed last year—opinions which were formed from laboratory experiments—with evidence derived from field experiments and actual farming practice. “Improvements in pumice soils must depend largely on increasing the store of humus and by application of phosphatic fertilizers. There is some evidence that superphosphate is the most suitable phosphate to apply. I attach great importance to the need of increasing the content of humus on pumice lands not only because it will improve the mechanical condition of the soil, but because a very great increase in the availability of the plant-food may therefore be effected. There is not wanting evidence that pumice soils are capable of very great improvement.” Basic slag has proved the most successful form in which to apply phosphate, judged by the effect produced on the quantity alone of pasture produced, although the beneficial results of slag were slower in making their appearance than was the case of those of superphosphate. This was only what was to be predicted from theory, as analyses showed that the soils experimented with were very deficient in available phosphoric acid, which was so low indeed that no figure was employed to represent the amount present, the result being stated as “traces” merely. On the other hand, potash, which is the dominant fertilizer ingredient required by clovers, was found to be present in good quantity, and the application of potash manure where it was in one instance tried was without any observable effect—again bearing out the value of chemical analyses. Additional evidence has been acquired bearing out the previously expressed opinion that an increase in the humus content of the soil would, other things being equal, result in much better returns. The cheapest way to supplement the humus will probably be to stimulate the growth of clovers by application of phosphates. In order to obtain positive results in our experiments, which were undertaken not so much to find out the increase in yield of pasture as to find out the increase in feeding-quality, it was necessary to give a maximum dose of top-dressing—in fact, to make sure of overdoing it in order to get a positive result. I am not, therefore, in a position to speak with certainty as to the most economical quantity of fertilizer to apply. From the experience of farmers in the same district it can, however, be predicted that a comparatively small dressing, a few hundredweight merely, will prove successful. All the elements of fertility save one are present in the pumice, but they are mostly in an unavailable state. The exception is, of course, nitrogen, which can be obtained from the atmosphere through the agency of bacteria to be encouraged by appropriate methods of farming.

3. One of the ingredients you mention is what?—Nitrogen, which can be secreted by those bacteria which feed on clovers and other legumes.

4. Is your present statement supplementary to your statement of last year?—Yes. It includes the results of experiments made during the past year.

5. We can take this statement of last year as read and as part of your evidence this year?—Yes. There is one statement made last year about lime—“To effectively establish lucerne may require dressing with lime, and this entails railage facilities from Te Kuiti.” Our experiments so far go to prove that lime is rather injurious on pumice soils, but with that correction I think that matter can be left there.

6. *Mr. Buchanan.*] You said just now that all the elements of fertility were present in the pumice soil?—In the pumice soil as it comes out of the earth; all the elements are there if they could only be weathered down.

7. Except phosphoric acid?—It is deficient, but it is there.

8. The evidence of a scientific man like yourself to a certain extent is technical, and what we wish is to understand what you desire to convey to us?—Yes.

9. As I attempted to follow you I understood you to convey that phosphoric acid was so scarce that no figure was employed to represent the amount?—I think I said “available” phosphoric acid.

10. Then by the application of basic slag the phosphoric acid at present unavailable becomes more available?—Yes, because basic slag stimulates the clovers and the clovers make humus, and the humus acts on the decomposed rock to further decompose it.

11. These soils have been covered by vegetation of some sort, sometimes bush and sometimes scrub and fern, and so on?—Sometimes by moss and lichen.

12. For generations?—Yes.

13. And I suppose, in the ordinary course of events, failing fern—and even with fern the quantity of humus is gradually increasing: is that so?—Very slowly, because there were no clovers indigenous to New Zealand. New Zealand is singularly free from indigenous leguminous plants.

14. In my part of the country the decaying fern-leaves accumulate a lot of humus, which is on the surface: would not the same accumulation take place on pumice soil?—No. Unfortu-

nately, the fern will grow 6 ft. to 10 ft., and humus is not left on the surface. It is in the root, going into a vertical layer, not a horizontal layer.

15. Taking 4 in. or 5 in. of surface soil, would there not be a lot of humus in that decaying vegetable matter?—I do not think there would be.

16. To make myself clear, I want to mention what came under my notice in pumice soil: Up at Karioi, on the Main Trunk line, I had a look at a crop of potatoes. The bush was burnt, and a crop of potatoes put in—a splendid crop. Immediately alongside was a crop of oats on land which had carried potatoes the year before. The crop of oats was a miserable one. Further out the English grasses had died out where clearings had been made. The furthest-out part of the clearing, which had been made years before, showed not a vestige of English grass at all—nothing but flat Capeweed. Now, can you give us any lesson from the appearances I have described?—In the bush soil the potatoes did well?

17. It was a splendid crop?—And outside they did not?

18. No; the crop of oats had carried potatoes?—You are comparing a crop of potatoes with a crop of oats, and they cannot be compared—they are entirely dissimilar.

19. I quite understand that; but I wanted your opinion as to whether or not that crop of potatoes had not taken most of the more valuable constituent present in the soil to such an extent as to starve the crop of oats?—No. I think the reason is this: the potatoes require humus more than oats do; therefore, on a soil which contained more humus they benefited very much. The oats growing outside was not a good crop?

20. No, a poor crop—starved. The oats were growing upon last year's patch of potatoes—the oats succeeded potatoes?—I do not quite see the point you are trying to make.

21. I am trying to get something from your superior chemical knowledge?—Yes.

22. We have had evidence as to the great effect of a certain amount of manure—basic slag or phosphate—upon this pumice soil: would you expect the same good effect after some years of cultivation as in the beginning when treated as new soil, so to speak?—Certainly you would expect a better effect after some years of cultivation. You would have a crop, and to have a crop you would have manure, and that would be improving the land. Every crop would improve the land.

23. Supposing, for instance, there was some ingredient in the virgin soil on which the basic slag or phosphate had an important chemical effect, and supposing the supply of humus had considerably increased: would you then expect the same effect from the application of manure as in the case of the first application to virgin soil?—Well, if the supply of phosphate had decreased I would not.

24. Even if the humus had decreased?—No, I would not.

25. To put it in a general way, my difficulty has been whether the application of manure in future years would be as successful as we would suppose it has been as applied to virgin soil?—I think those soils will improve the more you cultivate them.

26. I have not got the answer I wanted. I have understood you to say that the success of an application of manure was largely due to the action of the manure on the humus?—The action upon the clovers.

27. The humus present in the virgin soil by the application of manure gives the good results: would you expect the same good results in later years if the accumulated humus in the virgin soil had lessened?—It depends upon how much it lessened.

28. Let me put it in another way: In medical practice, as we understand it, the application of stimulants of any description after a little time is weakened in its effects?—Yes.

29. In other words, as applied to this case, would that be likely to happen in future years in regard to manure?—No, I do not think so. It has been proved that if you have given a good dressing of slag to the land you can by another good dressing of slag still get beneficial results.

30. Would you expect that to continue in future years?—Yes.

31. *Hon. Dr. Pomare.*] Where did you make your experiments? At five farms scattered around Rotorua. The one farthest from Rotorua was Lichfield; there were three at Mamaku, and one at Te Pu.

32. Those were all bush lands?—All except Lichfield: that was scrub land.

33. Does the experiment carried out on the bush lands really apply to this part of the country?—No, but they bear out the experiments carried out on the scrub land. They were substantially the same.

34. How much basic slag do you say it would require per acre to manure this land effectively?—I said the amount of basic slag which we could recommend economically we could not state now from our experiments, because we have overdone it. We have to obtain a positive result, and to do that we have to put on a large dressing—half a ton to the acre.

35. How much would that cost?—It is £3 15s. a ton free on rail at Auckland.

36. How long will the effects of basic slag last?—Some of the effects will, of course, last for ever.

37. So that you would not have to manure again?—I should say it would be at least seven years, and possibly longer, before you would have to manure with basic slag again.

38. So that in twenty-one years the value of the manure would be over £5 an acre?—Yes, about that in slag.

39. When you carried out the experiments at Lichfield, what sort of scrub was it—tall manuka?—It is tauhinu (*Pomadrovis phyllicifolia*) and short manuka (*Leptospermum scoparium*).

40. *Mr. MacDonald.*] Did the experiments at Mamaku, Te Pu, and Lichfield give about the same results?—The same results according to the supply of phosphates.

41. *Mr. Hindmarsh.*] The difficulty is to break down the pumice, compared with other rock?—It is not difficult. The pumice is virgin soil; it is a rock that has not been eroded by water: that is the difficulty. Humus is the best factor in breaking down pumice, undoubtedly.

42. And therefore the object is to get as much humus as possible?—Certainly.

43. *Mr. Dickie.*] You think the more this land is ploughed the better it will become?—Provided you crop and manure it when you work it.

44. It takes about half a ton of basic slag to dress it properly?—I did not say that. Half a ton of basic slag was put down to ensure our getting positive results.

45. Do you think this land is suitable to enable a man to get a living on 400 or 500 acres?—I cannot answer that question—I am not a farmer.

46. You have been experimenting there: do you think it is suitable for cultivation?—Yes. In after-years it might be found advisable to top-dress with, say, a hundredweight of nitrate of soda or sulphate of ammonia.

47. *Mr. Wilson.*] How often, say, for pasture?—It is easy to apply a top-dressing every year.

48. *Hon. Dr. Pomare.*] It has been adduced in evidence before this Committee that about 800 acres would be sufficient for a man to live on?—Yes.

49. I am not asking your opinion as to what acreage would be suitable for a man to farm, but in your evidence you say it would cost about £3 15s. per acre for basic slag?—Half of that.

50. So in the course of twenty-one years a farmer who has taken up 800 acres would have to pay out £4,500 for manure?—No. In the first place, I did not say half a ton is necessary. I said we used half a ton. Probably a few hundredweight would be sufficient. I will read the evidence again, to save misapprehension: "In order to obtain positive results in our experiments, which were undertaken not so much to find out the increase in yield of pasture as to find out the increase in feeding-quality, it was necessary to give a maximum dose of top-dressing—in fact, to make sure of overdoing it in order to get positive results. I am not therefore in a position to speak with certainty as to the most economical quantity of fertilizer to apply. From the experience of farmers in the same district it can, however, be predicted that a comparatively small dressing—a few hundredweight merely—will prove successful."

51. *The Chairman.*] What do you mean by "positive results": put it into ordinary laymen's evidence?—We wanted to find out whether we could get the feeding-qualities of the pasture improved. Supposing we tried 2 cwt. before and found it not successful, we would not know whether the failure was due to not giving it enough manure or whether to the class of manure being the wrong one. We were trying to follow out the dictates of theory in these experiments, and theory dictated that the absence of phosphoric acid showed that it would be the right thing to apply. If we were wrong in our theory, and had put on phosphoric acid in the quantity we knew ought to be sufficient, we could not be in any doubt as to the result, and to that end we put on half a ton.

52. *Hon. Dr. Pomare.*] With that granted, ought we to cut the thing down by half?—More than a half.

53. Shall we say, then, a quarter of a ton?—Yes.

54. Therefore the farmer going on to 800 acres of this country would have to spend £2,250 in twenty-one years for basic slag alone?—He might not top-dress the whole of it at once. He would apply different manures to different crops. I am speaking of permanent pasture.

55. Do you think that with this expenditure it would be a paying proposition for a man to take up 800 acres?—Yes, certainly. If he could afford to dress it he would get his money back in the yield.

56. *Mr. Buchanan.*] Supposing by the application of your half-ton to the acre you obtained a certain result, and you reduced the half-ton to 8 cwt., and got the same result as you did with 10 cwt.; then you come down to 6 cwt. and got the same result, you would go on with your reduction until you came to a point which showed the quantity of manure necessary to give the result you wanted?—Yes.

57. Then you would come to the conclusion that you had hit upon the quantity of manure required for that particular soil?—Yes.

58. The only question that would then remain would be this: Taking the cost of applying the manure—not the cost of the manure in Auckland, but the cost of the manure as applied to the particular farm—is this a payable proposition? That would be the position, would it not?—Yes, that would be the position.

59. *The Chairman.*] Of course, the quantity and the amount of the manure that you would apply to this land would be in accordance with the crops you are going to grow?—Yes, certainly.

60. Have you made any experiments as to the best or proper quantity of manure which would be suitable for, say, growing turnips, and the quantity for grain?—No. We have made no experiments except for pasture.

61. And you find that the best results came from using half a ton an acre?—No.

62. The whole position is indefinite: you have not ascertained what is the most economical amount of basic slag to apply?—No, this is what I said: "I am not therefore in a position to speak with certainty as to the most economical quantity of fertilizer to apply."

63. You are not in a position to tell this Committee what amount to apply?—No, except that I know one farmer got an excellent result from 3 cwt.

64. *Mr. Buchanan.*] You presumably start on virgin soil which contains a certain proportion of humus?—Yes.

65. And you rely upon the cultivation of clover to provide further humus?—Yes, with a different nature. Humus provided by clover is of a different nature to that of fern.

66. Or bush?—Or bush.

67. Would you expect clover-cultivation to continue creating a sufficient and continuous supply of humus to make the soil fertile by the application of manure?—Up to a certain extent. The clover pasture will die out in time, and then the other grasses will come on, and when you subsequently top-dress you get the clovers back again in time. You cannot maintain clovers always.

68. The ground would get what is commonly called "clover-sick"?—Yes, you would expect that. Judging by experiments of other countries the land would not be able to support the growth of clovers that we get at present.

69. *Mr. MacDonald.*] In the paddocks you had three steers on 4 acres of land for thirteen months?—Twenty months.

70. This land with a top-dressing enabled you to keep three head of cattle in good condition for twenty months?—Yes.

71. *The Chairman.*] Is that the land you dressed with half a ton of basic slag?—No, with superphosphate.

72. *Hon. Sir J. Findlay.*] There is a well-recognized difference between scientific certitude and scientific opinion: your evidence to-day is on the basis of scientific certitude?—Yes.

73. Now, I want to ask you one or two questions on the basis of scientific opinion?—Yes.

74. You have seen some of the farms in the vicinity of Lichfield?—Yes.

75. There is one farm, you say, where you were told 3 cwt. of this chemical was used: had you any reason to doubt the accuracy of that statement?—Not at all. That farm was at Mamaku.

76. It was pumice land?—Yes.

77. Whose farm was it?—It belonged to J. W. Wrigley.

78. What was the area, so far as you recollect?—About 300 or 400 acres.

79. What results, so far as your observation went, did you see?—I did not see the land myself—I am speaking from hearsay—but I heard that they top-dressed it with about 3 cwt. of slag, and Mr. Wrigley's description of it was that it was marvellous in its results.

80. Have you any reason, therefore, to doubt that 3 cwt. of slag would achieve the results he has obtained?—No, I should think it highly probable it would.

81. Dr. Pomare put to you some questions on the assumption that you were to put half a ton of slag upon the land, and that you were to repeat that every seven years, so that in twenty-one years there would be three applications. I do not think that you expressed as a scientific fact that the application would be required every seven years?—Certainly not; I did not mean to imply for a moment that 10 cwt. of slag would be required every seven years.

82. First in point of quantity, and, secondly, in point of time?—That is so.

83. A lesser quantity might be sufficient for a much longer time?—Yes.

84. You know of no case where such a quantity as half a ton is used by any practical farmer?—No, not on pumice land.

85. I am not going to add to your reasons, because with scientific men I think it is wise to take their conclusions. I want your conclusion: Taking the nature of that pumice land, do you think it is capable of profitable cultivation treated as you have suggested?—Yes.

86. You were asked this by Mr. Guthrie last year (question 17, page 21): "In the event of fertilizing the soil and putting grass on it, do I understand that it would be permanent as long as the grass remained on it?" Your answer was, "I said the effect of the superphosphate would be permanent." You adhere to that still?—Yes. Superphosphate means any phosphate.

87. Question 12: "How many years would you expect its effect to last in the soil?" You answered, "It is impossible to say how long—practically for ever. So long as you keep the soil-covering the effect will be prolonged indefinitely." You reaffirm that to-day?—Yes. You change the nature of the country by adding the superphosphate. It will gradually diminish, but the effect will last indefinitely.

88. You were asked this question: "Having regard to the fact that the land requires manuring and a large amount of work to bring it into cultivation, do you not consider it is advisable to work it in small areas?" You answered, "It is certainly suitable for small areas—that is, cutting it up and planting live hedges and wind-shelters on it. That is the only way in which it can be worked." Do you adhere to that view?—Yes; I am of opinion that the land is more suitable for working in small areas than in large areas.

89. You are impressed with the possibilities of that land?—Yes.

90. Do you think it would be a good thing to afford access to this land for the purposes of cultivation?—Undoubtedly.

91. That is a pre-essential to the delivery of cheap manures *in situ*?—Yes, and to get the produce away.

92. Are you prepared to say the completion of that railway is essential to the cultivation of this large area?—I do not think I would go so far as that.

93. Do you think that with cheap access, a cheap method of bringing manures in and taking produce out, the land could be profitably farmed?—Yes; if put that way, I think so, certainly.

94. *Mr. Buchanan.*] There is one question I would like to put arising from Sir John's questions: Your answer with regard to the permanent effect of the application of phosphate was that it would last for ever?—The effects would last for ever. Of course, they would diminish; but so long as you keep that soil covered you have an improvement in it. It is bound to affect it for all time.

95. Farmers in the ordinary cultivation of their soil repeat the application of phosphate, say, every time they grow a crop of turnips?—Yes.

96. If the first application were followed by a permanent result, why, then, should it be necessary to make a second, third, and fourth application?—The turnip is entirely an artificial vegetable. It requires its food very close to the root, which is very small and limited in its

reach; hence it is necessary to put the manure close to the growing plant, and plenty of it. Compare that now with grass: grass is very nearly a natural plant. It has very large fibrous roots compared with the size of the plant, which can seek for plant-food over a comparatively wide area; and if it is possible to keep a permanent covering of grass you can vary the composition of the different species without breaking the land up; hence, if you once alter the composition of the soil for the better, it must last, as I say, an indefinite period.

97. In farming with sheep a certain quantity of phosphate is carried away with every carcase put into the market?—Yes.

98. Would your phosphates in time not be very much diminished by that process?—They certainly would be diminished, but the rock is continually liberating fresh plant-food through the agencies at work in the soil. In these subtropical and tropical soils by analysis you get comparatively a small amount of the available plant-food. That is the opinion of others. That seems to show that the rate at which the plant-food is made available is quicker in these warmer soils than in the colder soils of the southern parts.

99. *Mr. Russell.*] Have you formed any opinion as to the underground soakage, where there is a good deal of water in the country, taking it right through?—I have not given the matter a thought.

100. Would you express an opinion as to whether, under the treatment you recommend, the better class of this country would grow alfalfa—the pumice country where there is water?—I cannot express an opinion on that point, because there have been no experiments completed in growing lucerne.

101. Assuming the land were cut up into 800-acre sections such as referred to by Dr. Pomare, you would not expect a man to put fertilizers over the whole of his land?—Certainly not.

102. Assuming that a man ploughed and put into cultivation, say, 200 acres of his land in the first place, would not the very stocking of that land provide a large amount of manure, so that he would gradually bring the whole of his farm under cultivation, and there would be no need to re-fertilize all this country?—Certainly that is the obvious method of dealing with this land—to start with a small area, to dress until you get your sward, and then to go on to another part.

103. Have you formed any estimate of the profit a man would get from 200 acres fertilized on your method?—No. As I said before, I am unable to recommend any definite quantity yet. I know that some farmers have obtained good results from a small dressing of slag, but until I can get these results from our own farms I would not like to give any advice at all as to the profit derivable from pumice lands.

104. But you think these lands can be more effectively held in small areas than in large blocks of unimproved country?—Certainly.

JAMES EDWARD FULTON sworn and examined. (No. 16.)

1. *Hon. Sir J. Findlay.*] You are a civil engineer?—Yes.

2. Resident in Wellington?—Yes.

3. What are your qualifications?—I have been all my life engaged in railway-construction.

4. You laid off and supervised the construction of the Manawatu Railway?—Yes, a large portion of it.

5. And after its construction you were the engineer, I think?—Yes, and manager of the traffic.

6. And you have also had many years' experience in this Dominion as a civil engineer in all branches of your profession?—Yes.

7. You laid off and supervised the Taupo Totara Timber Company's Railway from Putaruru?—Yes.

8. What is the weight of the steel rails used on that line?—30 lb. to the yard, steel rails.

9. There is some suggestion as to whether they were new when laid: were they new rails when laid down?—Yes.

10. And of the best quality?—Yes.

11. How does the sleepers in point of heaviness compare with the Government sleepers?—It has much more sleepers than any other line in New Zealand.

12. What is the effect of that?—It is a matter of cost. If you put down more timber you can do with a lighter rail. If the rails were heavier you could, of course, do with fewer sleepers with equal strength.

13. Expressed in another way, with the number of sleepers upon this railway the rails would carry the same weight as a much heavier rail upon a line sleepers as the Government line is?—Yes.

14. You have seen a report made by Mr. Coom?—Yes.

15. Mr. Coom was for many years Chief Government Engineer, I think?—Of the constructed railways.

16. I suppose I may take it that he was one of the leading authorities upon that matter in New Zealand?—Yes.

17. Have you seen the report which was placed before the Taupo Totara Timber Company's Petition Committee last year?—Yes, I saw that.

18. I will put the report in. You have gone through that, I know?—Yes.

19. Have you any criticism to offer on it, or do you agree with it?—I think it is a very fair report.

20. You have made light railways a special study?—Yes.

21. And you share the heterodoxy of believing that they should supersede the more expensive lines for opening up the country?—Most emphatically.

22. They can be constructed for about half what the standard lines cost?—Quite easily.

23. And if properly constructed would serve all the needs of goods and passenger traffic for many years?—Yes, a great many years.
24. Quite recently, I understand, you have made a study of light lines in other parts of the world?—Yes.
25. Where?—In America and Europe, but more especially in the United States and Vancouver.
26. You examined into the construction of light railways in countries which somewhat resemble New Zealand?—Yes.
27. Did you find in those countries that the policy of light railways is approved?—Certainly.
28. The railway from Putaruru which was constructed under your supervision is carrying timber freights just now?—Yes.
29. Supposing it were completed to Taupo, can you say whether it would serve all the traffic needs of settlement, very close, in the district through which it is passing?—It would serve it very well.
30. Is it a line upon which passenger traffic can be run with safety?—Yes.
31. I would like to be quite explicit about that. The cuttings are rather narrow at present, and some small improvements are expedient?—Yes.
32. Would an expenditure of, say, £5,000 remove any objections you see to the line as a passenger line?—Yes.
33. Something has been said about the curves: I know you have considered this matter carefully in connection with some Californian lines?—Yes.
34. What do you say about the curves generally on those lines?—In laying out light lines the first thing to consider is a good grade, because when you want to work your traffic profitably you have to haul heavy trains. Sharp curves are practically no detriment except so far as they limit the speed. If you can bunch your sharp curves in a short distance, you run fast through the easier portions of the line and slowly through the sharp-curved portions. Sharp curves are very important, because if you can follow the contour of the land in rough country you save enormously in the cost by even small deviations, because when you cut into, say, spurs you not only strike a deal of heavier earthwork, but you often have to contend with rock.
35. You have in view a line near San Francisco?—Yes.
36. What is the name of that line?—The Mount Tamalpais Scenic Railway, at the north side of the bay, near Golden Gate.
37. That is a light line?—Yes. To be exact, not so much a light line as a very tortuous one.
38. It is light as compared with our standard railways?—Yes.
39. I have been there, and, if I recollect rightly, the curves are worse there than anything on the Putaruru line?—Yes.
40. That line carries an enormous number of passengers?—Yes, it has an enormous traffic.
41. And at what speed?—I came down when I think the rate through was fifteen miles an hour.
42. I think they travelled the curves at fifteen miles an hour?—Yes. It is all a question of having suitable rolling-stock.
43. And it has been running for some years without any accident of any sort?—Yes.
44. It is not a question of the curves, but a question of the nature of your rolling-stock?—Yes.
45. Now, coming to the Putaruru line, it followed the contour of the country?—Yes.
46. And the grades are better than on the Rotorua line?—They are as good; perhaps they are better. The Johnsonville line is 1 in 40; and 1 in 36, a piece of it.
47. You have nothing so heavy as that on the Putaruru line?—No.
48. The line was as economically constructed as efficiency allowed?—Yes.
49. Do you agree with Mr. Coom that on the straighter portions a speed of twenty to twenty-five miles an hour with suitable rolling-stock would be possible?—Yes.
50. Is there much of the line fairly straight which would permit of that speed?—Yes.
51. Have you any doubt that with suitable rolling-stock the distance from Putaruru to Taupo—sixty-five miles—could be traversed in, say, four hours?—No.
52. Safely?—Yes. Of course, you are aware that at present they have not got suitable rolling-stock.
53. We do not cater for passengers?—No.
54. Is there ever likely to be heavier traffic on the line than the heavy timber traffic now going over it?—No.
55. So that for some years it has been tested by as heavy traffic as is likely to go over it?—I should like to say that they are taking as heavy traffic on their trucks as they can carry on the Rotorua Railway.
56. Just by way of illustration, you have been in New York, as probably most of the gentlemen here have?—Yes.
57. Have you examined the light overhead lines there?—Yes. Do not let us say "light lines" but "sinuous lines."
58. Those overhead lines running in New York run at a very high speed?—Yes.
59. And what are the curves?—Some of the curves are about equally as sharp as those at Putaruru.
60. Do you remember what the curves are?—About 90 ft. radius.
61. And with the suitable rolling-stock there employed they are found to be perfectly safe for reasonably high speed?—Yes. They run at a high speed on the easier portions, and easily up to twelve miles an hour on the sharp curves, and make a great deal of noise.
62. There is a special risk there because, in case of accident, those up above would suffer as well as those down below?—Yes.
63. Then, from your experience, observation, and training you see no objection to the curves on this line?—No.

64. And with an expenditure of £5,000 the line could be made perfectly safe for an efficient passenger traffic?—Yes.

65. *Mr. Buchanan.*] Do you mean twenty to twenty-five miles average speed or maximum speed?—Twenty-five miles maximum.

66. Applying that to the Taupo line, what would be the average speed?—Well, I would run through the sharp curves at about ten miles an hour. There is not one-third of the line that has sharp curves.

67. The average speed would, of course, depend upon the number of times you would have to slow down?—I think it is pretty safe to say we could maintain an average speed of fifteen or sixteen miles an hour.

68. With suitable rolling-stock?—Yes.

69. The steepest grade you have on the line is what?—Something like 1 in 40.

70. *Mr. MacDonald.*] The steepest is 1 in 47?—Yes; but I cannot say exactly. With suitable rolling-stock for passenger traffic you would never feel those grades. You want good big engines. You cannot make time up and down without good rolling-stock. One in 47 is nothing for light trains. Two or three carriages would carry all the passengers there.

71. *Mr. Buchanan.*] In other words, you want powerful engines?—Yes; to make the traffic pay you always want that.

72. And that would apply to overcoming the friction in getting round the curves too?—Yes.

73. But would that not necessitate more solid fillings, embankments, and ballasting?—No, it would not affect them. I have seen in the reports that banks have been weathered away somewhat, and they would have to be improved for the purpose of holding the sleepers well.

74. Probably, to some extent, the result of frost upon the porous land?—Yes.

75. Widening the cuttings now that the line is at work would mean a considerably heavier cost than if the cuttings were made the proper width in the first instance, would it not?—No; you could make the excavations much more cheaply now by removing the soil in railway-wagons.

76. You have said that the running speed on the Frisco line is so-and-so?—Yes.

77. Would that be permitted in New Zealand? In other words, life is held at a much higher value in New Zealand than in Frisco, is it not?—Well, I suppose it is. I have seen people have to look out for themselves in the streets there, but I have seen a woman pull up a whole train because she would not hurry herself. That was in Portland. Trains there go through on sufferance. The railway has no more right in the street than a woman, and she made a train slow up for her.

78. You have stated that £5,000 would be sufficient to widen the cuttings that are supposed to be rather too narrow at present?—As a general thing. I might say that I have not made a close estimate of that. I have not been on this line for some years.

79. What about flattening the curves?—I should not like to do much flattening of the curves. In this general principle of railways you do not flatten the curves unless you can see it is going to save working-expenses.

80. *Mr. Wilson.*] Do you not think that a light line such as this is quite sufficient for opening country like that, which is mostly for settlement purposes?—Yes, certainly.

81. And you would advocate a light line where settlement is required?—Yes, certainly.

82. And you consider this line is quite sufficient for all that would be required for traffic there?—Yes, with other rolling-stock.

83. When the timber is cut out you will never have such heavy traffic there, will you?—No.

84. How many million feet of timber a year do you carry?—Between seven and eight million.

85. Have you ever seen the Tarangamutu line?—Only a portion of it.

86. The Taupo line is a much better line, is it not?—Yes.

87. Have you seen the Pukaweka line?—No, I have not.

88. *The Chairman.*] You say an average speed of sixteen miles an hour would be perfectly safe?—Yes.

89. Do you think the public would put up with that in the face of motor-cars?—The only danger of curving is from centrifugal force. You have also to consider the public, because it feels queer going round sharp curves, and you would naturally slow down there.

90. But do you think the average speed would be sufficient to induce the public to go over that line rather than take motor-cars down to Taupo from Rotorua?—I cannot speak about the charms of motor-cars. It would be much cheaper, and, of course, you could carry a large number of passengers at much less expense by rail.

91. You say that £5,000 will remove all the objectionable curves and cuttings?—I do not say it would remove the curves, but it would widen the cuttings. There are one or two curves I would certainly cut out.

92. And you think £5,000 would be adequate?—Yes.

93. Would that cover embankments?—I have not seen the line for years. I understand it has been well maintained, but embankments are always being weathered away and require making up. Perhaps the amount would be a little fine, but very little more would be required, at all events.

94. How much do you consider it would run into? The company estimates it would cost at the utmost £7,500: would that cover it?—Yes. The more money you spend on it the better the line you get; but you do not want to spend more on it than would give an adequate return. If you think the improvements would attract more passengers, then it would pay to make the railway better.

95. If some one said it would cost £450,000 to make it fit for passenger traffic, would you agree with that?—I would say they have a lot more money than I have.

96. You would not agree with that?—No, it would be nonsense, unless you want to make a Philadelphian line of railway, or one of the best railways in England.

97. If another engineer said that you would not agree with him?—I do not want to dispute any one's opinion, but he wants to make it a better railway than is required for the settlement of this country.

98. You do not think it is necessary?—Oh, no.

99. *Mr. Buchanan.*] You have been over a good many of the railway systems in America?—Yes.

100. And you have a good idea of the labour-saving machinery used to cheapen construction?—Yes.

101. In extending this line of railway to Taupo, can you suggest any labour-saving machinery not already used in New Zealand railway-construction that could be used with advantage?—I could tell you of a good deal that may be used in New Zealand railway-construction; but I will say in regard to this line that if it is laid out with a view of saving money, and if you curved out all the points instead of cutting through them, it would not pay to have steam navvies and shovels. If you have to scrape along in 2 ft. of earthwork it would not pay, but for tunnelling and cutting and heavy work it certainly pays to have heavy machinery.

102. Are any of those heavy labour-saving machines used in New Zealand?—No, nothing worth talking about. In America there is not a house in the city that does not take a cellar out with one of those steam-shovels. When I went up the Columbia River I saw steam-shovels at every cutting.

103. Are there any public works at present going on within your knowledge to-day where these labour-saving machines could be used with advantage?—I do not altogether like criticizing the public works, but I would certainly say that in the matter of heavy excavating and filling ballast-pits steam-shovels could be used with advantage.

104. How many years ago did this labour-saving machinery come under your notice in the first instance?—I have had particulars of it for many years—some considerable time before I went to America, and I could produce plans and particulars.

105. Would you be surprised that I personally saw steam-shovels at work in Canada forty years ago?—I would not. There was a steam-shovel down in Dunedin many years ago which took a large portion of the reclamation away. There are one or two now in New Zealand, I think.

106. *Mr. MacDonald.*] Are you aware that at the present moment they are carrying out large works in Canada under the co-operative systems the same as they do in New Zealand?—No, I cannot say I am. There are certain places where they are constructing light lines where it does not pay to spend a lot of money on heavy machinery, but where the work is heavy it is necessary.

107. For instance, at the Otira Tunnel, where they have all the latest up-to-date machinery?—The Otira Tunnel is a unique line. There is no other like it in the world.

JAMES EDWARD FULTON further examined.

108. *The Chairman.*] You say that £7,500 in your estimation is ample to make this line fit for passenger traffic, with an average speed of fifteen or sixteen miles an hour?—Yes.

109. Supposing a larger sum were spent, say, up to £25,000, would that straighten out sufficient of the curves to put up the average rate of travelling?—Yes, it would.

110. Providing suitable rolling-stock was provided?—Yes. Where you spend more money you have to consider whether it was going to prove a commercial investment.

111. Have you been over the country from Mokai to Taupo?—Yes, I have been all over that country.

112. And the evidence is that it has, roughly, nineteen miles further to go?—Yes.

113. And £25,000, in your opinion, would be ample to make the line suitable to run a passenger traffic at an average rate of twenty miles an hour up to Taupo?—I am not speaking of the surveyed extension of the line.

114. You say, the present line from Putaruru to Mokai?—Yes, to near Mokai.

115. But the extension to Taupo would be made with curves of larger radius?—Yes, I believe so; but that extension was not surveyed by me.

GEORGE WARREN RUSSELL, M.P., examined. (No. 17.)

1. *The Chairman.*] I understand, Mr. Russell, that you desire to make a statement to the Committee?—I wish to say, in the first place, that I have come here solely in the interests of settlement. I have not been asked in any way by the Taupo Timber Company to give evidence. In listening to the evidence it occurred to me that nearly the whole burden of it was in connection with the country to be settled between Putaruru and Mokai—the land that is open at the present time. Now, there is a very large area of country stretching from Taupo right down towards Tarawera that is admirably adapted for settlement, and which cannot be settled unless railway access is given either from Taupo to Rotorua or from Taupo to Putaruru.

2. Is it the same class of country?—Very much better directly you cross the Rangitaiki River, which is, roughly, half-way between Taupo and Tarawera. About half-way between the Rangitaiki River and Tarawera you enter the hill country, and you have thence virtually seventy miles of hill country to pass through in order to reach Napier, which should be the port for that part of New Zealand; but, owing to the exceedingly high hills to be gone over, access to the country from Napier is absolutely impossible for the purposes of settlement. The cost of cartage from Napier to the Rangitaiki is £7 10s. per ton. This is caused by the high hills that lie between the Waipunga Stream and Te Pohue. Te Pohue is twenty-eight miles from Napier, and up to that point the roads are fairly good. A five-horse team can carry between Napier and Te Pohue 2 tons. At Te Pohue half a ton is taken off, and for the rest of the distance until the Waipunga is reached only 30 cwt. can be carted with a five-horse team. The result is that the

country between Taupo and the Waipunga Stream has to look for its access from the north. Now, of course it is known that I am interested in a block of country there, but I might say that when I was considering the purchase of that country the final fact that decided me to enter upon a settlement scheme there was the information I received that the railway had been surveyed from Mokai to Taupo, otherwise no man would think of touching a block of country there with a view to settling it. Now, sir, I should like to refer to some land that is lying between Taupo and Tarawera, a distance of fifty miles. Passing from Taupo you go through by the coach to the Tauhara Block and pass the Pahautea Native reserve; you then cross the Rangitaiki, and you pass through portion of the Runanga Station, area over 60,000 acres. Now, referring to the map here, I will deal somewhat with the areas. The block called Wharetoto, which, I might say, is not quite accurately coloured, is Native country, and comprises 56,000 acres. It was formerly owned by Nelson Bros., of Napier, but is now occupied by Mr. James Carswell. The whole of that country is capable of being cut up into grazing-runs, and would carry a fair population. The most easterly red patch is Pohokura, consisting of 56,000 acres, which the Government at the present time is having surveyed for settlement. On the northern portion of the largest white patch is a block of 9,000 acres belonging to the Government, which was purchased from the Natives also for settlement; and past that is Pukahunui Block, 41,000 acres. Further down is another station belonging to Mr. James Macfarlane, of about 40,000, called Taharua. I can only give second-hand evidence on this point, but quite recently the manager of Runanga Station was visiting Mr. Macfarlane, when Mr. Macfarlane assured him that the people were dairying in the Waikato on land that was not as good as his block. Now, sir, putting those figures together, there are 270,000 acres of that country, all of which is adapted for settlement. One reason why I say that this country is admirably adapted for settlement, if I may show you on the map, is this: that all this southern portion of Runanga is beautiful bush. It has on it large areas of rimu, matai, kahikatea, and a sprinkling of totara, and on the other portion is a magnificent forest of red-beech. [Witness explained the eastern portion of the country shown green on the map.] Where the bush is it is mostly hilly country, and directly you enter the hilly country you find yourself up against the rocks, with beautiful waterfalls, and that kind of thing. To show the adaptability of all this country for settlement, the waterfalls shown in the photograph [produced] are the Waipunga Waterfalls, and are within seven minutes' walk of the Napier-Taupo Road. I want to show there is all the power required there for settlement, and unless that country can get access by railway it is quite impossible to develop it. It has the timber, it has the water-power for a hydro-electric system, and it has all the country that is necessary to provide a huge settlement scheme for hundreds of settlers if the country can get access to the north line. Now, here is the position: I may say I know the country very well indeed between Rotorua and Taupo—I have gone over it both by coach and motor-car on a number of occasions. I have not been on the country between Putaruru and Mokai or Taupo, so I cannot speak of that country; but I am satisfied that while there are good plots of land lying between Rotorua and Taupo, it is not the same class of land that can be settled to the south, nor, from what I have been told, of the land in the vicinity of Putaruru. The position, therefore, is this: that if this country is to be settled there is only one way to do it, and that is to complete this line into Taupo, and then the people in the south country, having a good road, can with motor-wagons get all the access that they want. One point I should like to mention is this: that from, say, the Rangitaiki River, which is the beginning of the Runanga Station (and the beginning of all this block of country I have spoken of) is twenty-three miles away from Taupo; from there to Mokai is nineteen miles—that is, forty-two miles. Reaching Mokai we at the present time have to strike the company's railway, on which the freight is £1 2s. 6d. per ton, and then to get our produce down from Auckland it costs in 5-ton-truck lots 6s. per ton. But supposing a man gets it in a smaller lot it costs considerably more; so that the settlement of all this country is being blocked for want of access. If we have to wait until the line is made from Rotorua to Taupo the land on this route—and I am speaking now with some knowledge of the country—is not the same class of country like that between Mokai and Putaruru, and is not likely to be settled for a number of years, because it is not likely to give an immediate return. For one thing, I do not remember seeing any bush on the country between Rotorua and Taupo, and consequently the whole of the timber for fencing, &c., would have to be hauled on to that country. On the other hand, on the district to which I am referring (Runanga, &c.) the Maoris will cut fencing-posts for £1 per hundred, and all you have to do is to sleigh the posts out; and you can use the same class of posts for £1 or £1 10s. a hundred which would cost elsewhere from £6 to £7 per hundred. I do not know that I have much more to say. I have an interest in this country, but my interests are the interests of the country.

3. The object of your interest is to show that if this line is carried through to Taupo it will benefit all that 250,000 acres towards the south?—Yes, very greatly; and the country would, directly that land is being cut up for settlement, draw a very large increase in land-tax from it. It would draw all the money that was paid upon transfers of properties and sales in the way of stamp duties, and it would have the benefit of providing an entirely fresh field for settlement where settlers could go on the land and get an immediate return. I do not know whether I should say anything about the quality of the country, but I may say that all the experiments that have been made indicate that it is country that is adaptable to immediate cultivation and use. Last year I grew oats upon the country without manure.

4. How many bushels to the acre?—It was a poor return, for the reason that it was put in by the Maoris, and the farming was of the most indifferent class. Through being put in very late the results were not satisfactory. We did not put in any manure at all; but this year we have sown 20 acres for our own feed, and have put in 2 cwt. of superphosphates to the acre, and expect a good return.

5. *Mr. Wilson.*] What did the manure cost you there?—I think the manure was bought in Hamilton, and it cost £4 17s. 6d. The railage to Putaruru is about 8s. or 9s.; then there is the company's charge of £1 2s. 6d. for the short line, and from there we have to cart it about fifty miles to get it on to the station.

6. At what cost for cartage?—We use our own teams, so I have not reckoned the cost.

7. What would you consider the total cost?—Of course, we have to load up with other stuff, but I should say the cost would be £2 per ton from Mokai over to the station, so that the manure would cost us by the time we got it on to the ground about £8 a ton.

8. *Mr. Buchanan.*] What is your experience, Mr. Russell, of farming in that class of country?—Well, I have not had any experience until I took up Runanga.

9. The phrase you used in the opening part of your remarks that there was a large area of land admirably adapted for settlement could only be used by knowledge obtained second-hand?—Well, one can form one's opinion. If you go over country and you see here and there red and white clover springing up you can form an opinion as to what the country is capable of. I have a photograph of the country here from which you can form your own opinion of what that class of country would do. [Photograph produced and put in.]

10. *Mr. Wilson.*] Of course, your country is nearly the farthest away, is it not?—Yes; I go right down to the foot of the hills. When you leave my place you start to go through the hilly country, and there are virtually then hills to Napier.

11. If the railway were completed it means that the settlers would be able to obtain manures at a much cheaper rate?—Yes, undoubtedly. My own opinion is this: that it would be a good thing if there was some plan devised by which a rate could be charged upon the whole country to which I have referred as a means of securing the State against loss, and I think it would pay all the people interested in that southern country to agree to a rate for the purpose of guaranteeing the cost.

12. *The Chairman.*] Would you carry the railway on with that rate?—I should like to see the line extended south from Taupo, but I would not even suggest that at present. So far as the southern country is concerned, give us a railway into Taupo.

13. *Mr. Raw.*] You say that the whole of this land to the south of Lake Taupo would be beneficially served by this railway?—Yes; one reason being that it would be very much shorter, because from Taupo to Putaruru you go along the base of a triangle, whereas on the Rotorua route you go along the two sides.

14. You have travelled over the railway from Rotorua to Putaruru, have you not?—Yes.

15. Taking into consideration the extra mileage from Putaruru to Rotorua, and supposing the Government built a railway from Rotorua to Taupo, that railway would serve all the land round Lake Taupo just as effectively as the Taupo Totara Timber Company's line?—Yes, the only thing being that it would be a more costly rate for us, because we would have a greater mileage.

16. I do not know whether you were here the other day when I quoted figures showing the enormous cost to settlers for manures from Auckland to Taupo by a State-owned line?—I want a State-owned line if I can get it.

17. The cost was considerably greater than could possibly be the case even charging rates over the Taupo Totara line?—I do not understand. Do you mean it is cheaper to go round Rotorua and *via* Waiotapu into Taupo?

18. Yes?—That means the company retains the ownership.

19. Yes; but the difference, of course, is considerable?—I say, in reply to that, that what I hope to see is that the line from Putaruru into Taupo will be a Government line.

20. Then the settlement of that country would be very much improved, and the opportunities for improvement would be greater because the settlers would be able to obtain their supplies at much less than by the present route?—There is no doubt of it.

21. You are satisfied of that?—Yes.

22. Then, assuming you had the choice between two lines—that is, over the present Taupo Totara line and a State line running from Auckland or from Tauranga, speaking as a settler you would certainly prefer the Rotorua-Taupo line?—It must be clear that the Government charge, say, from Auckland round by Rotorua and through to Taupo, would be cheaper than by the Taupo Company's line; I recognize that at once.

23. *Mr. Wilson.*] Do you suggest that this line charges more than a Government line?—They have to, there is no doubt about that. The position is this: that the company does not get the whole of the Taupo traffic now, because, of course, there are vehicles passing through to Taupo which do a certain amount of business that way; but if the line went through to Taupo they would get the whole of the traffic.

24. You suggest that it would be better to take over the line than go round?—Yes. As the company has now got the line as far as Mokai and within nineteen miles of Taupo, that line is far more likely to be made than is an entirely new line in the class of country between Rotorua and Taupo.

Mr. Raw: We were just speaking with reference to the fact that the Mokai Railway does not get the advantage of the whole of the traffic at present. I want to say this: that the company's line at the present time is getting practically all the traffic which goes to Taupo. The wagons carrying 3 tons have not for some time past gone at closer intervals than one wagon per month. My reason for saying that is this: for some years past practically the whole of the local purchases for Taupo were made through myself and my firm, and therefore I am competent to give an opinion in this direction. The point is this: that even now with the railway only to Oruanui, which is the nearest available point at present, the company at the present time is getting practically the whole of the Taupo traffic.

25. *Mr. Buchanan* (to witness).] What is the distance, roughly, from those Government blocks to the south of Lake Taupo which you have given us a description of to the nearest point of the Napier-Gisborne line, which, I understand, has been commenced at both ends?—So far as I know the Napier-Gisborne line crosses the Petane Bridge, and, I believe, goes up the Esk Valley, and then it goes across in another direction towards Wairoa. The position is this: that between Tarawera and where it would strike this line you have two high hills (Titiokura and Turangakumu) to get over, and those two high hills render the line absolutely impossible for heavy traffic at a cheap rate.

26. Do you know what the approximate distance would be?—I should say from Tarawera it would be thirty-five miles to the nearest possible point where it could touch the East Coast Railway through high hilly country.

27. The railway-line would touch Tarawera?—No, it does not go near Tarawera.

28. Then why mention it?—Because you asked me. I should say you would go through fifteen miles of hilly country after you leave the flat country at the end of Runanga before you get to Tarawera.

29. What is the approximate distance to the railway route?—It would be about thirty-five miles.

30. Then, has it been surveyed by any engineer as to whether or not a line is practicable?—It is utterly impossible.

31. But has any engineer surveyed the land to see whether a line is possible?—I understand a survey was started for a line to go up through Puketitiri, and come out at Rangitaiki, and over the last fourteen miles it was found to be utterly impossible.

32. Has any other route been surveyed there?—I do not know. I desire, Mr. Chairman, to add one further remark, and it is this: a question was asked one witness yesterday with regard to the fat-lamb trade. Of course, Mr. Buchanan and all the members of the Committee will know that in country where you cannot get your fat lambs away it is a frightful handicap in connection with the work of a sheep-farmer. As we are at present on that country down there, we are quite unable to get the fat lambs away at all. I had fat lambs last year equal to anything I saw at Addington, and nothing could be done with them. I got a letter the other day from my manager in which he said that he had had a visitor from Canterbury, and this gentleman said that he had not seen anywhere in Canterbury this season hoggets as good as we had at Runanga; but we have no market for them because we cannot get the stuff away, and that applies to a very large area of country.

33. *Mr. Buchanan.*] Do you know a well-known settler named George Hunter?—Yes.

34. Do you know that he has been a settler for a great many years?—Yes; I knew his father before him, when he was member for Wellington.

35. Are you aware that rather than sell his fat lambs from his country, which is so well known for its fattening qualities, he retains them, and sells them later on as wethers, because he deems that the better course of the two?—He is a rich man, and he is able to carry on without turning his stock into cash; but we people have to turn ours into cash as we grow it.

36. But are you aware of that?—No, I was not aware of it.

JOHN GEORGE FINDLAY examined. (No. 18.)

1. *The Chairman.*] I understand, Sir John, that you desire to make a statement to the Committee?—Yes. Mr. Chairman and gentlemen, I desire merely to focus the main points of the chief branch of the prayer of this petition. As you are aware, the chief branch of that prayer is that the Government should agree to purchase the line completed to Taupo at cost, or, in the alternative, at a sum not exceeding £180,000; that the price should not be paid over at once, but should be paid as the Crown lands beneficially affected by the line are sold to sellers, along with such portions of the Native land to be acquired by the Crown at the present price as are sold to settlers; that at the end of fifteen years, or such other term as the Government may agree upon, the Government should determine from the actual experience of the running of the line between its completion and then whether it is a payable utility. If upon full consideration the Government does not think that it can be run at a profit to provide interest upon the cost of acquisition, maintenance, and running-expenses, the Crown may decline to affirm the purchase and may require the company to return any purchase-money it has received up to that date; and, further, that, as a guarantee that the company shall return the money so paid, the company enter into a bond or guarantee to the satisfaction of the Government that such repayment will be due and faithfully made. That, shortly, sir, is the main branch of our prayer, and I desire to ask you to view it from these points of view: First, is it to the interests of New Zealand that it should acquire this line for nothing? I need not pause to justify that proposition. The line will connect Taupo with Auckland, Taupo with Wellington, and Taupo with Rotorua; it will open up an area approximating two million acres of land, and will confer other benefits, which I do not now propose to dwell upon. Beyond all question, if the Government can acquire the line for nothing, the sooner it acquires it the better. My second submission is that the Government will acquire the line for nothing. If that line is completed to Taupo it will add to the enormous area of Crown land through which it actually goes (marked on the plan in red) a value which will in itself, it is submitted, pay the £180,000, which, as you know, includes rolling-stock, and that there will be added to that 350,000-odd acres of Crown land an additional value railway-created equal to the price of the railway itself. If that point is decided, then beyond all question if the Government will acquire at the present value a considerable area of Native land, which will be freely offered to it by the Natives, then the price at which the Crown can dispose of that Native land will show a profit more than sufficient to pay for the railway two or three times over. My submission, therefore, gentlemen, is that on those proposals the Government will acquire the line

for nothing; and not only that, but will have, in addition to the £180,000 it has to pay, an enormous additional value given to the Crown lands lying where those large patches of red are within the boundaries of that area marked on the plan. But there is another aspect apart from the value so created. It is submitted that as a business proposition, viewed as a railway, and as a railway earning profits, this line will pay in itself. Sir, we have submitted, and will place beyond all doubt if it is desired, the results of two years' operations—two normal years' operations, the last two—and those operations, sir, show that there will remain upon this line, if the traffic does not increase at all beyond its present dimensions, a sum giving a profit, after paying for maintenance and cost of operation, equivalent to $4\frac{1}{2}$ per cent. on £180,000, and 4 per cent. upon £200,000. Now, sir, that is upon the present traffic; but it would be absurd to assume that when you have the line completed and the consequences that have been mentioned flowing from that completion that you will not have a traffic upon this line doubled, trebled, or probably quadrupled. The tourist traffic alone, which Mr. Raw estimates at twenty thousand going down to Taupo, would in a large measure go over this line, and would in itself give you a value equal to twice the earnings of the line at the present time. To that you add freights of settlement all along that tremendous area spoken of, and I am entitled to say that this line, constructed by one of our best engineers in New Zealand in the most economical way possible, maintained at its full efficiency, will give the Government, as the owner of it, apart from any consequential advantage to the lands, a full return upon the cost of acquisition. Now, as to the third proposition. Supposing some of the suggestions made by one or two members of the Committee, or, at least inferentially made—that this land is too poor to maintain closer settlement—proved to be true; assume, as has been suggested, that this land is too poor to make that railway a permanently paying concern, then the Government will not lose a brass farthing upon the proposed acquisition, because we guarantee for fifteen years the sum of £11,600 worth of freight per year. Added to that the settlers' and tourist traffic for at least fifteen years will place the railway beyond doubt a paying concern. When the fifteen years have passed, and you have got to face the question of whether the line thereafter can be made profitable by tourist traffic and settlement traffic only—when you have got to face that question, it is not the Government that is in peril of loss, it is the company; because when that time arrives, and after investigation is made, the Government will then decide whether we are right in so firmly believing that this country is going to be closely and prosperously settled, or whether those who take a more pessimistic view are right, and it is going to remain a waste area for all time or for many years to come. Gentlemen, if in fifteen years we are not right, we have got to accept the loss; we have got to take the railway back, pay to the Crown every penny they have paid us, and do the best we can with our railway. If, on the other hand, we are right, and it turns out to be a prosperous and payable line, we do not care whether you take it or not. If it is prosperous and payable we will not be very sorry perhaps to be left with it, but the Crown will probably see the wisdom that these utilities should be State-owned and not left in private hands. If it is prosperous the Crown will get the advantage of this prosperity, but if it is a failure we have to bear the burden. Cynics may ask, What is this company up to? Is it reasonable that the company should make a condition so one-sided if it has not some *arrière pensée* which it is not disclosing? We have opened our hands as much as we can; every letter has been before this Committee; any doubt about sinister methods, I believe, has been wholly dispelled; and I want now to say that the reason why we are compelled to undertake this "Heads I win, tails you lose" policy—I am speaking of the view of the Government—is that we have infinite faith in the future of this country. We believe beyond all question that it will realize the expectations expressed by some of our witnesses, and it is on the faith of those expectations that we are prepared to make this apparently risky proposal. The second reason, sir, is this: we cannot finance this extension unless we get the assistance which the adoption of this branch of our prayer will give us. It is difficult, as you know, in this country to obtain large sums of capital for the development of a work like this. The pockets of New Zealand capitalists have been opened to the extent of £130,000 to provide that railway; we want at least another £50,000 to complete it; and we frankly admit that we cannot find the money readily in New Zealand, but if you will grant us the assistance that this almost one-sided bargain will afford us, we can carry out that line within eighteen months, and have it completed in that time. Those are the reasons which we put forward with some confidence in asking you to accept the main prayer of our petition. Rotorua has withdrawn its main opposition. Mr. Raw says, speaking of the Rotorua petition, that he has no objection so long as the line is State-owned, and I thank him for the way in which he has recognized our proposal as compared with last year. Rotorua is with us, Taupo is with us, and so long as the State buys the whole thing should go through; and I sincerely trust the Committee will make its recommendation to the Government as strong as it can for the acquisition of the line upon the terms I have suggested. Of course, the terms of the guarantee and other matters connected therewith must be left to the Executive. So far as the legislative authority that would be required is concerned, it would be enabling—it would not be carrying out a statutory contract; but power would be given to the Executive to arrive at some such bargain as we have outlined here; and I would earnestly urge upon the Committee that this ceases to be a local matter in view of the vast area involved—one twenty-fifth of the whole cultivable area of our country. In view of the fact that that area will be open to our settlers, and will tend towards satisfying the land-hunger, I believe that the most sceptical member of the Committee will realize that this is a most reasonable proposition to give before the Committee as a business proposal.

2. You say that you are prepared to repay the £180,000 if the Government are not satisfied that the line is paying. Now, I presume that for the fifteen years the company will manage the line: is that so?—That is our proposal.

3. Supposing now the Government say, "We will not take this line—we do not think it is paying—we do not think it is suitable": what security are you going to give the Government that the company will be in a position at the end of the fifteen years to pay the money?—My answer is that we will undertake to give security that will satisfy the Government.

4. It will not be the line alone?—No, it may be a great deal more. We will offer security worth admittedly £350,000.

5. You stated just now that the Natives were agreeable; but we have, as you know, a petition before the Committee stating that a number of them are not agreeable?—They are not agreeable to compulsory acquisition, but we have had intimations from them that they are prepared to sell their large areas, coloured yellow on the plan, at the present time.

6. Te Heu Heu has admitted that?—Yes. There will not be the least need of any compulsory element. The Natives are anxious to get the line down, and they will sell willingly the large areas.

7. *Mr. Buchanan.*] You are not prepared to give us any more specific details of the security the company would offer to the Government for the repayment of the £180,000 or any other sum if necessary?—Well, let me point out that all we require is a sum sufficient to complete the line from Mokai to Taupo: that is a sum of £50,000. It is highly probable that that is all we will have to get within the fifteen years. We would then have received £50,000 which we had to return, and we have given security over the whole of the railway-line, over 40,000 acres of freehold, over all the bushes we hold, and over the book debts and stock. I do not ask the Committee to accept the responsibility of saying that the security will be sufficient—we make it a condition precedent to your recommendation that we do give to the Government security satisfactory to the Government, let the Government be as exacting as it likes.

8. *The Chairman.*] That opens another question. You said just now that probably not more than £50,000 would be received by the company from the sale of lands during the next fifteen years?—I am hazarding that view—I do not know.

9. The agreement would be that as the land was sold so you would get your proportion?—Yes. We would be paid out of the lands as they are sold, but the Government would control that. They could expedite or delay that as they pleased. The amount of money we would get would be dependent entirely on the Government.

10. *Mr. Buchanan.*] Supposing the Tongariro Company set to work with their railway, how would that affect the position?—Well, that is not a very specific question, is it, Mr. Buchanan? If you will ask me what is in your mind I will endeavour to address myself to it.

11. The area of country served by the completion of the Putaruru to Taupo line would be so-and-so: assuming the Tongariro Company's line to be constructed, the area benefited by the Putaruru to Taupo line would be very much curtailed?—Well, that depends upon whether the two lines are serving the same country.

12. Would not the line of the Tongariro Company, if constructed, serve the same country that you have stated would be benefited by the Putaruru to Taupo line?—Yes, certainly it would; but may I answer that with this further comment, that if the competition by the Tongariro Company is going to diminish the earnings of the Taupo Company below a point which will make the Taupo Company's line payable, then the Government will not take the line. We have to accept that risk—not the Crown.

13. *Mr. Raw.*] When giving my evidence, Sir John Findlay asked me if the opposition of the Rotorua people would cease providing the Government took over the line and it became a State railway. I said that their opposition would cease, because they would have no reasonable argument left; but Sir John may have taken that to mean that we were perfectly in accord with the company handling and using that line and controlling it for fifteen years at the present rate of charges?—No, not at the present rate of charges: that would be entirely a matter for the Government.

14. In the event of the company having the management of that line for fifteen years and controlling the revenue and policy of the line for that period, I do not go so far as to say that Rotorua will not object, but I say Rotorua will not object if it is a State-owned line?—Either operated by the Crown alone or operated by the company, subject to the control of the Crown.

15. *The Chairman.*] You could not say what the freights and fares would be if the company retained control of it for fifteen years—that would be subject to agreement made by the Government?—Yes.

TUESDAY, 17TH SEPTEMBER, 1912.

H. J. H. BLOW sworn and examined. (No. 19.)

1. *The Chairman.*] You are Under-Secretary for Public Works?—Yes.

2. Will you make a statement, Mr. Blow?—I have no statement to make. If the Committee think I can give them any information I shall be very pleased to do so.

3. You made a statement last year, I think, or were you simply examined?—I do not think I volunteered any statement.

4. We have asked you to attend to-day to give us all the information you can on the subject. We want to thoroughly understand the position, and we want you to assist us to understand it. Members will no doubt ask you questions, but if you can tell us anything about this line that will be of benefit to us we shall be pleased to hear it?—The Committee asked me to report on the petition, and I have reported. As regards the line itself, I have been over it, but it is eight or nine years ago, and Mr. Holmes has been over it quite recently. Moreover, he went over it for the purpose of examining and reporting on it, and as his information is so much more recent than mine it would be better to ask him questions relating to the tramway and its equipment.

5. Would the information you gave last year be the same as you hold to-day?—Yes. I made one slip. I thought the line was built with second-hand rails, but I find it was laid with new 30 lb. steel rails. You will find that I made the correction.

6. You have been over the line?—Yes.

7. Do you think it could be made suitable for passenger traffic at a cost of £5,000?—No, I do not.

8. Or £7,500?—I should put it at a higher figure.

9. What would you put it at?—£15,000, approximately.

10. That is, running with the ordinary New Zealand railway engines?—No, you could not work that line with our ordinary rolling-stock without reconstructing the greater portion of it.

11. And you would have special engines?—Special rolling-stock; and the £15,000 I have mentioned is simply for the improvement of the formation and permanent-way. In addition to that it would be necessary to provide a much better station equipment. If the line is to go to Taupo a terminal station will be required there, and there must be a goods-shed, station-house, engine-shed, cattle-yards, a water-service, and houses for the employees. On the Government lines the standard is about one man to the mile for the maintenance of the track, but as the traffic will be light on this line one man to two miles will probably suffice; but you must have maintenance-men, and houses for them to live in. I think the station equipment and houses will cost another £15,000.

12. You will want special engines and special carriages?—Yes. If the line is to be equipped for passenger traffic it must have rolling-stock specially equipped for the curves.

13. And special carriages?—Special rolling-stock would have to be used.

14. You would have to tranship on to the Government line?—I think you would have to tranship everything you put out at Putaruru.

15. Do you think the banks are wide enough?—No.

16. They would have to be made wider?—Yes.

17. Would that be included in the £15,000?—Yes. The special equipment of rolling-stock, engines, curves, and so on would cost about £40,000. I have only allowed for four locomotives, but I think that number of engines would be required for passengers and mixed trains. The present rolling-stock would be required, in addition, for the company's timber traffic. I think you would need £40,000 worth of rolling-stock in addition to the rolling-stock there now.

18. What speed would that enable passenger-trains to be run at?—An average speed of about fifteen miles.

19. *Mr. Hindmarsh.*] Do you know the line?—I have been over it once.

20. Is it constructed, apart from the actual work, as the Government would construct it—I mean the road? A private company might take a detour to avoid a hill, whereas the Government might tunnel it?—The first part of the line is laid out all right, but they have $1\frac{1}{2}$ -chain curves on the latter part, and the minimum on Government lines is $7\frac{1}{2}$ chains. They would have to construct parts of the last part of the line over again.

21. *Hon. Mr. Ngata.*] Is the length of that considerable?—I should think it was fully one-third of the line. But, of course, that line could be worked with $1\frac{1}{2}$ -chain curves.

22. *Mr. Hindmarsh.*] But it is contrary to experience?—It is contrary to usage on New Zealand lines. But there are railways in existence with $1\frac{1}{2}$ -chain curves worked with passengers every day quite successfully.

23. *The Chairman.*] In last year's evidence a question was put to you, "You want a heavy rail to carry a heavy engine, and you cannot get a high speed without a heavy engine." That is obvious, is it not?—I think so.

24. Would this line, strengthened as you say, enable you to get a heavy enough engine to haul the traffic round those curves?—With $1\frac{1}{2}$ -chain curves it would be necessary to run comparatively short trains.

25. Is there any other information you can give us?—I do not think so. I presume the Committee intends to call Mr. Holmes.

26. Yes, but we want all the information we can get generally upon this matter?—Mr. Holmes has been over the line comparatively recently, and has studied it much more than I have. He is better able to give you information than I am.

27. In your opinion light railways are quite practicable?—Quite practicable.

28. But they want special equipment?—Yes.

29. *Mr. Wilson.*] It is not necessary for heavy trains to act as light feeders?—They would be prohibited from going on lines acting as light feeders. It would be possible to get special equipments for light lines, but the capital cost must be taken into account.

30. *The Chairman.*] Taking the ordinary goods-trucks, you would not require to shift the goods from the loaded trucks on a light feeder?—I think not. We have some long trucks which I do not think would go round the curves, but I think you could use the shorter trucks with bogeys even on the $1\frac{1}{2}$ -chain curves.

31. *Mr. Wilson.*] There are a good many light tramways running in the north?—They are not authorized to carry passengers.

32. *Mr. Dalzell.*] You are not the engineering head of your Department, I think?—That is so.

33. You have to do with the commercial side of it?—Yes.

34. In fact, you control the commercial side of it?—That is so.

35. You know the nature of the country we are referring to?—Fairly; I have been over it once.

36. You are not a farming expert?—I do not profess to know anything about land.

37. But you think it is very poor country?—A good deal of it was poor country in my opinion when I went over it.

38. Do you think it would pay to run a standard line over this country at the present time?—I hardly think it would.

39. It will be necessary, will it not, to develop the district before it will pay for a standard line—assuming that the district can be developed?—Yes, it would be better to wait for a partial development, although Rotorua was not highly developed when it was opened up by railway.

40. Do you think the Rotorua line runs through a better class of country?—It does not run through a good class of country.

41. It is mainly tourist traffic that goes over it?—Mainly tourist traffic.

42. Do you know whether it paid at the start?—I cannot say, because the accounts of the whole Auckland Section were kept as one.

43. You know the Putaruru to Mokai line?—I have been over it once.

44. Is that line sufficient to provide for all the goods traffic in the Taupo district?—I do not know whether it is in as good a condition as when I saw it seven or eight years ago, but I think its condition then was good enough to provide for all the goods traffic.

45. I understand it has been reported on since by Mr. Holmes, who says that it is sufficient for the goods traffic of the Taupo district as it stands to-day?—I do not know, but he will be here himself, and will be able to answer that question.

46. How long will it take, in the ordinary course of railway-construction in this country, to build the connection between Rotorua and Tauranga?—No such connection is authorized at present, but if authorized at once and it is regarded as a work of urgency, it could be put through in about five or six years.

47. But, taking it in the ordinary course of construction in that class of country, and from your past experience, what do you think will be the probable time?—The line is in course of construction to Paengaroa now, where the line would take off from the main line, and the rest of the line could be fairly easily constructed in, I think, six years.

48. And this line from Rotorua to Taupo?—It would probably take about the same time, but the money may not be given so freely. If we went on spending a million a year in railway-construction I think that would be sufficient time for it.

49. In this class of country where you do not think it would pay to run a standard line?—I think other railways have been constructed in New Zealand that have not paid.

50. Do you recommend them?—No, I do not recommend railways that will not pay.

51. Assuming that all the produce of this country has to go to Auckland, would it be better for goods traffic to be taken over the Mamaku Hill or the other way?—It would be a little more expensive to the consignors, because we charge freight by the mile, and there would consequently be a slightly higher charge from Putaruru to Taupo *via* Rotorua than *via* the company's line.

52. Speaking in the interest of the community, would it be better to carry goods by way of the Mamaku route rather than by the direct route?—I do not think there is very much in that. There is a lift of about 700 ft. on both lines.

53. *Mr. Hindmarsh.*] How much per ton?—I have not the rates with me. The rates per mile get less as the distance increases, so that, going by the route mentioned, the difference of twenty-three miles would not have so great an effect as you would think.

54. *Mr. Dalziel.*] You do not know anything about the produce on the respective lines?—There is not very much farm-produce on the Rotorua line, and I do not think there is much more on the Taupo line.

55. And the passenger traffic?—The passenger traffic is very good on the Rotorua line. We run a first-class train every day, and it is very well patronized.

56. Supposing you ran a standard line for passenger traffic from Putaruru to Taupo?—If we were going to run a standard line I should certainly suggest that it should go from Rotorua.

57. Why?—Because you cannot cut Rotorua out of the tourist programme. It would take twice as long to go from Rotorua to Taupo by this route than by motor-car from Rotorua. I do not think you would get any tourist traffic over your line, even if the Rotorua line is not constructed. The tourist would rather go by motor-car from Rotorua than by your line.

58. You are thinking of the tourist?—Yes.

59. You are not thinking of those people who want to go to Taupo and Wairakei?—Any one who wanted to go direct to Taupo from stations north of Putaruru would probably go by your line.

60. You know the Wairakei district—it is very attractive?—I have only been there once, and do not know it very well.

61. Looking at the nature of the company's railway and the fact that the line is constructed within twenty miles of Taupo, would you suggest it is advisable, or not advisable, to construct it any further?—I think it is advisable, provided the Government is not saddled with any expense in the matter.

62. You think it is advisable that the line should be constructed for the benefit of the district?—Yes.

63. In your estimate of the cost of making it fit for passengers you have made provision for a big passenger traffic?—No, because I do not think there will ever be a big passenger traffic on the line.

64. But for permanent traffic?—Yes; not up to the Government standard, but to make it quite safe.

65. You have suggested £15,000 for the improvement of the line?—Yes.

66. Do you know the construction of the fifteen miles will cost £200,000 according to Mr. Holmes?—I think you will find the figure I am putting down will be very much less than his.

67. He has only dealt with a standard line?—Yes, but there is not much difference in the first part of the line. My estimate does not provide for relaying the line.

68. Mr. Holmes does?—Probably he does.

69. The question of amount is one that would have to be determined before the license is issued?—The Government is not concerned in the cost. It would insist on the line being up to a certain standard, and would leave the cost to the company.

70. It would insist on that before the license was issued?—Certainly.

71. So your Department would safeguard the public interest?—That is what the Department exists for in that respect. The Public Works Department in New Zealand discharges similar duties to the British Board of Trade, and it is our duty to see to the safety of passengers.

72. We are asking for permission to extend our railway to Taupo, knowing, of course, that we shall have to satisfy the Department's requirements in regard to the line before we could carry passengers: you know that?—Yes, I understand that to be the case.

73. And you think, in the circumstances, it is desirable that the line should be extended?—Yes, I think it is. It would be a great help to the district to have a railway there, and to the district lying to the south of Taupo.

74. Would you advise the construction of another light line from Taupo to Rotorua?—No, not a light line. If the Government railway were extended from Rotorua to Taupo I should advocate it being up to the ordinary standard.

75. Looking at the circumstances as you know them, do you think a standard passenger line is justified at the present time?—You have asked me that question already, and I said I thought not.

76. I intended to ask you whether you thought that district would support a passenger line at the present time?—I am afraid not.

77. *Mr. Raw.*] You are conversant, I understand, with the line of the Taupo Totara Timber Company?—I have been over it once.

78. You are also conversant generally with the proposed Rotorua to Taupo line by the coach-line?—I have been over the route only once.

79. In your opinion, where do you think the Government could best invest its money, on the line already opened or in a continuance of its line from Rotorua to Taupo?—If the Government has to do either one or the other, I should prefer the Rotorua-Taupo line. But I understand the company is offering to do this work itself.

80. The company has already opened up this country for a distance of fifty miles?—Yes.

81. From your knowledge of the district, and setting aside the various interests, do you think if the whole of that country were opened up to Tauranga it would make Tauranga the natural port, and would effect a considerable saving in the carriage of produce as compared with Auckland or the Thames?—You mean for a railway to be constructed to Tauranga—would it be preferable?

82. Yes?—Undoubtedly.

83. And the sea-coast is within twenty-two miles of Rotorua, while the line from Taupo to deep water shows a difference of a hundred miles?—If a railway is ever constructed from Taupo to Tauranga, Tauranga will be the seaport for that district. It will enable them to get cheaper land carriage.

84. Do you think it is advisable to have the line from Auckland rather than a line to Tauranga, looking at the interests of the whole community?—From a railway-working point of view it would no doubt suit the Railway Department to have the longer haul, but the matter cannot be looked at in that light. You must allow the people of the country to utilize all the facilities that exist, and if there is a shorter line to a port at Tauranga it must be considered.

85. Is it not as good a port as Auckland?—Tauranga is in some respects nearly as good a port as Auckland. We have had boats entering there of 4,000 or 5,000 tons.

86. Do you suggest that with the conditions existing at Tauranga at the present day, or which will exist in the near future, the traffic from this district could go through there instead of to Auckland?—Certainly it could.

87. *Mr. Laurenson.*] You said the line was railed with 30 lb. steel rails?—Yes, that is so.

88. What is the weight on the New Zealand railways?—On the lighter lines 55 lb., and on the main lines 70 lb.

89. The company's line is the same gauge as the Government's?—Yes.

90. *Mr. Wilson.*] Do you think it would be better for the Government to take over that railway or to enter into the construction of a line from Rotorua to Taupo?—The Engineer-in-Chief will tell you that in his opinion it would cost more to complete the Taupo Totara Timber Company's line and extend it to Taupo than to construct a standard line from Rotorua to Taupo.

91. Are you expressing an opinion on it?—I share Mr. Holmes's opinion. If the line is to be constructed on the Government standard I think Mr. Holmes's estimate is a fair one.

92. You can make an estimate of a line that has been surveyed as against one that has not been surveyed: the Rotorua-Taupo line has never been actually surveyed?—Never actually surveyed, but the engineers have gone over it, and can tell pretty closely what it will cost.

93. *The Chairman.*] It all comes to this: that in your opinion the company's line will serve that district through which it runs, and also the country south of Taupo, providing it is made fit for passenger traffic by special vehicles?—Yes; and if the company is disposed to extend its line to Taupo I think it is wise to encourage it—it would be of great use to the Taupo district—provided no financial responsibility is cast on the Government.

94. *Mr. Dalziel.*] It is proposed that the land in the district should bear the burden—that is, if the Government ultimately decides to take it over the purchase-money is to be paid out of the proceeds of land-sales?—That is clearly putting financial responsibility on the Government. You propose to tie these lands up: that is the nature of the financial responsibility I am referring to.

95. *The Chairman.*] Supposing this land is now worth 5s. an acre, for the sake of argument, and the railway were completed: if the Government were to sell the land at £1 an acre would you consider the difference to be paid to the company part of the Government's financial responsibility?—I do not know that I should view it quite in the same light, because that would be an enhancement due to the construction of the railway.

96. I am only illustrating what I want to get at. Any enhanced price the land might fetch after the railway is made—would you look upon that as being a financial responsibility on the Government in the way you put it?—I think it would be justifiable to devote that sum to assistance in connection with this railway.

97. *Hon. Dr. Pomare.*] Do you say it is necessary that the land round the lake should be acquired in order that this line should be made a profitable concern?—It would certainly be necessary for the land round the lake to be utilized. The Natives might themselves farm it or lease it to Europeans.

98. It is not absolutely necessary to compulsorily take the land?—I do not think so, if the Natives will profitably utilize it themselves.

EDWARD EARLE VAILE sworn and examined. (No. 20.)

1. *The Chairman.*] Your profession?—I am a farmer.

2. Have you any other calling?—No.

3. Where do you reside?—At Waiotapu.

4. You have a statement you would like to make to us?—Yes. I would not have troubled you with my evidence again this year were it not that I feel that the company, which is united and organized, and has a large personal financial interest enabling it to engage learned and eloquent counsel and bring witnesses from a distance, has an undue advantage. I will endeavour to avoid repeating the evidence I gave last year; that is on record, and can be perused by any caring to do so. My desire is to urge upon you more strongly than ever the advantages to be gained by the Government constructing its own line from Rotorua to Taupo: (1.) It would link up all the thermal sights in one continuous journey. This needs no demonstration; a glance at the map proves it. (2.) It would open to settlement a vastly larger area than any other railway that can be constructed in the Dominion, and this area includes upwards of 600,000 acres of Crown lands. There are some 5,000,000 acres of pumice land in the North Island, which is by far the largest area of habitable and cultivable land in the Dominion, which is not yet settled. Almost half of this would be beneficially affected by the proposed railway. There seems to be an erroneous impression that there are no Crown lands along the route of this railway, and I have accordingly taken the trouble to make a list of some of the blocks of Crown land, as follows: Run No. 81, 5,900 acres; Run No. 80, 8,854 acres; Run No. 83, 11,992 acres; Run No. 84, 8,634 acres; Run No. 82, 11,136 acres; Run No. 85, 8,181 acres; Run No. 94, 10,144 acres; Run No. 55, 19,460 acres; Run No. 56, 17,413 acres; Run No. 58, 29,312 acres; Run No. 77, 6,200 acres; Run No. 78, 8,896 acres; Run No. 79, 14,192 acres; Run No. 64, 11,380 acres; Run No. 66, 5,194 acres; Run No. 59, 56,556 acres; Run No. 60, 54,744 acres; Run No. 91, 20,000 acres; Run No. 90, 20,000 acres; Run No. 74, 10,350 acres; Run No. 95, 23,894 acres; Run No. 75, 8,938 acres; Run No. 19, 5,100 acres; Run No. 92, 12,310 acres; Run No. 93, 12,100 acres; State forests (Moerangi), 6,835 and 1,400 acres, (Rainbow Mountain), 2,974 and 445 acres, 1,746 and 33,355 acres; Paeroa South, 1,403 acres; Heruiwi, 2,484 acres; Waiotapu Reserve, 3,206 acres; around Taupo Town (about), 8,000 acres; Pohokura, Runanga, &c. (about), 150,000 acres: a total of 618,728 acres, or about double the area claimed to be benefited by the Totara Company's line. These lands are all lying close to the proposed route from Rotorua to Taupo, and the list does not include any of those large blocks which would be indirectly benefited by water communication with the railhead at Taupo, but only lands lying within, roughly, fifteen miles of the rail by land. I have included only such blocks as I know of. There may be others, so the area quoted is a minimum. It is true that much of this land is taken up; but it is only under pastoral license, which is a temporary tenancy nominally for twenty-one years, but giving the Crown the right of re-entry at any time at a year's notice without compensation. (3.) It could be constructed at an exceptionally cheap rate. I have recently had a party of surveyors over the route from near Mihi to Taupo. The country is mostly deal-level. Next to no formation-work is required. There are only five small bridges; no tunnels or rock-work. For about fifteen miles there is little to be done but lay the rails on the surface, and there are splendid long, straight runs. On other parts of the route where earthwork is necessary the soil is remarkably easy to shift. It never cakes hard or becomes sodden or sticky, and cuttings can be left with a much steeper batter than in clay country. (4.) It could be very cheaply worked. A mere fraction of the power from Huka or Aratiatia—right alongside the line—would suffice to work it. Abundant power could thus be obtained at a minimum cost. No staff need be maintained on the rail except at Taupo. (5.) It would pay handsomely from the day it was opened. This railway would occupy a unique position in that it would not depend for its profit upon the country through which it passed. It is estimated that thirty thousand tourists visit Rotorua each year. At Government rates the return fares Rotorua to Taupo would be 15s. first class and 10s. second class, or an average of 12s. 6d. At such a price for incomparably the finest trip out of Rotorua it would be safe to rely on two-thirds of the tourists visiting Taupo. This would give a revenue from passengers of £12,500. And I am reckoning nothing for the increase in the total value of tourist traffic which may be safely anticipated when Taupo is opened up. The revenue from goods is not easy to estimate, but I would place it at £3,000 per annum to begin with. The company estimates the traffic on its line at £2,000, and the Rotorua-Taupo line passes through much more settled country. Both passenger and goods traffic would rapidly expand. (6.) The rail would have great military importance. Taupo is at the centre of the North Island, and

splendidly situated for the concentration of forces and for the erection of a great arsenal remote from the attack of enemies.* On the other hand, there are many sound reasons why the company's proposals should not be entertained. (1.) The company would naturally exert itself to secure the tourist traffic, and the active forces of private business concerns will always beat the *vis inertiae* of Government institutions hollow. A glance at the map will show the great improbability of the tourist, once at Taupo, returning a hundred miles back on his tracks to visit Rotorua. That would mean a total journey of two hundred miles extra. Tourists would be inconvenienced, and Rotorua with all its Government institutions would be ruined. The Government would ultimately be forced to build its own railway to Taupo to save Rotorua and keep control of the tourist traffic. (2.) Even the company's representatives will not make bold to say that the Government itself would ever dream of building a railway from Putaruru to Taupo; it would most assuredly extend the line from Rotorua. Then why should it saddle itself with the company's line? (3.) There is nothing to be gained from the public point of view from the company's proposal. Their line exists at present, and they say they must extend it seven miles in any case. Let them use it. It will serve all that area of country which they say will not be served by the Rotorua-Taupo line. But why should the country come to the rescue by giving them the virtual monopoly of the tourist traffic and of the trade of all that vast area converging at Lake Taupo? (4.) The line cannot be worth cost-price, let alone cost plus 10 per cent. It is a bush tram laid down to serve the temporary purpose of working the company's bushes. At the time of construction there was no thought of permanency. Further, the company has included in its cost-price its rolling-stock—bound to be obsolete and greatly depreciated in value. A second-hand article cannot be worth cost. (5.) The heavy extra charge for freight will be a perpetual burden on the district, and retard its progress, as compared with districts served by Government railways. Even if the company accepts its charter at Government rates, settlers at Taupo will have to pay 31 per cent. more than those using a Government line *via* Rotorua. To show this clearly I quote from the current railway goods tariff:—

	Classes.																							
	A.		B.		C.		D.		E.		F.		H.		K.		M.		N.		P.		Q.	
Auckland to Putaruru (140 miles)	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Putaruru to Taupo (66 miles)	59	448	238	931	611	446	0	6	6	3	760	014	811	6	9	7								
Totals	98	080	1066	552	1119	573	611	2	6	398	025	1020	316	1										
Auckland to Taupo <i>via</i> Rotorua (230 miles)	74	459	346	439	015	168	6	7	9	4	682	619	015	913	4									
Percentage of increase <i>via</i> Putaruru	32	37	43	36	30	7½	44½	39	19	36	28	20												

Average percentage of increase *via* Putaruru, 31.

These are at Government rates. On the company's present tariff the additional burden would be vastly greater still. (6.) Before goods reach settlers there will be three freights to pay—Government railage to Putaruru, company's railage to station, and wagon to homestead—with three chances of loss of goods and three chances of delay in transit, as against two with a Government railway. (7.) If the Government is prepared to shoulder £180,000 for this tramway, would it not be infinitely better for it to lay out that sum towards building its own railway to Taupo—a new railway constructed to the Government's own design and on the proper route? In view of the evidence laid before it I sincerely trust that the Committee will see its way to recommend Parliament to lay a Government railway from Rotorua to Taupo. If from lack of funds or other reason Parliament does not see its way to accept the Committee's recommendation the responsibility will then rest with Parliament. Failing this, I would urge that before granting the company's petition an opportunity should be given to the Rotorua people to themselves construct a private line from Rotorua to Taupo. From careful inquiries I am satisfied that such a proposal would meet with enthusiastic public support, and could be carried to a successful issue. But if neither of these courses commends itself and a charter is to be granted to the company, I would respectfully urge that the following restrictions at the least be imposed: (1) Freights and fares to be at current Government rates; (2) the same charges to be made to all users of the railway—no more and no less; (3) the present concession for all time to be cancelled, and one for a term of years to be substituted; (4) right to be reserved to resume the line at a valuation, the basis of that valuation to be now strictly defined; (5) right of audit of company's books to be reserved to Government; (6) right to be reserved to Government to fix the positions of all stations and subways, and to take roads leading to them. As to the company's land proposals, I have nothing but commendation. The getting of 200,000 acres out of the hands of absolutely non-progressive Native owners into those of a company prepared to develop, subdivide, and sell within a short and strictly limited period would, to my mind, be a great public benefit. But I do not think they should be allowed to acquire any considerable portion of the comparatively small area of Crown lands in that locality. As to the value of these pumice lands for settlement, I am more than

ever convinced since last giving evidence. I have had further successes at the Waikato Winter Show against all comers with turnips; and these were grown on a first furrow with 2 cwt. manure to the acre. I have had great success also with an experiment of a mixture of rye-corn and red clover for pasture. I venture to submit a few photographs illustrating what the country will produce.

5. *Mr. Hindmarsh.*] How many acres have you got?—40,000.

6. Would the Rotorua-Taupo line go right through your land?—I think it is likely to. There are three alternative routes proposed, but the Engineers have not gone through my land.

7. Are you a freeholder?—Yes.

8. *Mr. Wilson.*] You say that if the Government took over the Putaruru Railway, Rotorua will be ruined?—Yes, I think so.

9. Do you think that is a more serious consideration than the opening-up of this land for settlement?—No; but I think it is a serious one. The Government would suffer from the private competition in the tourist traffic.

10. Will you read what you said before on that point?—“The company would naturally exert itself to secure the tourist traffic, and the active forces of private business concerns will always beat the *vis inertiae* of Government institutions hollow. A glance at the map will show the great improbability of the tourist, once at Taupo, returning a hundred miles back on his tracks to visit Rotorua. That would mean a total journey of two hundred miles extra.” If he wanted to continue his journey south to Wanganui he would not come back two hundred miles to visit Rotorua. The natural desire of the tourist is to see Rotorua, Waitapu, Wairakei, and Taupo on the one run, which he would do on the proposed Government line from Rotorua.

11. There is a road there—could he not go back by car?—By car is an expensive luxury. The charge is £10 for a party of five.

12. You seriously say that, because there is a danger of a private company giving better facilities to the public, the Government should construct another railway instead of taking the present one over?—I say the company would not give better facilities, but worse.

13. You think they would capture the traffic?—Yes; and I say the Government have a right to retain their own traffic for their own benefit, and that they could show the whole of the sights on a continuous run.

14. You argue that the tourist traffic to Rotorua is of greater benefit to this country than the settlement of this enormous area of land?—By no means. In addition to what I have said about the tourist traffic, I say the line from Rotorua will open up the country, and better.

15. Is there not on the western side of the Rotorua line a great portion of hilly country which will prevent access?—I do not know—I have not been over those hills; but for a good distance out of Rotorua the hills on that side are very moderate in height, and in the higher hills a gorge might be found suitable for putting a road through.

16. Where did you grow your notorious turnips?—I did not know they were “notorious.” [Place pointed out on map.] It is near the Waikato River.

17. With your experience of this enormous area of country, do you consider it is capable of settlement?—I believe practically the whole of it is. There is some broken country of very little value, but that which can be ploughed is capable of settlement.

18. You would not suggest that poor men could be put on it to break it in?—There are three properties in my neighbourhood which cannot obtain labour, and poor men could be employed at times when not on their own holdings.

19. A hundred men would cope with your difficulty as to labour?—Yes.

20. I mean from the possibility of breaking this country in you would not suggest putting poor men on it?—No; but I have seen other blocks of country where it has been said such men could not get on, and they have got on very well.

21. But a little cash would be a necessity?—It would be of huge advantage.

22. What would this country when broken in carry on the average—approximately?—I should say it would amount to about a sheep and a half.

23. Would it make fair dairy country?—The land varies greatly; on the greater part to make dairy cows profitable it would have to be very well done.

24. It is just as necessary for sheep to have good feed to make it profitable?—No; but breeding-ewes must have good feed.

25. *Hon. Dr. Pomare.*] Is there very much Crown land in this area?—Yes.

26. All occupied?—Not the whole of it.

27. How much is occupied?—More than 75 per cent. is unoccupied. On a lot of the runs the people are paying rent but are not on them.

28. You say that the company should not be allowed to acquire any of this land at all?—It would not be advantageous to the Crown to part with it.

29. You commended the company for its proposal to acquire some other land?—Yes.

30. What other land?—Native land.

31. Why do you discriminate between Crown land and Native land?—Because for practical purposes it seems impossible to get the Natives to do anything with it. The Europeans have so much difficulty in dealing with them that they become disheartened.

32. You would not object if the Natives threw their lands open?—No; it would be a handsome thing for the country.

33. If so, would you withdraw your commendation of the company?—If the Natives would allow their lands to be acquired it would enable lands to be cultivated which are at present idle.

34. You say there is 75 per cent. of the Crown land neglected?—Yes, at the present time; when the railway is through I hope we shall see it taken up quickly. Want of access is the cause of the land not being taken up.

35. *Mr. MacDonald.*] Speaking of Native lands, you say they would be settled if the Natives were allowed to sell: are they not allowed to sell up to 5,000 acres now?—Yes; but there is a great deal of preliminary work to be done, and from practical experience it is a difficult matter, and an unpleasant matter, to acquire Native land.

36. I suppose you do not know which is Native land and which is Crown land?—When I was in Auckland I made careful search of the Crown lands and found there were 600,000 acres. Although a great deal of that is nominally let, the men are not on the ground. About one-third at the outside would be occupied.

37. The chief reason why it is not occupied is because there is no means of access, and because that country needs a particular kind of treatment?—Yes. At the back of my property there are over 100,000 acres cut into two blocks which are nominally let to people not there. They would want about £20,000 to develop blocks like those.

38. It is all on pastoral lease and on such a tenure that they cannot develop it?—Yes.

39. *Mr. Hindmarsh.*] When you are speaking about large areas is it not essential that a man's capital should be proportionate to the amount he takes up?—When you take up a block under pastoral license the Crown has a right to re-enter at a year's notice without compensation, and it does not pay a man to take it up. A question was asked me whether a man without money ought to take up this land. I think the country is as well adapted for that purpose as any other country.

40. *Hon. Dr. Pomare.*] Do you say the Taupo settlers would be as advantageously served by a line from Rotorua?—Absolutely. They would have a third less freight to pay to start with.

41. Would they not have one-third less freight to pay on a Government line from Putaruru to Taupo?—If there were a Government line through Putaruru there would be a slight saving in freight. The difference in the total length would be approximately twenty-five miles, and at the end of a two-hundred-miles run that additional freight would be very little.

42. What about time?—Supposing your train arrived an hour or two hours later that would not matter. The great point is to have your goods handled as few times as possible, as there is a big chance of loss in each handling.

43. *Mr. MacDonald.*] Mr. Clifton in his evidence the other day said, in his opinion, that country should be worked in large areas, and that it is practically a breeding country for stock. Is that your opinion?—No; I cannot say I agree with Mr. Clifton. I think it is more adapted to be worked by the plough in small areas. I have seen parts of the Waikato before it was settled, and the appearance of that country was similar, and Mr. Pond's analysis of the soil is the same. You can handle it better in small lots if access is provided. At the present time it is no good driving fifty lambs to Rotorua; you want to have five hundred. If you could truck them you could send a dozen lambs at a time.

44. You said the line was easy for fifteen miles: is there difficult ground between that and Rotorua?—No. Between Rotorua and Waio tapu I am not familiar with it, but the engineers, I understand, say that it is easy country for railway-construction.

45. And you say it would suit the people of Rotorua, when the country is settled, to have a direct route to Tauranga?—Yes; as soon as the Port of Tauranga was developed it would certainly be the outlet.

46. *The Chairman.*] You have 40,000 acres?—Yes.

47. Supposing the company's line is put into Taupo, would that benefit you at all?—Not in improving it, but it might improve the salability of a portion of the country.

48. What do you estimate it would add to it?—I cannot say. If the present tariff continued I could haul goods over the road for the same money.

49. You do not think it would put up the price of your land to a great extent?—I do not think so.

50. What do you value it at now?—I am asking £1 an acre for part of it.

51. Would it put it up 20 per cent.?—If the present rates were retained which the company have a right to charge I do not think it would improve the present price.

52. Assuming they would charge the present rates do you reckon it would put your land up 10 per cent.?—If I could put my goods on the country at £1 2s. 6d. a ton I think it would improve the value of my land 10 per cent.—perhaps a little more.

53. If the line comes down from Rotorua through Waio tapu and the Government does not accept the proposal of the company, how much do you reckon that would put on the value of your land?—That depends upon the route selected. There are three routes, but the route over my country the Government Engineers have not seen. If it came through my land it would increase the value of it.

54. Would it put it up 50 per cent.?—It is difficult to estimate, but I think very likely it would.

55. You would not be able to sell that land for £2 an acre?—I do not think so.

56. With all the improvements you have put on it?—I am speaking of the unimproved value.

57. And it is the unimproved land for which you ask £1 an acre?—Yes.

58. It would not put it up another £1?—I do not think so.

59. It might put it up another 10s.?—I think that is possible.

60. Did I understand you suggested that the Government should give the company the right to negotiate with the Natives for their lands, so that the company should get some profit from the sale of these lands for putting their railway through?—I am not quite clear what the company's proposals are, but I understand they have asked for 200,000 acres.

61. You said that the power from the Aratiatia Rapids and the Huka Falls might be suitable for the company's line as well as the Government line?—Yes, I think so, if the Government allowed the company to use it.

62. You said the company's line would interfere with the tourist traffic to Rotorua?—I think so, very seriously.

63. Do you think the attractions at Taupo are greater than those of Rotorua?—I would not say greater, but I think they are equal.

64. Do you think tourists would rather go to Taupo than to Rotorua, provided the company's agents were touting for business?—If left to their own independent judgment they might want to go to the lot, but I think if I were interested I could induce a man to go to Taupo in preference to Rotorua.

65. Do you not think some arrangement could be made between the Government and company for the issue of through tickets so that your fear of the company's touts injuring Rotorua might be dispelled?—The tourists would still have to undertake the physical inconvenience and delay of a journey of a hundred miles back to Rotorua.

66. Do you not think the company would be willing to make some such arrangement?—If they did the tourist would still be faced with this journey of a hundred miles.

67. If they did not make that arrangement, you think the tourists would not go to Rotorua?—If they made the journey for nothing the distance would still be a hindrance.

68. *Mr. Dalziel.*] Last year you told us that you had no hope of the Rotorua line being constructed in the near future?—Things have happened since last year.

69. What has happened?—A change of Government. My reason for saying that last year was that Sir Joseph Ward was very much against it. That personal equation has been removed.

70. You said then, and I suppose you will confirm it now, that if the Rotorua-Taupo line is not to be constructed for fifteen or twenty years you would support the company's proposal?—If there is no hope of the Rotorua line, then I say this line will be better than nothing.

71. You think, as a matter of fact, that it ought to be constructed?—Yes, if there is no Rotorua line.

72. Do you think your property is worth £1 an acre without access?—That is what I have been asking. If any one came along to buy I do not know but that I might be tempted to sell.

73. Do you think the country round about Taupo can be developed without access?—Only the very best of it. For the ordinary land you must have carriage to and fro.

74. *Mr. Laurensen.*] You said the change of Government has caused you to alter your views?—Yes.

75. In what respect?—Last year I had an interview with Sir Joseph Ward and other members, and he assured me that there was no hope of an extension from Rotorua to Taupo within the next twenty years. I said, in view of that, the company's line would be of advantage to the district. But I have always said that the line from Rotorua to Taupo ought to be built as the one that would assist the country better than the company's line.

76. Do you think the present Government will build it?—I presume that if the Committee recommends the Government to construct it, it would be a very great lever towards it.

77. *The Chairman.*] You have not waited on the present Government in any way?—No.

78. Your interest in this matter is, of course, not a personal one. You do not want the railway from Rotorua to Taupo because it will go within a short distance of your land and put the price of it up: it is purely in the interest of the public you are here?—I am not going to pretend, like some witnesses have, I believe, that I am disinterested. I am greatly interested, and I hope I have been able to show that my interest coincides with that of the public.

79. You have in your evidence advocated that the company should negotiate with the Natives for their land in order that it may finish this twenty miles of railway. Assume that the Crown and Native lands are now worth 5s. an acre according to valuation, and that they go up in consequence of the construction of this piece of line to 10s. an acre or more, do you say that increased portion should go to the company to pay them for building this piece of the line?—I do not see why it should. Last year Mr. Kensington said the experimental work which had been carried on had put a totally different value on to this land. Well, it would be just as reasonable for my neighbours and myself to say, "Give us a portion of that value."

80. This is a totally different thing: this is a case where a piece of railway is not built, and the company say they are willing to build it under certain conditions. I asked you whether you considered those conditions fair, and you say you do not?—No, I do not.

THURSDAY, 19TH SEPTEMBER, 1912.

ROBERT WEST HOLMES sworn and examined. (No. 21.)

1. *The Chairman.*] You are?—Engineer-in-Chief of the Public Works Department.

2. The Committee have called you to advise them in connection with the Taupo Totara Timber Company's petition. They want all the information they can get from engineers and other people, so that they can form an opinion as to whether they can advise the Government to purchase the company's line on the terms mentioned or not, or accede to the prayer of the petition in any other way. Will you make a statement?—I was instructed by the Government some time ago to examine into the best means of bringing Taupo into communication with the existing Government railway system, and with that object in view I examined the whole of the country lying along the Taupo Totara Timber Company's tramway route. After having made an examination of the country I prepared a fairly voluminous report on the whole question, copy of which can be supplied to the Committee.

3. *Hon. Mr. Fraser.*] Was that report made since last year, or was it the one you put in last year?—I did not put one in last year. It is dated the 4th May, 1912, and is as follows:—

The Hon. Minister of Public Works, Wellington.

SIR,—

Taupo Railway.

I have the honour to inform you that, pursuant to instructions, I have examined the country over which the various proposed routes would pass to connect Taupo with the existing railway system, with the object of reporting upon the relative merits of each route, and now beg to do so as follows:—

The country around Rotorua, thence to Taupo and back across to Putaruru, is, on the whole, inferior, from which a heavy farming traffic can never be expected.

There are several areas of limited extent of native forest, which will provide a traffic of only a temporary nature, as the native forest is practically non-regenerative. The Prisons and Forestry Departments are planting with suitable forest-trees large areas between Rotorua, Waio-tapu, and the Kaingaroa Plains, which will afford with reafforestation a perpetual source of revenue to a railway.

At Rotorua, Waio-tapu, Tarawera, Wairakei, and Taupo are thermal districts, of which Rotorua attracts by far the largest number of visitors owing to its facility of access by existing railway communication. There is no doubt but that a great many more of the Rotorua visitors would proceed on to Waio-tapu and Taupo if they could do so in less time, at less expense, and more conveniently than is possible at present. It is on the excursionist as distinguished from the tourist that a railway to Taupo must depend for a considerable part of its revenue, and it is this traffic that will probably decide whether a line can be worked at a profit or loss. Considerable importance must therefore be given to this traffic in deciding upon the best route to adopt.

It is probable that the sources of traffic will relatively range as follows: (1) Passengers; (2) timber; (3) farm-produce.

The passenger traffic will always be a constant source of revenue, increasing as time goes on. The native-timber traffic will only be temporary, but the forests being planted will yield a constant traffic. The farm-produce traffic will depend entirely upon whether or not it is possible to successfully cultivate the volcanic lands throughout the whole district. As it has been already demonstrated that introduced forest-trees grow well, it remains to be demonstrated whether forestry or farming will be the more remunerative; on this will depend their relative values as sources of railway traffic.

It appears that only such parts of this country as can be cultivated will ever be susceptible to sufficient improvement to enable farming to be carried on; the remainder, consisting of the parts which are too rough or absolutely too poor to cultivate, can be remuneratively dealt with by afforestation; and, as such areas exist along all possible routes for a railway, there is no doubt but that in course of time, when a perpetual timber industry is established, more than one railway will be required.

The practicable routes are shown approximately on the accompanying map, marked P.W.D. 31678, and are briefly described thus: (1) Putaruru to Taupo *via* Oruanui; (2) Putaruru to Taupo *via* Atiamuri; (3) Rotorua to Taupo *via* Orakeikorako; (4) Rotorua to Taupo *via* Waio-tapu.

1. *Putaruru to Taupo via Oruanui.*

Over a considerable part of this route the Taupo Totara Timber Company's private line is working—viz., to the 46½-miles peg. This line was primarily constructed for the conveyance of timber from the company's sawmill at Mokai to the Government railway at Putaruru, and not for passengers, consequently the class of construction was cheapened as much as possible. From Putaruru to Lichfield the line was constructed by the General Government, but abandoned when the Rotorua Railway was constructed. The formation is now occupied by the company's private railway, the distance being about 5 miles. The route then follows the private line to the 46½-miles peg, where it diverges to Oruanui, thence passing through Wairakei to Taupo. From Lichfield to Kopoko, at 23 miles, the private railway can be easily and cheaply improved to Government railway standard, but thence to 46 miles the greater part would require entirely reconstruction on improved location.

From 46½ miles to Taupo at 67 miles, a distance of 20½ miles, a survey of a line has been made by the Taupo Totara Timber Company along a practicable route with a minimum radius curvature of 5 chains, and maximum grades, 1 in 38 and 40 on straights. Both the curves and grades are worse than the Government standards—viz., 7½ chains and 1 in 50; there is nothing, however, in the configuration of the country preventing the adoption of the better location, at the cost, however, of greater length, but not necessarily much increase in cost per mile. The Taupo Totara Timber Company's line has curves of a minimum radius of 1½ chains, and maximum grades of 1 in 47. The width of formation is about 13 ft.; the sides of the cuttings are generally nearly vertical, which is the best form in pumice ground. The rails weigh 30 lb. per yard; the gauge is 3 ft. 6 in., Government standard.

The line is ballasted with pumice, and on this account the sleepers are placed closer together than is usual on Government standard construction, where heavier rails and superior ballast are used. The light rails and sharp curves would prevent Government locomotives travelling on this line, while the steep grades and sharp curves would prevent any but a very slow train service being run.

For dealing with the traffic at present arising from the class of country between Putaruru and Taupo the company's line is no doubt suitable, but as a through passenger line to Taupo it is not suitable; and it can be taken for granted that, if it were adopted as part of the Govern-

ment railway system, the demand for its reconstruction to accommodate express through trains from Auckland could not be resisted. The general travelling public, particularly tourists and excursionists, would not be contented with the slow service at present possible, and in consequence would not travel by the line, neither would they be content to pay the increased railway fare necessary if visiting Rotorua first, and having to return from Rotorua to Putaruru before going on to Taupo. The distance from Putaruru to Taupo by this route is 57 miles. One great objection to this route is the great height to which the line rises at Oruanui, whence it descends 650 ft. to Taupo.

The estimated cost of this route, improved to Government standard, is as follows (exclusive of what would be paid the company for such portions as could be utilized):—

	£
Putaruru to Kopoko: 23 miles, improving at £1,800 ...	41,400
Kopoko to 38 miles: 15 miles, reconstructing at £8,000 ...	120,000
38 miles to 46½ miles: 8½ miles, reconstructing at £10,000 ...	85,000
46½ miles to Taupo: 20½ miles new line at £10,000 ...	205,000
	<hr/> £451,400

Several lines have in the past been constructed to much lighter standards than are now current, but the whole have now been brought up to present standards by relaying heavier rails, increasing the number of sleepers and quantity of ballast, widening the formation, and improving the station accommodation, in order to provide for the faster trains demanded by the public and the heavier rolling-stock required, and which must travel over all lines indiscriminately to allow of economical working.

2. Putaruru to Taupo via Atiamuri.

This route would follow the former route to near the crossing of the Waikato River, at 38 miles, where it diverges, either before or after crossing the river, as survey may show which is the better. thence follows up the Waikato River to a junction with route No. 3.

The advantage of this route over the former is that the portion of the private line between Kopoko and the Waikato River, a distance of about 15 miles, which includes passing over the Wawa Saddle, can be easily improved and shortened by tunnelling under the saddle, while the more difficult part between the river and 46½ miles is avoided, and it also avoids the ascent to Oruanui and descent thence to Taupo.

From the point of divergence from the company's line to the junction with route No. 3 a railway to Government standards can be easily and cheaply constructed. This route, however, is open to the same objections as No. 1 route, as it leaves Rotorua on a branch line. The distance from Putaruru to Taupo by this route is approximately 77 miles.

The estimated cost of a standard line, exclusive of payment to company for portions of its line utilized, is,—

	£
Putaruru to Kopoko: 23 miles, improving at £1,800 ...	41,400
Kopoko to 38 miles: 15 miles, reconstructing at £8,000 ...	120,000
38 miles to Taupo: 39 miles at £9,000 ...	351,000
	<hr/> £512,400

3. Rotorua to Taupo via Orakeikorako.

This route proceeds from Rotorua along the old Taupo Road to through the Hemo Gorge, where it diverges, pursuing a southerly course between the coach-road to Atiamuri and that to Waiotapu to the Whirinaki River, which it follows down to the Waikato River, which is followed up to a little past Orakeikorako, where it leaves and follows a nearly direct course to Taupo. The distance from Rotorua to Taupo will be about 56 miles.

This is a fairly easy route for a railway, no works of undue magnitude being required to obtain standard grades and curves. The disadvantage of the route is that it misses Waiotapu, and does not pass over such good country as route No. 4. There is nothing to recommend this route in preference to that *via* Waiotapu; on the contrary, the land is inferior, construction-works heavier, and the undulations of gradients are greater.

The estimated cost of this route is 56 miles, at £8,000 per mile = £448,000.

4. Rotorua to Taupo via Waiotapu.

This route follows the old Taupo Road through the Hemo Gorge, and thence generally the present coach-road *via* Waiotapu to Taupo, passing through Waiotapu. The length of the route is about 56 miles.

A railway along this route can be easily and cheaply constructed to standard grades and curves at less cost than any of the other routes. The estimated cost being, 56 miles at £7,000 per mile, £392,000, for a line suitable for an express train.

The difference in level between Rotorua and Taupo is 296 ft., and, as there are few rises and falls between, there is little more than the difference in level of the termini to overcome.

On the whole, it presents the best route for a railway to connect Taupo with the existing railway system, being easy to construct and possessing the possibility of rapid completion.

The sources of revenue will be—(1) Passengers; (2) timber from State forests; (3) farm-produce from the better class of country southward of Waiotapu. In addition it will prove an outlet to the pastoral country lying to the eastward of the Kaingaroa Plains.

When the connection between Rotorua and the East Coast Railway is made this route will form, with that connection, a direct line of railway from Taupo to the harbours of the Bay of Plenty, whence timber and farm-products may be exported, while the cost of conveyance by railway will be a minimum, as the line will fall all the way from Taupo to the sea, and avoid the climb to Oruanui on the way to Putaruru, and also Mamaku, between Rotorua and Putaruru. The distance by railway from Taupo to the Thames seaport *via* Oruanui and Putaruru is 149 miles; from Taupo to the Thames seaport *via* Rotorua is 170 miles; from Taupo to Tauranga *via* Rotorua is 103 miles. There thus appears to be a distinct saving in railway freight as between Taupo and Tauranga, and between Taupo and Thames, the next nearer shipping port due to the shorter distance. With the exception of the thermal region in the vicinity of Waio-tapu, the land along the route appears to be better than that along either of the other routes, as is evidenced by the greater extent of cultivated land to be seen.

Summary.

Name.	Length. Miles.	Cost. £
1. Putaruru to Taupo <i>via</i> Oruanui	67	451,400
2. Putaruru to Taupo <i>via</i> Atiamuri	77	512,400
3. Rotorua to Taupo <i>via</i> Orakeikorako	56	448,000
4. Rotorua to Taupo <i>via</i> Waio-tapu	56	392,000

From the above remarks it would appear that, whether the question be viewed from the standpoint of cheapness of construction, suitability of the line when constructed, future working-expenses, probable traffic and therefore revenue, or from the point of view of satisfaction to the travelling public, and the greatest good for the greatest number, the route from Rotorua *via* Waio-tapu is unquestionably the one to be adopted.

In conclusion, the question of the best route to connect Taupo with the existing working railway system having been discussed, the desirability of incorporating the Taupo Totara Timber Company's line in the railway system of the Dominion for the purpose of serving the country along its route appears a question on which the Railway Department should be consulted.

I wish to place on record my appreciation of the courtesy shown by the Taupo Totara Timber Company's officials in facilitating my inspection of the company's line, and in supplying me with all the information in connection therewith at their disposal.

4. Have you anything to add to your report?—I do not think so. I have not thought of anything since.

5. *Mr. Buchanan.*] In making your report you do not seem to have contemplated the use of the company's line as a light line?—As I said at the end of my report, I would prefer to leave that question to the Railway Department to give evidence upon, as that is the Department which has more to do with a light line after it is constructed than we have. They are more acquainted with its possibilities for traffic.

6. In the course of evidence a statement was made that to fit the light line for passengers it would require re-equipment with specially suitable rolling-stock: can you give the Committee any guidance on that point?—To work the line as an independent line for passenger traffic it would require very little improvement. As far as the rolling-stock goes, I think the company's stock would suit, but they have no suitable passenger carriages. They would have to be provided. I would like it to be clearly understood that the Government rolling-stock could not travel over the line.

7. The evidence taken gives the impression that it would be unsafe or impossible to get round the sharp curves at the speed contemplated for passengers—say, twenty miles an hour—without special rolling-stock, such as is in use on the light lines in America?—I do not think it would be possible to work the line at twenty miles an hour round the very sharp curves.

8. Even with special rolling-stock?—No.

9. Could you give the Committee any idea as to the desirability or otherwise of constructing a light line over such country?—I do not see myself why light lines should not be constructed over certain parts of the country, providing the public would consent to differential rating. It would be hardly possible to work them at the same rate as the general railway system, owing to the extra terminal charges for transferring goods from the lighter rolling-stock to the heavier.

10. Would the difficulty you now suggest as to transfer not be got over if light lines were constructed in certain parts of the Dominion and worked separately from the general system—say, for instance, as Kawakawa—not connected with the general system at all?—In the case of Kawakawa it will be connected with the general system, and the existing traffic on part of that line now requires a heavier construction on the southern end of the line.

11. Supposing a tract of country requires railway communication, but is not likely in the future to be connected with the main system of railways: would you advise in such a case as that that a light line should be tried rather than the present expensive system of building a heavy line?—There are few cases where I should be inclined to advocate a lighter form of construction. It is a very difficult question, because there are many points that govern it.

12. You mentioned the probable traffic on the railway from Rotorua to Taupo from the timber newly grown on the Government plantations?—Yes.

13. Is any of that timber fit now?—Not yet.

14. Can you give us any idea as to when you expect it to come into a fit condition?—I should say the larch-trees they are planting will be available for railway-sleepers within the next thirty years.

15. Two of the lines you have described will touch at Orakei?—Yes.

16. What is the relative attractiveness of Orakei on the one hand and Waiotapu on the other?—Orakei is a very poor place, and is altogether different from Waiotapu. In fact, you would hardly notice anything in the way of thermal activity unless it was pointed out.

17. In the case of tourists starting from Auckland and going from Rotorua to Taupo on any of the lines you have described they would have to return northward a certain distance if they wanted to go to Wellington or southward in returning to Auckland. They would have to turn back as far as Putaruru?—They would have to go back to Frankton if they wished to come to Wellington; but there is another route, to Waiouru, on the Main Trunk line.

18. Has any exploration been made from Tokaanu to Raurimu, which is only about sixty miles as the crow flies?—No exploration for that purpose, but I know the country well, and it is quite possible to construct a railway-line through Waimarino to Tokaanu at a very moderate cost. It is quite easy, but it would be a very long one.

19. What length?—About fifty miles, I suppose, although the distance to Waihi by the Native track is about thirty miles.

20. Would not that be a great gain to the tourist starting from Auckland, instead of his having to return back?—I do not think any tourist traffic would make the line pay.

21. But the country in the neighbourhood of Tokaanu and Rotoaira has been described to the Committee as very fine country: would not the produce assist to make it a payable line?—It would assist, certainly.

22. Is there any quantity of timber in that neighbourhood?—No, only a limited quantity.

23. Turning to the company's line, did you examine the class of sleepers that have been used?—Yes, I did in places.

24. Were they heart of totara, or what?—Those I examined were heart of totara. I did not examine them very closely. I did not go there with the object of valuing the company's line.

25. So there might have been considerable portions of rimu or other timber?—Yes.

26. Have you any doubt in your mind, assuming that the line from Putaruru to Taupo is adopted, as to the desirableness of bringing it up to the standard of Government railways?—I hardly think it would be desirable to do so. But I am of opinion that if the Government owned the line they would not be able to resist public pressure to bring it up to the Government standard, so that the ordinary rolling-stock could run over the line.

27. You are of opinion also that the prospect of traffic for the railway in agricultural produce, live-stock, and so forth, is not so good as from the tourist traffic?—I should look to the tourist traffic as the principal source of revenue for many years to come.

28. Is that opinion based on what you have seen elsewhere in pumice country?—Yes.

29. *Mr. Buick.*] Are you acquainted with the quality of the land on the spurs of Lake Taupo?—Fairly.

30. What is your opinion of the country round the lake?—I have a poor opinion of it.

31. Do you see anything to warrant the construction of the railway to Taupo to assist the country?—I should be very sorry to put capital into it.

32. Do you see anything to warrant the construction of a standard Government line at the present time?—Not at the present time.

33. I suppose you think the present light line will be enough for any traffic likely to be there for some years to come?—Quite.

34. Have you considered the advisableness of constructing a line from Tokaanu to Waiouru, on the Main Trunk line?—A line could be constructed between the two places, but I doubt if it could unless steep grades could be adopted, owing to the great height the line would have to pass over.

35. *Hon. Mr. Fraser.*] Did I understand you to say that the rolling-stock of the Dominion railways could not travel along a light line, or did you refer to this particular line of railway?—To this particular light line of railway.

36. Why could it not? I am not talking of the heavy engines, but of the ordinary rolling-stock, such as trucks and carriages?—They are not suitable to run round $1\frac{1}{2}$ -chain curves.

37. What is the minimum curve they are suited for?—The locomotives, I think, about $4\frac{1}{2}$ chains. The ordinary carriages and trucks could get round these curves at a very low speed, but the wear-and-tear would be terrific.

38. If the curves were not so acute as they are, would the mere fact of it being a lightly constructed line and the speed low prevent the rolling-stock travelling over it?—There would have to be some restriction placed on it. Some of the rolling-stock could pass over the light rails. Some of the rolling-stock is as heavy on axle-load as locomotives.

39. Could a loaded truck passing over a light line be used without having to transfer its load to another truck to go along the regular lines of the Dominion?—If the curves are flat enough, then the lighter rolling-stock could be used on the line, such as the short Ms and the L wagons.

40. If properly selected rolling-stock were used there would be nothing to prevent goods such as timber, agricultural produce, or even passengers being carried on the line without transference at a terminal point?—That would be quite possible.

41. The curves on this line are very sharp, are they?—Very sharp indeed.

42. Are the trucks that pass along the sharp curves carried right through after arriving at Putaruru?—No, they stop at Putaruru, and their freight is transferred to the Government wagons.

43. Is that absolutely necessary in your opinion?—Yes. My reason for saying so is that the company's wagons are not up to the standard required by the Railway Department, travelling in long trains. They are not able to stand the shock when forming part of a heavy train.

44. That is because of the peculiar construction of the trucks?—The truck on the whole is not strong enough.

45. But could trucks be procured and built that could travel equally well on the heavy or light line?—Yes.

46. It is only because of the peculiar construction of these trucks in being light that it is not advisable to take them along the main line?—Yes.

47. In your estimate of cost of transforming the company's line into one of standard gauge I understand you did not take into account the value of the present line: your estimate of £451,000 was over and above the value of the present line?—Over and above whatever moneys would have to be paid to the company for such parts of the line as would be made use of.

48. Have you formed any estimate at all of what value that line would be to the Government if they were to take it over and transform it?—No.

49. Do you think yourself that the traffic along that line from Putaruru to Taupo, supposing it were extended, would be such as to warrant the extra cost of making it a standard line?—No, I do not.

50. Did I understand you to say that the line at present built and existing there, if extended to Taupo on the same basis of formation, would not answer the purpose of that district?—It would answer the purpose of the district, most decidedly.

51. What would it cost to alter the curves, apart from the cost of bringing it up to the standard of the Dominion lines: would it be anything like as great as £450,000?—No, it would not be as much as that.

52. Did you form any idea of what it would cost?—I did not go into that.

53. In your estimate of £450,000 you must have taken into consideration the cost of altering the curves?—No. Where the line would have to be altered to bring it up to the standard the present line would have to be abandoned entirely.

54. Do you not think it would be possible to alter the present line by making better curves?—The curves could be improved slightly in places.

55. Are there many of those curves?—Yes, miles of them.

56. You could not form any estimate at all of what it would cost—you would not like to commit yourself?—No.

57. Do you think, if the curves were improved and the expectations of settlement in that district were realized, it would be possible that a light line might be worked at a small loss where a heavy line would involve great loss?—That is quite possible.

58. What is the nature of the country it passes through?—It varies considerably. Some of it is easy undulating downs country until you commence to climb over the Wawa Hill; then there is some flat land in the Waikato Valley.

59. What is the height of the Wawa Hill?—It is some 400 ft. or 500 ft., I should think.

60. Is that between the present terminus and Putaruru?—It lies between Putaruru and the Waikato River.

61. Is it between Taupo and the present terminus?—No.

62. Then they pass over it now?—Yes.

63. *The Chairman.*] You said in your report that the main line is ballasted with different material from the line between Rotorua and Putaruru?—Yes.

64. What is the main line ballasted with?—Pumicy gravel, I think.

65. Both lines are ballasted with the same material, then?—Yes.

66. We have had it in evidence that if the company's proposals are adopted the trains could run over the line up to an average of fifteen miles per hour, but they would have to slow down at the curves. That is really what you told us, is it not?—Yes.

67. We have been told also by the company, and I think it is on record in Mr. Coom's report to the company, that the alterations of the line could be made for £5,000 or £7,500 to enable it to run up to fifteen miles per hour: do you think that is feasible?—That sum of money would not cover any alterations to the curves; all it would be for would be the widening-out of some of the cuttings.

68. Mr. Coom says, "I am of opinion that had the banks been originally constructed to the full width of 10 ft., with $1\frac{1}{2}$ slopes, they could not have weathered to their present width, and it will be necessary to widen them before applying for a license to carry passengers. The work is not a heavy one, and I think the whole of the banks could be made 8 ft. wide at formation-level for an expenditure of from £300 to £400." That is with regard to the banks. At any rate, it has been given in evidence that the banks and curves could be altered for from £5,000 to £7,500 to enable trains to run at an average speed of fifteen miles per hour. Do you think that is possible?—I do not.

69. *Mr. Dalziel.*] Have you gone exhaustively into the question in arriving at these estimates?—Not by taking out quantities. I have only made up the estimates from my own judgment gained by long experience of railway-construction in New Zealand—from my experience as applied to this pumice country.

70. You did not spend much time in going over the line—one day on our line and one day over the other routes?—Two days on the other routes. Of course, I had some knowledge of the country.

71. Mr. Coom is a well-known engineer of high qualifications, is he not?—Yes.

72. And reliable?—Yes.

73. You know him well, and that is your opinion of him?—Yes.

74. Mr. Fulton is also an engineer of high qualifications, is he not?—Yes.

75. And also reliable?—Yes.

76. You might differ from him, but you believe he would give an honest opinion?—Yes. I would not rely upon his opinion as being correct, but I would rely on his honesty in giving it.

77. You know that his experience has been considerable?—Yes.

78. You have had many years' experience in public works?—Yes.
79. About how many?—I have been forty-one years engaged in railway-construction.
80. When you started the standard was very different from the standard of to-day?—Yes.
81. For instance, what were your standard curves?—I do not know that we had any fixed standard particularly. The sharpest curve we endeavoured to use was 5 chains. I have known sharper curves to be used. We had a $4\frac{1}{2}$ -chain radius on the Greymouth-Brunner Railway.
82. What you sought to use was a 5-chain curve as the sharpest curve?—Yes.
83. That was on main lines?—Yes.
84. What rail did you use at that time—the minimum weight?—28 lb.
85. Those were on district Government railways?—Yes.
86. And how about the sleepers: was it similar to the present Government sleeping, or better, or worse?—There were fewer sleepers used.
87. Fewer than to-day?—Yes.
88. Then you know that our line has more sleepers than the present Government standard?—Yes.
89. So that 30 lb. rails with the present sleeping of the Taupo Totara Company's line make it equal to many of your district railways in past times?—Yes, better; because more sleepers have been used with the same weight of rail.
90. I want to make this quite clear: I understood you to express the opinion that this line as constructed to-day is sufficient for the carriage of the goods traffic of the Taupo district?—Yes.
91. I also understood you to say that the line could be made at comparatively small cost capable of carrying passengers safely?—Yes.
92. In making your report I gather—and I would ask you to confirm this or not—that you were advising on what would be the best line to serve the Taupo district as a permanent railway for all time?—My instructions were to report as to the best route to connect Taupo with the existing railway system.
93. In carrying out those instructions you were looking, quite naturally, to bringing the service of the country up to the present standard?—Yes.
94. And you took into account the fact also that this country would be served by the Tauranga Harbour?—Yes.
95. Because you refer in your report to the Oruanui height, and suggest that it is inadvisable to go over that height?—Yes.
96. You know that the present Rotorua line at Mamaku is the same height as Oruanui?—Yes.
97. So that while Auckland has to serve the Taupo district you have to go over the same height on the Rotorua line as at Oruanui?—Yes.
98. These two alternative lines would have to get to the same height?—Yes.
99. *Mr. Buick.*] Is Oruanui on the present portion of the line?—It is between Mokai and Taupo.
100. *Mr. Dalzell.*] In comparing the traffic from the respective districts you relied in the first place upon the passenger traffic. Can you say this: would you advocate to-day the construction of a standard line from Rotorua to Taupo for the sake of the passenger traffic?—Not at the present time.
101. How long, from your experience of the past construction of railways, will it take—assuming it is determined in the near future to construct this railway from Taupo to Tauranga—to construct the standard line, considering the usual amount that is set apart annually for the construction of railways?—The line right through would be about ninety miles, and I suppose it would average about £8,000 per mile to construct, and if we multiply those two sums together and know the amount the Government is likely to spend annually we can arrive at a decision.
102. Say that provision is made for it?—I suppose it would be about five miles a year.
103. That is about eighteen years?—Yes.
104. You referred to the timber traffic: of course, you have in view the distant future, about thirty years hence, the timber from the State forest?—Yes.
105. Then the produce of the district, as you rightly say, is very little?—Yes.
106. So that, in your opinion, it would not pay to construct that railway in the near future?—That is my opinion.
107. You have had a great deal of experience in the development of country: can you tell us whether it would be an advantage to serve this country by the proposed extension of this line to Taupo in order to give steamer service all round the lake, apart from the question whether Government or private enterprise has to do it?—One would naturally look to steamer service on Lake Taupo as a source of revenue to the railway.
108. Do you think it would be an advantage to extend that line at the present time in order to develop that country?—I am hardly prepared to say Yes or No to that question.
109. With regard to the question of sharp curves: you referred to many sharp curves on portions of this line—I think they are limited to the section from the river to Mokai?—I think there is a large number in climbing up the Wawa Hill. Until you start climbing that hill it is a very good line.
110. The matter of curves is merely a question of speed?—Speed and wear-and-tear of rolling-stock, also power.
111. That difficulty is a good deal removed by the provision of special rolling-stock?—Yes.
112. *Mr. Buchanan.*] There is a point of importance mentioned in your report, as to the portion of cultivable and uncultivable land in that district, and you have expressed the opinion that it depends upon whether the land is cultivable or not as to whether it could be put to use?—Yes.

113. You still adhere to that?—Yes.

114. I think you said, roughly speaking, that one-half was uncultivable?—About that, on the company's line.

115. Assuming the Government to adopt a light system of railways and the company's line met the Government requirements, would you recommend it as applied to light railways?—I do not think I should advocate such sharp curves as have been adopted in this case.

116. *Mr. Buick.*] What is your opinion of Wairakei as a tourist resort?—I think it will always be a very great attraction.

117. Do you not think it is one of the greatest thermal attractions in New Zealand?—I think so: there is greater variety there.

118. *The Chairman.*] I find here in Mr. Coom's report the estimated cost of the alterations and additions to the company's line: "Widening cuttings, Lichfield-Kopokoraki, £25; widening banks, Lichfield-Mokai, £400; accommodation at stopping-places, £200; providing stop-blocks and point-locks at sidings, say, £50: total, £675." He does not say anything about the curves. Could that be done, in your opinion?—I do not think he could do it for that.

THOMAS RONAYNE sworn and examined. (No. 22.)

1. *The Chairman.*] What is your profession?—General Manager of the New Zealand Railways.

2. We have asked you to come here to-day to give us any information you can that will help us in framing our report and in advising the Government in connection with the prayer of the petitioners. We would like you to tell us anything you know about the line run by the Taupo Totara Timber Company?—With regard to the line itself, my personal knowledge is practically limited to an inspection of that portion of it adjoining Putaruru, which really counts for nothing. I have knowledge of the history of the line, having from time to time been consulted by Mr. Fulton, who was engineer for it. The original intention, I understand, was to lay the line with timber rails, and it was sleepered to suit the timber rails; consequently the sleepers are more closely spaced than they would be under ordinary conditions. Ultimately it was decided to put down 30 lb. steel rails. The sleepers are 7 ft. by 7 in. by 5 in., and the standard of the Government lines is 7 ft. long by 8 in. by 5 in., which means that the company's sleepers are 1 in. narrower. That is the position with regard to the line. I was consulted about the rolling-stock, and strongly advised the company to build stock that would be interchangeable so that it could run over the Government lines, and thus save the very heavy cost of transferring the timber, which is an expensive item. To that end the engineer was supplied with the standard of the New Zealand railways, but for some motive best known to himself a different class of rolling-stock was built, and it is not of a sufficiently strong description to justify the Railway Department allowing it to run over the New Zealand railways. But from a personal inspection of some of the bogie wagons, I have come to the conclusion that these wagons could be altered without incurring a very large expense and made suitable for running over the Government railways. The wheels and axles are not up to our standard. You might like some information in regard to what revenue the Railway Department would receive—say the additional revenue—if it had been working the railway for the financial year ending 31st March last. I got the figures wired in a hurry from Auckland, and it is just possible they may not be quite correct, but I should consider them approximately so. There were 1,728 tons of posts. I understand the company debit their mill account with freight on these posts, £900, for the use of their railway, the Government getting a revenue of £657. The through rate in accordance with the present railway tariff would be £818—that is, the Government would receive £161, for which the company debit themselves at the present time £900. These are the figures I have. The same deduction applies to timber. There were 7,452,000 ft. of timber sent by the company's timber mill; revenue, £15,218. The through rate would be £14,594, and the railway rate £11,178, so that the Government would receive £3,416. On merchandise there was only 319 tons outwards; I have not got the inwards. There were 93 tons outwards from the company, whose rate was £168. The Railway got £276, and the through rate would be £310; so that the additional sum the Government would receive on account of the 93 tons from company's line to Putaruru would be £34, as against £168 which the company received for the same service. There are other items. There were 960 tons of minerals—I presume that would be coal—for which the company received £1,224 and the Railway got £460. The through rate would be £552. The minerals would be carried at the lowest rate in the tariff—that is, Class Q—so that the company got £1,224 for freight on the 960 tons, whereas on a through mileage basis the Government would only get an extra £92 from their terminus to Auckland—from Mokai to Auckland in each case. It goes to show that the Government would get very much less out of the line than the timber company are getting at the present time, which is the reason why I produce the figures. Now, there is the question of rolling-stock: If the line were to be worked as a passenger line cars would have to be built for it with suitable bogies to work 1½-chain curves. I am assuming that the Government could work the line the same as the company is doing at present, without any alterations at all. But not for a moment would I advocate working round 1½-chain curves, because the wear-and-tear on the rolling-stock and the increased haulage are very serious matters. The cost of a second-class car suitable to work on the present line would be £750, and the cost of a first-class car would be about £925. The cost of a U truck would be £280. The U truck has a carrying-capacity of 16 tons, and it is a bogie truck. You must understand that I am of opinion that that line can only be worked with bogie rolling-stock. It is quite out of the question to think of running four-wheeled stock on a long wheel base round curves of that description. It would be quite feasible to haul them round if the track were in good condition, but the wear-and-tear would be altogether out of the question. So that it is possible on the present 30 lb. steel track to work any traffic that might be required to go on or off that line with certain classes of the existing

rolling-stock in use on the New Zealand railways. It is possible that some alterations might be required so far as the cars are concerned, and they might have to be restricted to that particular line; but I do not think the same contention would apply to bogie trucks which are in use at the present time, and the business would have to be done with rolling-stock of that description, as I believe it is being done at the present time. I think the company have one four-wheel brake van, but I am not quite sure. When I was at Putaruru some time ago I took the opportunity of examining the truck tires, and I found the wear-and-tear was very severe indeed. Even with bogie stock it goes to show that on curves of $1\frac{1}{2}$ -chain radius the wear-and-tear is very excessive. The sharpest curve that we have on the New Zealand railways, with the exception of the $4\frac{1}{2}$ -chain curve that Mr. Holmes mentioned—and that has been improved—is 5 chains, but we have sidings with curves as sharp as 3 chains; the Department is eliminating these curves even on sidings, making the worst curve not less than 5 chains. Something was said by the previous witness as to what it will cost to put rolling-stock on the line. Well, I have taken the Gisborne Railway, with a mileage of thirty-one miles to Otoko. The value of the rolling-stock on that line is £29,680. There are three locomotives, ten carriages, one horsebox, four cattle-trucks, twenty sheep-trucks, thirty-one L wagons, thirty-five M 8-ton wagons, eight U bogie wagons. The total cost is £29,680. The same class of plant would not be suitable for the Taupo Totara Timber Company's line, because you would require bogie trucks only; four-wheel wagons would not work the curves.

3. That would be more expensive?—Yes. I do not think, if you were to provide new rolling-stock, working the present business and, in addition, the passenger traffic, you would have to spend more than £30,000 for equipping the line with new rolling-stock. I have information which might be of interest to the Committee. It refers to the Darjeeling-Himalayan Railway in India. In some respects it is similar to the Taupo Totara Company's line.

4. *Hon. Mr. Fraser.* Is it the same gauge?—No, it is a 2 ft. gauge, fifty-one miles long, which, "starting from Siliguri, 398 ft. above the mean sea-level, rises to a height of 7,407 ft. at Ghoom Station, forty-seven miles distant. It then descends to Darjeeling, which lies four miles further on, the terminus itself being 6,812 ft. above the sea-level. Although of only 2 ft. gauge, the construction of this line presented serious difficulties, the steep ascent requiring the provision of frequent loops or spirals and reverses, one of the latter having gradients of 1 in 28. The average ascent for the forty miles between Sookna and Ghoom is 170 ft. per mile; for the first seven miles to Sookna Station the gradient is gentle, but from this point to the summit at Ghoom the average gradient in the sections varies from 1 in 29 to 1 in 37, and curves of 70 ft. radius are numerous. To work such a difficult line with safety the ordinary locomotive is ill adapted, and a special locomotive was designed." That goes to show that it is possible to work lines in special circumstances having worse curves than the $1\frac{1}{2}$ -chain curves on the Taupo Totara Timber Company's line. I produce a photograph of the engine. Then, again, in Tasmania they have a similar locomotive working a line there where the conditions are very severe. They are called "Garrett" locomotives. They are specially designed to work round short curves. With regard to the report of Mr. Coom, late Chief Engineer of the New Zealand Railways, I desire to say that the cost per mile of relaying a 55 lb. track with 70 lb. rails would mean £1,400 a mile. In this connection I might say that we had a very large mileage of 30 lb. track working in the South Island. Iron 30 lb. rails were used, with the exception of those laid on the Outram Branch, which were 28 lb. to the yard; also the Sentry Hill line to Waitara; but the traffic was not heavy on those lines. The fact, however, remains that we got about thirty years of life out of this track. They were iron rails, and in the days when they were rolled it was excellent iron that was used, and of a very much better description than you could get to-day for the same purpose.

5. *Hon. Mr. Ngata.* Not so good as steel?—I beg to differ with you, because corrosion goes on with steel, and the Railway Department have had to relay what a layman would say was an excellent track, because of the wasting by corrosion of steel rails. This obtained on the Manawatu line when the Government took it over. On the sea-coast, as on the line from Timaru to Oamaru, the wasting by corrosion is very severe, and I went so far as to ask English rail-makers whether we could not get iron-rolled rails instead of steel, but the cost was so great as compared with steel that I had to abandon the idea. It would be cheaper to put in two steel rails in place of the iron one. Assuming that the Department had to relay the line with 55 lb. rails, which is the standard for branch lines—it is 55 lb. for branch lines where we shall never have a heavy fast traffic—it would cost £1,150 to relay the company's line per mile, or a total of £57,500. I consider it would not be a prudent thing to do, because there is at present nothing to justify so large an expenditure, so long as you could carry the traffic on the existing line running at a certain rate of speed. The difficulty I see, if the line were taken over by the Government, is that pressure would be brought to bear—as it always has been, and will be under the present system of railway control—to compel the Department to put on unnecessary trains, which would swamp the whole business. Each train costs 5s. 10½d. per train-mile. In my opinion the company could manage the business much more economically than a Government Department. The late Manawatu Company is a case in point. When that company managed the line people went to the general manager for extra trains, and he said, "You will have to give us a guarantee if you want an additional service." The service on that line has been greatly improved, and yet the public want more trains and are everlastingly petitioning the Minister and coming to the Department for additional services. Mr. Coom mentioned that it would only cost a nominal amount for equipping the stations. I take it for granted that the settlers would want a shelter-shed with lock-up rooms, and that would cost £40. A ramped platform would cost £20, and some people are not satisfied when they get one; they want a platform with concrete or timber face. Then they would want stock-yards and a goods-shed. The goods-shed would be required to shelter the manures and goods. Then there are approach roads, &c.; and the estimate for

equipping a station would be about £610. There is no Board of Trade here to compel the company to provide signals, but two of these would cost £40 each. If the country became settled we should be asked to fence the track on both sides which, with crossings, gates, &c., would cost £150 a mile; and if cattle-stops were put in each cattle-stop would cost £30. With regard to the sleepers, the number per mile should be 3,500 for a 30 lb. rail, but our 30-lb.-rail track is all up-rails now, and we relaid our 50 lb. track with 53 lb. second-hand, taken from the main lines. The sleepers should be spaced about 18 in. apart. The company's sleepers, I believe, are spaced 19 in. apart. The number of men required to keep the track in order, in accordance with the experience of the Department, is one man per mile and a quarter for a 30 lb. track, and one man for every two miles on a 55 lb. track; so that a ganger and six men would have to be employed on a 30 lb. track as against four men on a 55 lb. track. That is what we have found to be necessary in actual experience. If the line were completed to Taupo it would take nine hours on the journey from Auckland and twenty-two hours from Wellington. The locomotives used by the company are geared locomotives, which are doing successful work throughout the country, but the speed has to be limited to from eight to ten miles an hour, otherwise the wear-and-tear is very excessive. It takes eight hours to do fifty miles. The heavy grades are taken slowly, and no doubt they slacken down when going round the sharp curves. The formation of the track is good, and the ballast is pumice. The Railway Department uses gravel pumice on the Rotorua line, and the ballast is of the same general description. Pumice is not a very satisfactory ballast. It is subject to being blown away, and has to be renewed frequently. The Department is replacing it as fast as possible with broken-metal ballast. The maximum axle-load which could be allowed to run on a 30 lb. track would be 5 tons 16 cwt., which is our standard.

6. *Mr. Buchanan.*] Are you of opinion that the rolling-stock should have been made heavy enough to admit of its running on the Government lines?—In the interests of the company I think it should. It might have cost 25 per cent. more, but it would have saved the cost of transferring the timber at Putaruru, which probably costs 6d. per 100 ft.

7. You have shown that there is a wide difference between the freight charged by the company, for account purposes, for the carriage of timber on the company's line and what would have been received by the Government if it had worked the line, say, in conjunction with the general lines?—That is so.

8. Could you give us a general percentage—that is, how much less per cent. would the Government get for carriage if it took over the line?—It would require working out. I have quoted the figures.

9. The Committee have had an offer of a guarantee of £11,600 for fifteen years in freight: how would that item stand if the line were taken over by the Government?—I do not know that it would stand. If it were a cash guarantee it would stand. We have had guarantees before.

10. *Mr. Dalziel.*] Not of this kind?—No, not of this kind. The £11,600 would be very much more. According to my figures, on the basis of last year's working, the Government would get £3,900. Now, according to the company's proposal, instead of getting £3,900 we should get £11,600; that is the position. But the Government would not be dealing with the company for their business alone; the settlers along the line would have to be given the benefit of the ordinary Government tariff rates. You could not charge a settler on the £11,600 basis, because on the company's basis they are debiting themselves for freight with a very much larger amount than they would be debited if the Government were working the line.

11. You gave us a sketch of the number of men required in given mileage for maintenance: do you not think the cost would be less on pumice country, which does not grow grass, than on, say, the New Plymouth line, where you have difficulty in keeping down the grass?—It is a dry climate, but the maintenance of that line would require less than two miles to the man. The heavier the rail the easier the maintenance.

12. Can you give us any opinion as to the advisability of inaugurating light lines in different parts of New Zealand?—In Mr. Hall-Jones's time—he was an advocate of light lines and also of a broken gauge—a light line was constructed from Stratford to Toko, which will ultimately become the main line between New Plymouth and Auckland. He wanted a broken gauge and 40 lb. second-hand rails. He had the bridges built of timber, which was obtained on the spot—rimu and so on—and the banks and cuttings were made exceptionally narrow. Later on the Railway Department had to relay that line with 53 lb. steel rails and renew all the bridges. That was a bad sample of light railway. When the idea was broached of breaking the gauge, I offered on behalf of the Railway Department to build that line for the Public Works Department with the standard gauge for the same amount of money which they proposed to allocate for it on the broken gauge—I think, 2 ft. 6 in. The result was that there was no break of gauge. There are parts of New Zealand where light railways could no doubt be made with advantage to the country at a fair and reasonable cost, the same as was done in Canterbury years ago; but you must have suitable rolling-stock and light engines. The Department worked the traffic with 30 lb. rails successfully in Canterbury, and had about two hundred miles at one time. It is not a light railway as interpreted in England, where they put a heavy rail down, but it is what I call a light railway. In fact, the New Zealand railways as built to-day are light railways according to the interpretation an English railwayman would put on them.

13. Can you give us a general idea of the difference in cost between what you would call the most useful light railway for New Zealand and the present standard line?—It is very difficult to arrive at that. It all depends on the country you run through. I could not give you an estimate without going into the matter carefully.

14. With your experience of some of the lines in New Zealand which have been losing money for years, could you have saved that money if light railways had been adopted instead of standard railways?—Of course, if you could reduce the capital cost very largely it would alter the situation. If you had £50,000 to find interest on instead of £100,000 it might be a reasonable proposition.

15. *Mr. Buick.*] Do you think the company's line is sufficient for immediate requirements?—I have no knowledge of the district. The function of the Railway Department is not to prospect country for railways; we simply have to work railways as we receive them, whether they are good, bad, or indifferent; whether required or not required. In my opinion many should never have been built, because they have no possible chance of paying. Again, they might be wanted to develop the country, but the necessary good country is frequently not there.

16. *Hon. Mr. Fraser.*] The question of the guarantee by the company, I presume, would work out in this way: that you would show how much you had received, supposing you were working that line, and the difference between that amount and the £11,600 would have to be made up by the vendors?—Yes, you would render an account. The ordinary methods of dealing with it would be by keeping an account of the revenue received, and at the end of each year render an account to the company representing the difference between what you had received and the £11,600. It might be done in that way, in which case the company could arrange to give the individual settlers the benefit of the Government rates.

Mr. Dalziel. What we guarantee is this: that we would provide £11,600 for the timber freight alone. That is reckoned out in this way: last year our output was 7,000,000-odd feet. We can guarantee 10,000,000. The £11,600 is the present freight on Government lines of our timber. That is in addition to whatever may be obtained from other goods.

Hon. Mr. Fraser. Is your £11,600 guarantee based upon freight that would be paid for on the short line, or the amount the Government would receive if it worked the railway as a long line?

Mr. Dalziel. We guarantee the freight on the basis of the short line.

17. *Hon. Mr. Fraser* (to witness).] I take it that the difference you have shown as to what you have received and what the company was receiving was because the company was crediting themselves with the amount for the short line, whereas you would only get the proportion on the long-line carriage—that is, from Mokai to Auckland?—Say the present rate charged is 1s. for that mileage: the through rate would probably come to about 4d., as against 1s. added to the rate from Putaruru to Auckland. This is only figurative.

Hon. Mr. Fraser (to *Mr. Dalziel*): This £11,600 is not really a guarantee of the 10,000,000 ft. of timber, because you would not be allowed to deduct what you actually received from the £11,600.

Mr. Dalziel. We would guarantee an output of 10,000,000 ft., and undertake to pay at that rate.

18. *Hon. Mr. Fraser* (to witness).] Supposing you were running the line for freight and timber from Mokai to Auckland, the proportion of what you received and you would credit to the company would be the ratio between the mileage on their line as compared with the whole line?—Yes.

19. In regard to light lines and standard lines: can you tell me what is the ratio of the cost of the rails to the whole cost of the line? Give it first in regard to a standard line?—55 lb. rails would cost about £700 per mile—that is, for the rails only—and 30 lb. rails would cost about £400 per mile.

20. You would save about £300 per mile on a light line?—Yes. It is a saving I would not advocate. I am an advocate for a heavy rail, even if you call it a light line.

21. What would you say is the difference between a light railway and a standard railway?—It is largely controlled by what we call the axle-load.

22. What is the difference between a standard light line and a standard heavy line of railway: is it chiefly in the weight of the rails apart from the rolling-stock?—On the 70-lb.-rail track the ballasting is generally heavier, because it carries a heavier load; and the cuttings on a light line may be narrower and the bridges cheaper in construction. It depends upon the load you want to put on the bridges—it depends upon the axle-load. There is no difficulty in designing a locomotive to work on a 30 lb. track; there are plenty of locomotives nowadays that will do that.

23. *Mr. Buchanan.*] You save 40 per cent. on the rails: would that apply to other items of construction?—I would not go so far as to say that. In Australia they have so-called light railways across the prairies.

24. They have them in Queensland?—Yes, 3 ft. 6 in. gauge.

25. I have travelled along a line which cost only £1,200 a mile?—Yes; that is in the sugar plantations.

26. You said that the line from Stratford was originally laid as a light railway?—Yes, it was called so.

27. How long was it kept in use?—Seven or eight years. By that time the bridges had to be renewed.

28. That is on the Stratford-Ongarue line?—Yes.

29. There were no fast trains on that line?—No. There was a fairly heavy timber traffic on it for a time.

30. *Hon. Mr. Ngata.*] Assuming that it is proved that this pumice country is capable of being profitably cultivated, would not the other element enter in of public pressure being brought to bear to convert the light line into a standard line?—I quite agree with you there. They would not only agitate to have it converted into a standard railway, but advocate express trains going to Taupo. My experience is that it only requires a certain amount of squeezing or agitation for people to get what they want.

31. The whole question depends upon whether there is the country there to warrant it?—Yes. If there were likely to be dairy factories established there the prospects would be very much better.

32. *The Chairman.*] You are against light lines, or railways costing £2,500 a mile?—I look upon this as a tramway more than a railway.

33. Are you in favour of or against such a system, to act as feeders to the main lines?—There are feeders now in certain districts, or short lines of railway acting as spurs off the main lines. If worked for slow traffic they are certainly worthy of consideration, but I certainly would not put down a 30 lb. rail. The maintenance of a 30 lb. track is excessive in cost as compared with that of a track carrying a heavy rail, and the price you have to pay for labour at the present time is a very serious item.

34. We have been told that the line cost £2,500 per mile to construct, also that the company can carry goods and passengers as safely as you can carry them on the main lines, the only difference being that the trains would run slower. Do you think it would be proper policy for us to recommend the Government to purchase this line, or to fall in with the request of the petitioners and allow them to construct the line from Mokai to Taupo on the condition that it had to be purchased with land grants and all the other terms set out in the petition: do you think, in the interests of the country and from a railwayman's point of view, it is desirable we should do that?—It is a matter of public policy. I would prefer that the company should do it. As to the purchasing clause, I am not so sure about that. I do not agree with the evidence as to the amount of traffic to be carried. The maximum load we could allow would be 27 tons, weight of truck included; that would be our maximum axle-load if we worked the line. That would allow us what we consider a sufficient margin of safety.

The Chairman: A general statement was made that they carried as much as they were able to do on the other lines.

35. *Mr. Dalziel.*] I did not intend it to be understood in that way. The load on our timber-trucks is as great as the load carried on their timber-trucks. In fact, we had to ask the Railway Department to raise the staunchions of their trucks?—Yes; timber varies very considerably in weight.

36. On the question of a through rate: the figures you gave were given without your having an opportunity of going through them?—Yes; I have not had time to go into them exhaustively.

37. You gave them hurriedly, necessarily?—Yes; certainly I am not going to vouch for their correctness.

38. You based your estimate on a through rate from Mokai to Auckland?—Yes.

39. That is assuming that all the timber goes through from Mokai to Auckland?—Yes; but it does not follow that it does.

40. The bulk of it does not, I believe; it is distributed all along the Waikato?—Still, my statement holds good in the same degree.

41. Mr. Holmes in his evidence suggested that district railways ought to be run on some system of differential rating: that would get rid of the difficulty you suggest?—What I imagine Mr. Holmes meant was that in order to make a railway pay where the traffic will not pay at the ordinary rates you should have increased special rates for that particular line. That system was applied to the Kawakawa line when Mr. Cadman was Minister of Railways. The rates were increased there at the request of the settlers, and with the view of keeping the line open and making it pay, but it was quite impossible even with the increased rates; and after the increased rates had operated for a time the settlers resented the increased impost and agitated to have it removed. They objected strongly, and after a time, when Sir Joseph Ward became Minister for Railways, he realized that it was not a proper thing to enforce the higher rates simply because the line was not paying. I think something of that kind was in Mr. Holmes's mind.

42. You have said that in your opinion our trucks should have been built to your standard, so that they should have been transferable?—Yes, that is my opinion.

43. You have not gone into the cost of demurrage, and so on?—No.

44. It might pay us to tranship rather than to pay the cost of demurrage you charge?—I cannot see how that contention could stand.

45. Well, your demurrage charge was so high that we thought it would be better to tranship?—I think you are mistaken there.

46. Taken on the whole, you say that a line such as this can be worked safely both for goods and passengers?—Yes, under certain conditions as to restricted speed.

JAMES BURNETT sworn and examined. (No. 23.)

1. *The Chairman.*] You are Chief Engineer?—Of Working Railways.

2. We have asked you to come here to-day to give us such information as you can on the matter we have to advise the Government upon. We are asked to give our opinion as to whether the prayer of the petition should be acceded to, and we want you to give us all the information you can upon everything connected with the petition?—Well, as I have no knowledge of the country traversed, or of the line referred to, as between Mokai and Putaruru, I do not think that any statement I could make would be of any value.

3. You have not been over the line?—No. I just know in a general way that it is a line built with 30 lb. steel rails and with a large number of sleepers.

4. Can you give us your opinion as to the value of light lines as feeders? This line cost £2,500 a mile, and witnesses have told us that similar lines working in other parts of the world are working satisfactorily. Can you give us your opinion as to light lines such as those in the South at Waikaka, Switzers, and other places?—I think the economies that can be made may, in certain districts, justify the substitution of a cheaper form of construction than the standard form; but it is essential that the ordinary rolling-stock of the main lines should be able to traverse all the spur lines from the main lines, otherwise the cost of transshipment limits the usefulness of the line too much. There is always a difficulty, or has been in New Zealand, in confining the

runs of light engines to the light railways. There has always been pressure brought to bear, in order to limit the number of trains and to get full loads, to have all the lines available for the heavier class of engines. The result is that, after a lightly constructed line has been in use for a comparatively short time, we have been forced to increase the strength of the line in order to carry the ordinary engines. The economies that could be made would be in the form of earth-works, ballasting, station equipment, fencing, and so on. There would be a moderate percentage of saving, but I cannot tell you the percentage. I would not advocate a lighter rail than from 50 lb. to 55 lb. over any line, but second-hand rails can be used for them, and have been.

5. *Mr. Buchanan.*] The objection as to the difficulty of interchange of rolling-stock would not arise in the case of a light line detached from the main lines, such as the Kaihu line, until the line was connected with Kawakawa?—No.

6. You would not object to the light lines being detached from main lines although the rolling-stock would not meet the requirements of the standard line?—Not so long as there was no reasonable prospect of their being coupled up.

7. How, then, would you work a light line connected with the main line if the rolling-stock was not allowed to run on the light line: you would have to take some of the load off, or in some other way arrange so that the rolling-stock would run with safety along the light line?—That is the difficulty; your freight must go through on the one bottom without being disturbed, or else you bring in an excessive cost.

8. You could not give us a rough idea, on average country, of what the difference in cost would be between a light line and a standard line?—I would not like to do so offhand.

9. *Mr. Buick.*] What is your interpretation of "rolling-stock"—does it mean engines as well as other things?—Yes.

10. Would it be any detriment to have a special engine for a light line?—Yes, your engine often needs to go partly on a main line and partly on a branch line, and your heavy engine is very often used on branch lines. You cannot do good service on your light line otherwise.

11. There would be no harm in having a special engine for a special line if the work warranted it?—No, if the work warranted it; but the more types of engines used the more expensive it becomes.

12. *Mr. MacDonald.*] The district of Taupo contains a huge area of country different to that of any other part of New Zealand, and it needs a different system of transport to assist settlement. It has been stated on expert authority that they could not run a fully equipped line on the same system as the Government railways, therefore the question is, Could not a light line be run suitably even if it had not the same rolling-stock as the standard line?—I should think under those circumstances, if the country will stand it, it might be an economical thing to do.

13. *Mr. Buchanan.*] Looked at from a railway point of view, what is your experience of the increase in traffic, or otherwise, derived from pumice country of the class which this country is supposed to be? Has your railway experience been encouraging as to the traffic derived from pumice country?—Yes, my own observations with regard to the line that is at present in use are that the pumice country—I include such country as Matamata, which, I should judge, has been brought into very profitable occupation; and if this other country is similar I would assume that it has a very good prospect.

14. *The Chairman.*] Mr. Holmes speaks of making this line, or portions of it, for £8,000 a mile: we have had it in evidence that it was constructed for £2,500 a mile, and also that the settlers are being served already. Do you think it would be a reasonable proposition to carry the line on to Taupo, alter the existing line by straightening out the curves, and make it fit for running up to fifteen miles an hour with passengers, for £7,500?—I can hardly express an opinion on it without knowing the country or the line. The estimate sounds exceedingly small, but my opinion upon it can be of no value without more knowledge of it than I have.

15. It is stated that for an expenditure of £7,500 the line could be made suitable to run at an average speed—of course, slowing down at the curves—of twenty miles an hour?—I cannot give you any opinion on that without knowledge.

16. *Mr. Dalzell.*] Suppose you can construct that line of railway from Putaruru to Lake Taupo, which will reduce the cost of traction from £6 down to £2 a ton, would that not be an economical thing to do even if you had to limit your rolling-stock to this particular line?—It depends entirely upon the tonnage.

17. That is, assuming that the district is big enough to support that line?—Yes.

W. D. S. MACDONALD, M.P., sworn and examined. (No. 24.)

1. *The Chairman.*] Your occupation?—Sheep-farmer. I desire to speak as to the area of the country involved in this petition. There is a very large area of something over two million acres of land there, and there is no doubt at all that a very large quantity of it is very poor country, and it is questionable whether it can be made productive for pastoral or agricultural purposes. There are very large areas, however, that can be made productive and be brought into profitable cultivation, in my opinion—that is, all the lands that are ploughable. I have been through the country on various occasions, and my own idea is that the difficulty at the present time is due to there being so many ownerships of land—private, Crown, and Native land ownership. To cut up the land into suitable areas for settlement purposes it would really be necessary for it to be under the same ownership. The country should be surveyed into suitable blocks for settlement, and the balance of the country reserved for tree-planting such as has been carried on lately by the Government. To my mind it does not matter whether you allow a man 2,000 acres; if only 500 acres can be made productive it would be just as well to reserve the balance. I have seen Strathmore, Broadlands, and Mr. Wood's property. These are all properties which have been in hand for a very long time, but very few improvements have been made. It is a reason-

ably fair ploughable country, and it has been practically demonstrated that pumice land can be worked and made productive. The chief difficulty is transport for manures and stock, and you want facilities to carry your stock away at once. At the present time the cost of driving from the far-back places is too great, and they have to hang on to their sheep until they have four or five hundred, instead of being able to get away a truck or so at a time. For this reason the feed is being wasted through their having to keep fat sheep over weeks or months. My idea is that the whole of that ploughable country is fit for sheep, although I do not agree with one witness that it is fit for breeding sheep. It is only fit for fattening sheep, and getting them away as soon as possible. I think that will be proved later on when the country is farmed. In my opinion the only possible way of opening up and developing the country is by means of a light railway of some description running through it. I do not think it is much use my going into the merits or demerits of the different routes proposed. I have been from Rotorua *via* Waitapu to Taupo, and right down that way, and agree that it is an easy line to make. At the present moment, so far as farming is concerned, there is more carried on there than anywhere else until you get down to Galatea or towards Runanga; but I cannot see how this proposed line would benefit the country down to Mokai, because the ranges between the proposed routes are very high, and there would be no means of getting access until it got down to Wairakei. There are large areas which are not ploughable and with a kind of soil which would not pay to work; but I have been through Mokai, where the bush is situated, and notice that a good deal of grass has been sown on land from which the timber has been taken. A good number of stock is to be seen there, which seems to be doing well. There is no doubt that the country will carry grass and stock. There is a good area of bush country, but I am not prepared to say how much. There is also a large area of swamp and flax country which will carry stock. I have seen oats growing in the swampy land, and there was a fair average crop. To help on this country you must have railways. When you cross the Kaingaroa Plains the country is all bush. There is a large amount of milling-timber, and after the bush is taken off it will carry good grass. I have not been through the country from Putaruru to Mokai, but only from Atiamuri to Taupo, and I understand it is very similar country. To my mind, if the Government have any intention of developing or opening up that country and making it productive, it can only be done by putting a tramway-line through it in order to give the means of transport to settlers for their produce both ways. At the present time the country is costing the Government a very large amount for poisoning rabbits. Even if the railway did not pay it would be better to work it than to continue paying £5,000 or £6,000 per annum for poisoning these rabbits. I am interested to a certain extent because, although this country is a hundred miles or more from Poverty Bay, the settlers there are paying a rate to poison rabbits to prevent them penetrating Poverty Bay from the Taupo district. I would rather see the Government spend money in fencing and wire netting than in rabbit-poisoning. The timber-mills have been putting out large quantities of timber, and the company seem to be carrying it over the track successfully. Seeing that the timber traffic has been carried on for a number of years it demonstrates that the line is serving a useful purpose, and if it were completed to Taupo it would serve the settlers and be of great value. If any reasonable arrangement can be made with the company for purchasing the required area of land to utilize their line I think it would be of very great benefit to the district. If the present line of fifty miles to Mokai is not continued, evidence has been given showing it is not advisable to take a Government line through because of insufficient traffic to make it a payable proposition.

2. *Mr. Buchanan.*] Supposing the railway was completed to Taupo, do you think this communication, plus steamer accommodation, would develop much of the country further south on both sides of Lake Taupo? In other words, if cartage is so difficult would the country be developed to any extent away in on both sides of the lake?—Yes, I feel sure. It is a big lake, covering about a hundred square miles. There are portions about the lake which are very poor land, but there are other large areas that could be made productive. Transport by water and rail would help that country very largely. Tauhara Block, to the eastward of Taupo, is Native land. The mountain is poor, but there is a lot of country adjacent suitable for cultivation. My electorate goes twenty-five miles down to Rangitaiki, where there are three settlers, but I have never been there.

3. You said that stock and grass were apparently doing fairly well on portions of the timber country already dealt with by the company?—Yes, on the bush country at Mokai.

4. Do you think the grass would keep a hold on that country when the effects of the burning passed away?—Yes, I feel pretty sure about that in the bush country. I am confident that the bush country, if properly handled—that is, fenced into reasonably small paddocks and stocked heavily in proper seasons when the grass should be kept down—will hold and carry grass, because the soil is really fairly good right through.

5. You do not know whether there is any sign of bush-sickness out in that quarter, do you?—I have asked so far as Mokai is concerned, and have been told that there is no trouble with bush-sickness there. I have also been on Vaile's property and Butcher's property, also Stead and Watt's, where they are carrying a lot of sheep and cattle, and they seem to be fairly healthy. The only thing stock seem to suffer from is the lack of feed at times.

6. Do you notice as to the lambs in the district whether they develop into strong healthy sheep?—I did not see very many lambs, but I know that on Watt and Stead's place they fatten them.

7. Have you known any flocks of sheep where the lambs developed into good sheep without any artificial help?—There are no flocks of sheep in there except at those two places, as far as I know. The Maoris have a few sheep here and there.

8. You have not had any personal experience in cultivating pumice land?—Not personal experience.

9. There is no pumice in the "Garden of Eden" at Gisborne?—No, I do not think there is. I might say that I had knowledge of it, because twenty-two years ago I inspected on behalf of the Bank of New Zealand a large number of the Waikato properties. At that time they were doing a large amount of cultivation there. It was all sheep-farming before the estates were divided, and although from a Poverty Bay point of view the land was very poor, there was no doubt at that time that the sheep were far better than our Poverty Bay sheep.

10. Would not the name "Poverty" be more applicable to that land?—At that time we had an epidemic of disease, and unless the lambs were fed on rape a large percentage would be lost; but in the Waikato, especially the hoggets, they were splendid, and quite a contrast to our Poverty Bay sheep at that time. The Poverty Bay sheep have got over all that now. I have seen thousands of acres right throughout the Taupo country equal to the Waikato land.

11. Do you not think that cattle, on the whole, would do better on pumice country than sheep?—If you give them the feed; but, as far as I can see, except on a few of the swamps, there is no chance of cattle getting a living in the Taupo country. I might say also that at the time I visited the Waikato the cattle were not doing so well as the sheep.

APPENDIX.

LIST OF EXHIBITS.

1. Correspondence between the Public Works Department and Messrs. Findlay, Dalziell, and Co.
2. Original petition.
3. Petition of settlers in East Taupo County.
4. Amended prayer of petition by the Taupo Totara Timber Company.
5. Telegram received from various Native tribes objecting to the petition.
6. Resolution from the Auckland Chamber of Commerce in favour of the petition.
7. Resolution of Ngati-Wharetoa against taking their lands.
8. Application from Trades and Labour Council, Wellington, to be heard against petition.

EXHIBIT No. 1.

Colonial Exchange Buildings, Lambton Quay, Wellington, 6th December, 1905.

Re the Tramways Act, 1894, and the Taupo Totara Timber Company's Tramway.

DEAR SIR,—

We are instructed by the Taupo Totara Timber Company (Limited) to make application for an Order in Council under the Tramways Act, 1894, in respect of the tramway recently constructed and now being used by this company in the Taupo district.

The tramway begins at the Government Railway-station, Putaruru, but is constructed from that point to Lichfield, upon the old Government railway-line, a license having been obtained from the Railway Department for this purpose. From Lichfield the line extends to Mokai, a distance of about forty-six miles. From Lichfield it is constructed wholly upon lands acquired by the company, and, save for the purpose of carrying passengers, it would be unnecessary to make application for an Order in Council under the Tramways Act were it not for the fact that it is necessary to cross road-lines in a few places. The necessary permission to lay the tramway across these road-lines has been obtained from the local authority, and it is improbable that any steps will be taken which will affect the right of the company to cross the roads. There is, however, no way by which the company can obtain an absolute right which cannot be interfered with to cross these roads save under the Tramways Act, and the only provision under that Act for a permanent grant is by Order in Council. If the company had only its own interests to consult it would probably be content to rely upon its present right, but it has in the course of its operations been compelled to borrow large sums of money. It now desires to consolidate all its loans, and there is every reason to believe that it can obtain the necessary money at reasonable rates of interest. In order, however, that it may be able to do this it is essential for it to show a good title to its property, and we have accordingly advised that an Order in Council under the Tramways Act should be obtained so that an absolute right to cross the road-lines in question may be shown.

We are accordingly instructed to make application for an Order in Council, but before making the formal application we think it well to approach you with a view to ascertaining the conditions your Department will deem it necessary to insert in the Order. It is of considerable importance to the company that its right to cross the road-lines should be established as early as possible, since we are hopeful of concluding our negotiations for the consolidation of the company's loans in the course of a month or two, and we would therefore ask that the matter might receive early consideration, and that the Order in Council may be granted, although all the technical information and plans which your Department customarily requires may not have been supplied.

We do not propose to ask for the right to carry passengers until you are fully satisfied that the line is fit for this purpose, and the Order in Council could so provide. We would be satisfied with a right to carry our own goods at present, the Order to contain a condition to the effect that it will not empower the company to carry goods or passengers for hire until your Department is satisfied that it is fit for this purpose. Practically, therefore, all we ask at present is a right to cross certain roads. This right, of course, the company has at present in common with all other members of the public, its only difficulty being that the local body might decide to alter the road in some way so as to interfere with the company's tramway. The concession sought to be obtained by the company, therefore, is the permanent right to retain its tramway across the roads as at present constructed, and this concession is an interference not with the rights of the Crown, but merely with the public right over the road-lines.

On a perusal of the terms or Orders in Council granted in the past which you have been good enough to submit to us, we find that your Department has in some cases insisted upon the promoter undertaking the liability of a common carrier, so that it shall carry goods for the public at specified rates. In every case, however, where this condition has been imposed some substantial concession has been asked for by the promoter, such, for instance, as the exclusive right to run tramways along a road-line which in effect gives to the promoter a monopoly of the traffic upon that road. No doubt it is equitable that, as a monopoly is asked for, the public should obtain a corresponding benefit. In the case of this company, however, practically no concession or monopoly is asked for: it merely seeks the right available to every member of the public of crossing the roads, which can only be exercised by a tramway company by laying a track across the road. The tramway has been constructed solely for the purpose of taking the company's timber to market, though no doubt it is hoped that in time it may be available for the carriage of goods and passengers to Taupo. At the present time, however, the terminus of the line is about fifteen miles

from Taupo, and there is no road connecting the terminus with Taupo; moreover, the company has not sufficient rolling-stock to enable it to carry goods other than its own timber. We would urge, therefore, that no condition of this kind should be inserted. The company, as we have said, asks practically for no concession, but its enterprise has, in fact, been of great service to the colony. It is at the present time taking timber to market upon which it is paying at the rate of £15,000 per annum in freight, and this amount will probably be largely increased in the near future. It has also created for its bushes, by the construction of the line, land-tax value upon its timber in respect of which the Government is claiming, and will probably receive, the sum of nearly £3,000 per annum for land-tax. Further, the Government will in all probability benefit to the extent of some thousands of pounds per annum in the shape of income-tax. We therefore venture to suggest that the company's application for an Order in Council should not be made the means whereby to enforce the company to go to further expenditure in order to make its tramway available for public use.

It appears to us that the right to require the tramway to be used for the benefit of the public is only fairly exercisable where a monopoly or some equivalent concession is sought from the public. We would therefore urge that the only conditions which should be imposed upon the company in the event of an Order in Council being granted are such as may be necessary to prevent the public interest from being interfered with, and to provide proper safeguards for the protection of the employees upon the line.

We shall be obliged if you will kindly give this matter your early consideration, and will be glad to have an opportunity of discussing the details with you if you can make it convenient to give us an appointment for that purpose.

Yours truly,

FINDLAY, DALZIELL, AND CO.

The Under-Secretary for Public Works, Wellington.

DEAR MR. DALZIELL,—

Public Works Department, Wellington, 13th December, 1905.

I send you herewith a copy of the Order in Council for the Takaka Tramway. This is one of the oldest and certainly one of the shortest and simplest tramway Orders ever issued by this Department. I do not think anything with less onerous provisions than those could be thought of. In fact, if the Takaka Tramway Company were to apply again to-day I have no doubt that many more, and more stringent, provisions would be inserted. I should be glad if you would kindly let me have the print back when you have done with it.

Yours sincerely,

H. J. H. BLOW.

F. G. Dalziell, Esq. (Messrs. Findlay, Dalziell, and Co.), Wellington.

DEAR MR. DALZIELL,—

Public Works Department, Wellington, 19th January, 1906.

If you have finished with that copy of the Takaka Tramway Order that I sent you under cover of my note of 13th ultimo, I should be glad if you would kindly let me have it back.

Yours very sincerely,

H. J. H. BLOW.

F. G. Dalziell, Esq. (Messrs. Findlay, Dalziell, and Co.), Wellington.

Wellington, 18th April, 1906.

The Taupo Totara Timber Company and the Tramways Act.

DEAR SIR,—

Referring to my conversation with you this morning and to the correspondence which has passed between yourself and my partner, Mr. Dalziell, on this subject-matter, I desire to place the whole position before you for the purpose of showing that the Crown cannot reasonably insist upon the suggested condition of the Taupo Timber Company carrying timber for private owners from its Taupo terminus to Putaruru.

A very lengthy negotiation took place between myself and the Native Minister and other members of the Government prior to the publication of the Order in Council dated the 14th day of November, 1900, appearing on page 2067 of Volume ii of the *New Zealand Gazette* for 1900. During the course of these negotiations it was suggested on the part of the Crown that the Taupo Timber Company should undertake to carry timber of private owners over its line. The unreasonableness of this proposal was urged upon the Government, and without recapitulating the objections then urged it is sufficient to say that if the condition had been insisted upon the railway which has now been completed would never have been laid. It would have been hopeless to obtain the enormous amount of capital—amounting to over £200,000—which has been spent in the formation of this railway and the other works of the company had it been obligatory upon the company to carry timber for private owners, who would thus come into direct competition with the company itself and at the expense of the company. The force of this objection was recognized by the Government, and a compromise was arrived at which is embodied in the deed of covenant entered into by the company and the Crown dated the 1st July, 1901. You will observe from the Order in Council to which I have referred that any person taking a lease of the land comprised in the schedule to that Order in Council must execute a deed of covenant between himself and the Crown, and that deed of covenant was in fact executed by the company. Clause 6

of the deed provides that the King and his licensees shall have during the term of the lease the right to use the company's tramway for the purpose of conveying timber and farm-produce to market, provided that the right of user shall be for the purpose only of conveying timber and farm-produce from Crown lands, and shall be subject to payment of such reasonable terms and conditions as to freight and charges as may be agreed upon or determined by arbitration in the usual way under the Arbitration Act. Hence there is already complete power on the part of the Crown to compel the company to carry all timber and farm-produce from its Crown lands, and this was conceded by the company as a compromise of the Government's claim that the company should carry upon its line all timber and produce.

Without further reason, therefore, it is submitted that the Crown will keep faith with the company, and will not take advantage of the technical rights in the Crown created by the Tramways Act to impose a burden which shortly stated would be ruinous to the company's chance of financing itself in its present difficulties.

It is submitted that this should conclude the matter, but I desire to place on record additional reasons why the suggested condition should not be insisted on. First, you will recollect that what is asked for here is not a right to run along a road or street, as is usual in tramways, and thus create a monopoly. All the company asks is the right to cross at right angles, or nearly so, one main road from Putaruru to Atiamuri, which, as you know, is used now only by intermittent tourist traffic. The other roads are mere paper roads or tracks numbering probably three or four. Hence no traffic can possibly be interfered with, as would be in the case of a tramway running along a street or road, and it is suggested, apart from the compact already made and referred to, that to ask as a condition precedent to granting a right to cross these roads an undertaking to carry all traffic as here suggested would be unreasonable.

Second, the company has found it enormously difficult to secure in New Zealand, as it has done, the £200,000 requisite to carry out its undertaking, and it has no means whatever to furnish rolling-stock other than that actually required to carry its timber from the mills to Putaruru. No doubt, if the Government demand that it should carry timber from Crown lands it must somehow fulfil its obligation, but it will be impossible for the company to find the additional rolling-stock necessary to carry timber from private lands when called upon from the Taupo end to Putaruru. The company has no desire whatever to act the part of "dog in the manager" in this matter. It is at the present moment undergoing a serious struggle for existence. In about a year from the present date the company has to find over £50,000 to meet debts and liabilities falling due, and unless the compact entered into originally with the Crown and company is kept as already stated by myself the difficulties of raising this capital will be almost insurmountable.

You will observe that in the schedule to the Order in Council, which we enclose, certain rates are fixed for traffic if the company carries goods. These rates have been fixed as low as the company could afford to make them, looking at the rate of interest the company has to pay and its other heavy expenses.

I enclose herewith a copy of the Order in Council I have drawn, and I trust that it will meet with the approval of yourself and the Crown Law Advisers.

Yours truly,

FINDLAY, DALZIELL, AND CO.

H. J. H. Blow, Under-Secretary for Public Works, Wellington.

Colonial Exchange Buildings, Wellington, 19th April, 1906.

DEAR SIR,—

Re Taupo Timber Company's Tramway.

In accordance with our Dr. Findlay's proposal to you of yesterday, we beg to send you herewith a draft of the Order in Council under the Tramways Act, 1894, and the Counties Act, 1903, which we ask you to approve.

Yours faithfully,

FINDLAY, DALZIELL, AND CO.

H. J. H. Blow, Esq., Public Works Department, Wellington.

1906/2614; 159/309.

Public Works Department, Wellington, 26th April, 1906.

GENTLEMEN,—

Taupo Tramway.

I am duly in receipt of your letter of the 19th instant, forwarding draft Order in Council to authorize the above tramway, and have to state that the same will receive my best attention.

It is observed that the Order refers to certain plans which you propose to deposit when the Order is formally applied for. I should be glad if you could kindly let me see these plans now.

I have, &c.,

H. J. H. Blow, Under-Secretary.

Messrs. Findlay, Dalziell, and Co., Solicitors, Wellington.

1906/2614; 120/1046.

Public Works Department, Wellington, 5th July, 1906.

GENTLEMEN,—

Taupo Timber Company's Tramway.

The rough-draft Order in Council in reference to the above which you forwarded to this office under cover of your letter of the 19th April last has received consideration, and I have now the honour to state that if an application for an Order in Council on the lines suggested is made

to His Excellency the Governor in ordinary course I shall be prepared to recommend the Minister of Public Works to move His Excellency to issue the same, subject to sundry modifications as under,—

1. Under the Counties Act Amendment Act, 1903, the company becomes the promoter and in certain respects the local authority in the Counties of East and West Taupo, in which the larger portion of the tramway is situated. The other portion is in the Piako County, in which the Counties Act is in force. It will therefore, I fear, be impossible to grant an order unless the Piako County Council joins in the application for same or refuses to do so, and in the latter case evidence of its refusal must be given.
2. In clause 5, on page 3, the words "reasonably possible" should be omitted, as their inclusion would render the clause nugatory.
3. Provision must be made for the carriage of timber and farm-produce from lands the property of the Crown or held under Crown licenses, in accordance with the covenant already entered into by the company.
4. Conditions should be added to the schedule providing for the following points:—
 - (a.) Trains shall be deemed to include a locomotive only, or a locomotive accompanied by one or more vehicles.
 - (b.) Each train to be accompanied by a driver, fireman, and guard.
 - (c.) Brake appliances.
 - (d.) Head and tail lights.
 - (e.) Proper maintenance of undertaking.
 - (f.) Working of traffic under some recognized system so as to avoid collisions and other accidents.
 - (g.) Warning to be given when trains approaching road-crossings.
 - (h.) Notice-boards to be provided at road-crossings.
 - (i.) Speed of trains.
5. The usual clause regarding penalties for breach of conditions must be included.
6. I notice that the rate of freight proposed to be charged on goods is very high. I am not prepared to say that this can be agreed to, but will confer with the Working Railways authorities on the matter before advising the Minister.

There will doubtless be some minor alterations in addition, but the above are the principal amendments needed.

I have, &c.,

H. J. H. BLOW, Under-Secretary.

Messrs. Findlay, Dalziell, and Co., Solicitors, Wellington.

Public Works Department, Wellington, 9th February, 1907.

GENTLEMEN,—

Taupo Tramway Order in Council.

In compliance with the verbal request made by Mr. Dalziell to-day, I forward herewith a copy of the draft Order in Council relating to the above tramway, received under cover of your letter of the 19th April last.

I have, &c.,

H. J. H. BLOW, Under-Secretary.

Messrs. Findlay, Dalziell, and Co., Solicitors, Wellington.

Colonial Exchange Buildings, Wellington.

DEAR SIR,—

Re Taupo Tramway Order in Council

We are in receipt of your letter of the 9th instant, with a copy of this Order in Council enclosed, and herewith beg to thank you for same.

Yours truly,

FINDLAY, DALZIELL, AND CO. (Per B.).

H. J. H. BLOW, Esq., Under-Secretary for Public Works, Wellington.

Colonial Exchange Buildings, Wellington, 26th April, 1907.

DEAR SIR,—

Re Taupo Tramway Order.

We now enclose draft of this Order as amended in accordance with the arrangement arrived at between you and the writer, and will be obliged to you if you would give the matter your early consideration, as the company is desirous of completing the business as speedily as possible.

Yours truly,

FINDLAY, DALZIELL, AND CO.

The Under-Secretary, Public Works, Wellington.

Wellington, 20th May, 1907.

DEAR SIR,—

Re Tramway Order in Council.

We are in receipt of your letter of the 17th instant herein, and now send three copies of the draft Order in Council together with the draft enclosed with your letter. You will notice that in the fair-copy drafts we have excluded clause 8, which has been omitted in accordance with the arrangement suggested in the writer's conversation with you on Saturday morning. We would be obliged to you if you would ask the Law Officers of the Crown to deal with the matter at their early convenience.

Yours truly,

FINDLAY, DALZIELL, AND CO.

The Under-Secretary for Public Works, Wellington.

07/3018; 170/53.
28th May, 1907.

GENTLEMEN,—

Taupo Totara Timber Company's Tramway.

Immediately on receipt of your letter of the 20th instant I referred the draft Order *re* the above to the Crown Law Officers for their concurrence, and they now advise that under section 6 of the Second Schedule of the Tramways Act, 1894, the Order must not only specify the nature of the traffic, but also the tolls and charges which may be demanded and taken in respect of the same. They consider clauses 6 and 7 of the proposed Order are not sufficiently definite to meet these requirements, either as to goods or passengers.

Under the circumstances I shall be glad if you will kindly amplify the clauses referred to to meet the objections of the Law Officers, and when done forward a draft of the amended clauses to this office for approval.

Please also comply with the last paragraph of my letter of the 17th instant, asking for an intimation from the Piako County Council that they do not desire to join in the application for the Order.

I have, &c.,

H. J. H. BLOW, Under-Secretary.

Messrs. Findlay, Dalziel, and Co., Solicitors, Wellington.

07/3018; 171/621.

Public Works Department, Wellington, 19th July, 1907.

GENTLEMEN,—

Taupo Totara Timber Company's Tramway.

The draft Order to authorize the above tramway under the Tramways Act, 1894, having been amended to meet the Crown Law Officers' views, the same has now been finally passed by them.

A copy of the Order is returned herewith, and I shall be glad if you will kindly forward to this office two copies of same printed on parchment for the signature of His Excellency the Governor, and twenty-four copies on cream-laid paper for this Department's use.

I have not yet received the intimation from the Piako County Council that they do not desire to join in the application for the Order. Please forward as early as possible.

I have, &c.,

H. J. H. BLOW, Under-Secretary (Per A. H. K.).

Messrs. Findlay, Dalziel, and Co., Solicitors, Wellington.

Public Works Department, Wellington, N.Z., 6th September, 1912.

SIR,—

Re Taupo Timber Company's Tramway.

I have the honour to forward herewith for your information a copy of the letters which I read to your Commission this morning.

W. S. SHORT,
Assistant Under-Secretary.

The Chairman, Taupo Totara Petition Committee, L Committee-room,
House of Representatives.

EXHIBIT No. 2.

[ORIGINAL PETITION.]

In Parliament, New Zealand.

To the Honourable the Speaker and members of the House of Representatives of New Zealand in Parliament assembled.

MAY IT PLEASE YOUR HONOURABLE HOUSE,—

The humble petition of the TAUPO TOTARA TIMBER COMPANY (LIMITED), a company duly incorporated under the provisions of the Companies Act, 1882, and having its registered office in Putaruru, Auckland, sheweth:—

1. That with the view of working large areas of timber-country in the Taupo district your petitioners have, in conjunction with the Wellington Industrial Development Company (Limited), constructed a tramway fifty miles in length from Putaruru (on the Morrinsville-Rotorua line) to Mokai, which is run under the authority of an Order in Council dated the 29th day of January, 1908, and made under the Tramways Act, 1894, fixing the maximum rates for passengers and goods.

2. This line is distant twenty miles from the Town of Taupo. An extension to that town, connecting with the steamer service on Lake Taupo, would at once tap the entire district, and would lead to a large amount of settlement that at present is impossible. The cost of cartage of the necessaries of settlement and of products for markets and export renders settlement under present conditions virtually impossible.

3. That the area beneficially affected by a Putaruru-Taupo line is about two million acres (2,000,000 ac.), of which eight hundred thousand acres (800,000 ac.) are Native lands, and three hundred and fifty thousand acres (350,000 ac.) Crown lands. This huge territory is lying undeveloped, and is in no sufficient degree contributing its due share to the production, prosperity, and taxation of the Dominion.

4. That the demand for the opening-up of available land for settlement is so great and incessant that your petitioners believe the bringing-in of the Taupo country for settlement would

be of immense and immediate benefit to the Dominion, whilst the increase of State revenues from land-tax, postal services, stamp duties, &c., arising from settlement in the area would be very considerable.

5. That the opening of a passenger service to Wairakei and Taupo would mean the rapid development of a tourist district now not fully known, Taupo being the finest fishing resort in the world; and this would result in largely increased passenger traffic upon the Government railway to and from Putaruru.

6. Your petitioners are assured that if the said tramway is completed to Taupo the necessary capital will be found for the erection of works at Taupo for the purpose of the preservation and sale of fish caught in the district.

7. Your petitioners' tramway has been constructed and used for the purpose of its timber traffic and a portion of the goods traffic of the Taupo district for a period of nearly seven years. It is substantially constructed, and your petitioners are advised by competent experts that it is sufficient for all the present needs of the goods traffic of the Taupo district, and that, with a small expenditure, it could be made fit for carrying passengers.

8. The total cost of the fifty miles of tramway constructed by the company, including rolling-stock, is £130,000, and your petitioners are advised that the whole tramway from Putaruru to the proposed terminus at Taupo, as a light line capable of carrying goods and passengers, can be completed for a further sum of about £50,000.

9. Your petitioners are desirous of completing the said tramway to Taupo, but they are advised that it is very doubtful if the traffic likely to be available for some time will be sufficient to pay working-expenses and interest upon the cost of construction, and they are therefore desirous of obtaining assistance from the owners of the land which will be benefited by the completion of the tramway.

10. That, as nearly the whole of the land to be so benefited consists of Crown lands and Native lands, your petitioners deem it advisable to make application to Parliament in order that provision may be made whereby these lands may bear a fair proportion of the cost of the construction of the said tramway and of the running-expenses of the tramway service.

11. That your petitioners believe they can arrange for the completion of the said tramway and the running of an effective passenger and goods service thereover, if the Crown and Native lands to be benefited thereby will contribute in some equitable proportion to the expense and risk involved.

12. The usual method by which the lands benefited by the construction of a tramway contribute to the cost thereof is the imposition of a rate, but it is suggested that these lands being pumice lands are not a fit subject for a rate, and your petitioners would respectfully urge that a proper contribution could best be made in either of the following ways:—

- (a.) By the proceeds of the sale of the Crown lands beneficially affected by the said tramway, and of an area of Native lands to be acquired at present values by the Crown, being applied towards the purchase of the said tramway; or
- (b.) By your petitioners being allowed to purchase at present values a substantial area of the said Crown and Native lands.

13. That for the reasons stated your petitioners pray the House of Representatives will recommend the Government—

- (a.) (1.) Either to take such steps as may be necessary to provide that the Crown and Native lands to be benefited by the completion of the said tramway may contribute in an equitable proportion to the cost of such completion and the running of a passenger and goods service on such tramway, or, in the alternative,—
- (2.) To empower your petitioners to purchase at present values, and dispose of on such terms, conditions, and limitations as may be stipulated, an area of Crown or Native land in the districts to be affected by the said tramway not exceeding 200,000 acres.
- (b.) To issue an Order in Council empowering your petitioners to extend their tramway to Lake Taupo, in the Town of Taupo.

[SEAL.]

F. G. DALZIELL, } Directors.
WILLIAM COLLINS, }

EXHIBIT No. 3.

To the Honourable the Speaker and members of the House of Representatives of the Dominion of New Zealand in Parliament assembled.

1. Your petitioners are settlers residing in the East Taupo County, and represent not only themselves, but practically every settler in the said county; and your petitioners humbly pray that the petition of the Taupo Totara Company, presented to Parliament during the last session, praying for leave to extend their present private railway-line a distance of some nineteen miles, *via* Wairakei to Taupo, be taken into favourable consideration.

2. Your petitioners present that the immediate construction of such a railway connection is necessary in the best interests of the Dominion, and will, *inter alia*, (a) open up and lead to the development of over 1,000,000 acres of land now lying waste and uncultivated, and therefore do much to allay the present unsatisfied land-hunger and populate this large area of country which at present is almost entirely depopulated; (b) double the value, without expense to the State, of some 350,000 acres of Crown land at present lying waste and a heavy expense and burden to the State; (c) greatly increase the tourist traffic of the Dominion; (d) benefit the settlers, and greatly promote the settlement, development, and growth of this large district; (e) form a direct or extension of the important proposed connection of the Main Trunk line *via* Tokaanu, Taupo, and Wairakei with the present line of Government railway *via* Putaruru to Auckland.

3. Your petitioners present that it is common ground and undeniable that railway communication between Taupo and the outside world is a necessity. Even the Rotorua Chamber of Commerce concede this proposition. The question then arises of ways and means, as to which two alternative propositions have been set up: (a) That the Government construct a line from Rotorua to Taupo *via* Waiotapu and Wairakei, a distance of some fifty-six miles; (b) that the Government grant the petition of the Taupo Totara Timber Company enabling them to extend their present Putaruru line to Taupo *via* Wairakei, a distance of some nineteen miles.

4. Your petitioners present that, being the settlers in the district referred to, and whose interests are therefore most vitally affected by the proposed railway-construction, they have given the matter very deep and earnest consideration in all its bearings, and have unanimously come to the conclusion under the circumstances existing at the present time that it is in the interests of this Dominion that the petition of the Taupo Totara Timber Company be favourably considered and granted either in its present or some modified form, with such restrictions as the Government may deem it advisable to impose.

Your petitioners cannot in this petition go into all the arguments for and against the two schemes outlined above, but will endeavour to place on record a few main points affecting the issue, and pray that they may be allowed to submit evidence before the parliamentary Committee dealing with the subject.

(i.) Regarding the suggestion of the Rotorua Chamber of Commerce that a railway be constructed from Rotorua to Taupo *via* Waiotapu and Wairakei: Your petitioners would lay stress on the fact that the Hon. the Minister of Public Works, in reply to a recent deputation from Rotorua on the subject, pointed out that owing to the Government having at present so much other important railway-construction work on hand it would be many years before the construction of such a line as the Rotorua-Taupo line could be undertaken by the Government. Added to which the fact that there are fifty-six miles of new railway to construct postpones the possibility of such a line being available for use for probably twenty years. No survey of the proposed route from Rotorua has been made *via* Waiotapu or otherwise, and it has yet to be demonstrated that such a line is a practical possibility. On the other hand, the line from Putaruru to Taupo is actually constructed and in use as far as Mokai, and the remaining nineteen miles to Taupo has been surveyed and demonstrated to be not only a practical proposition, but a line of exceedingly easy gradients and cheap of construction. Furthermore, the Taupo Totara Timber Company are prepared to standardize the line to Taupo, and have the same running within two years. If, therefore, the Government are not prepared at the present time to construct this important railway connection of Taupo by either route, your petitioners humbly pray that private enterprise be permitted to carry out the work. The interests of the State may be protected by a provision enabling the Government to acquire the railway at a valuation at any time, and in the meantime by the imposition of maximum passenger-fares, freight charges, and such other restrictions as may be necessary.

Hence, instead of the State having to expend a sum of about £400,000 at the present time, the line can be constructed, and the country benefited accordingly, at no present expense or outlay to the State. And, seeing that about 350,000 acres of Crown land will be doubled in value, at no expense to the Government, by the construction of the railway, your petitioners believe that it is imperative, in the interests of the State, that this work should be allowed to be pushed on at as early a date as possible.

The country through which the Putaruru line travels is infinitely superior in quality to that along the Rotorua route, and will be much more speedily taken up and settled, and the additional fact that the area tapped by the Putaruru line contains a huge belt of valuable and marketable totara and other timbers convinces your petitioners that the line *via* Putaruru will prove of more benefit to the country than the Rotorua route.

The arguments of the opponents of the petition serving to throw doubt upon the commercial success of the undertaking form a very strong reason why private enterprise should be allowed to construct the railway, and thus save the Government the risk of sinking so large a sum of money on what the objectors state they consider a doubtful enterprise.

Furthermore, the line *via* Rotorua would burden your petitioners with the extra haulage rates for freight occasioned by their produce having to be carried over the Mamaku Range, where one of the highest points of the railway system is reached, which expense would be avoided *via* the Putaruru line. Again, the Putaruru line would be in the natural line of extension of the present Government railway system from Auckland, connecting Taupo with Tokaanu and the Main Trunk line.

(ii.) Your petitioners present that the Native population of the district are as a whole unanimously in favour of the early construction of the Putaruru line on the terms of the petition of the Totara Timber Company, and respectfully beg to point out that the undertaking will greatly benefit the Natives in the district. For instance, it may be reasonably assumed that the land affected by the railway will be doubled in value. Taking the value of the 800,000 acres of Native land affected as at 5s. per acre, the Natives have at the present time land valued at £200,000. If they sell 200,000 acres at 5s. per acre they will receive in cash £50,000, which could be invested for them by the Public Trustee, and they would retain 600,000 acres (doubled in value), therefore worth 10s. per acre, or worth £300,000 in value. Hence their position would be improved by £50,000 cash and £100,000 in value. In addition, as we have already mentioned, the 350,000 acres of Crown land would be doubled in value at no expense to the State. Furthermore, the Taupo Totara Timber Company undertake to settle the 200,000 acres purchased by them in the areas prescribed by the statutes of the Dominion, thus assuring a speedy development of so large a district, which at the present time is starved for want of communication and means of distributing and obtaining manures for the cultivation and bringing-in of the land, which district is now crying aloud for development and settlement.

Wherefore your petitioners humbly pray,—

(1.) That the said petition of the Taupo Totara Timber Company be granted, either in its present or some modified form.

(2.) That your petitioners be afforded an opportunity to give evidence in support of the petition and in answer to the specious and misleading objections raised thereto.

And your petitioners, as in duty bound, will ever humbly pray, &c.

TREVOR J. GRIERSON
(And 72 others).

NOTE.—The Order in Council authorizing the Taupo Totara Timber Company to run a tramway was signed by His Excellency the Governor on the 29th January, 1908.

EXHIBIT No. 4.

[AMENDED PROPOSALS.]

SIR,—

Wellington, New Zealand, 10th September, 1912.

The prayer of the petition of the Taupo Totara Timber Company (Limited) is as follows :—

(a.) (1.) Either to take such steps as may be necessary to provide that the Crown and Native lands to be benefited by the completion of the said tramway may contribute in an equitable proportion to the cost of such completion and the running of a passenger and goods service on such tramway; or, in the alternative,—

(2.) To empower your petitioners to purchase at present values, and dispose of on such terms, conditions, and limitations as may be stipulated, an area of Crown or Native land in the districts to be affected by the said tramway not exceeding 200,000 acres.

(b.) To issue an Order in Council empowering your petitioners to extend their tramway to Lake Taupo and the Town of Taupo.

(a) (1) above set forth is expressed in general terms with a view to elasticity for the purpose of the recommendation, if any, of your Committee.

Your Chairman has requested me to now submit in writing the detailed and definite shape the petitioner desires (a) (1) to take. This I now enclose.

(a.) 1. To purchase the said tramway after it has been completed and extended to Taupo on a valuation without goodwill, and in no case to exceed the actual cost of construction; or, in the alternative, the sum of £180,000: such purchase-money to be paid or payable on the following conditions :—

(a.) The Crown to dispose of such part of the Crown lands served by the said tramway as extended, and such part of the Native lands served by the said tramway as the Crown may acquire from the Native owners.

(b.) The proceeds of such sales to be paid to the petitioner from time to time after the said extension and completion of the said tramway until the full amount of the purchase-money of the said tramway has been paid.

(c.) The petitioner for a period of say, fifteen years to run a service for the carriage of goods and passengers satisfactory both as to rates and time-table to the Government.

(d.) At the expiration of the said period of fifteen years the question of whether the said tramway can thereafter be run with earnings sufficient to pay interest on its acquisition, maintenance, and working-expenses to be decided by the Government.

(e.) If after such investigation the Government decides not to affirm the said purchase, the petitioner will repay to the Government the total amount received by it from the Government as the proceeds of the said sales of land.

(f.) The petitioner will secure such repayment to the Government by a legal first charge over the said tramway and its other assets, or otherwise to the satisfaction of the Government.

Yours truly,

J. G. FINDLAY.

The Clerk of the Taupo Totara Timber Company's Petition
Committee, Parliament Buildings.

EXHIBIT No. 5.

[TRANSLATION OF TELEGRAM.]

To Mr. Anderson, Chairman of the Parliamentary Committee, Wellington.

FRIEND—Greeting.

In regard to the petition of the company about the line to Taupo, and the request that the Maori lands shall pay for it: We, the majority of the owners of the Tihoi-Pouakani Block, object, for the following reasons :—

We sold our bush on the Tihoi-Pouakani Block for a small sum so that the railway should reach Mokai. We, the persons who handed over our bush on the Tihoi-Pouakani Block, hereby request that our land be kept out of the Order in Council, or from any other payments in connection with the Taupo Railway. We are heavily burdened in the freights paid for our goods conveyed by train to Mokai [*i.e.*], full rates to the people of Taupo, £1 2s. 6d. per ton.

As to Mr. Findlay's accusation of laziness against us, we are being oppressed by the company, and therefore there is no room for action.

As to the railway to Taupo, we are in support of the line reaching Taupo, but the people must take care that the price is equal to that of the Crown.

The lands adjoining the line from Putaruru to Taupo belong to the Crown and to the big Europeans.

We consider that these lands will carry one sheep [per acre] of open land and two sheep to the acre of bush land.

In the bush [the value would be] at least 10s. [? per acre?] in the bush [where there is] no open land.

We trust that the Chairman and your Committee will be assisted by God to arrive at a rightful decision.

From PAERATA HITIRI AND FAMILY.
HORI KARAWHIRA AND FAMILY.
POUTUTERANGI TE TOMO AND FAMILY.

EXHIBIT No. 6.

SIR,—

Swanson Street, Auckland, 16th September, 1912.

At the request of the Taupo Railway League I beg to attach copy of resolution passed by the Auckland Chamber of Commerce on the 8th day of September, 1911 :—

Railway Extension to Taupo.—Resolved, "That under proper restrictions in the form of safeguards to the public interests and providing for the ultimate acquirement of the railway by the State the application of the company be not opposed by this Chamber."

I am, &c.,

A. J. DENNISTON, Secretary.

The Chairman, Select Committee dealing with Taupo Totara Company's Railway
Petition, Wellington.

EXHIBIT No. 7.

[TRANSLATION.]

Oruanui, 11th May, 1912.

THE following sub-tribes of the Ngati-Wharetoa assembled at the Hikuwai village—Ngati-Rangiita, Ngati - Rauhoto, Ngati - Tutemahuta, Ngati - Moeiti, Ngati - Ruingarangi, Ngati - Tama, Ngati-Hinerau, Ngati-Tahu, Ngati-Karetoto, Ngati-Tutetawha, and others—for the purpose of considering the following matters :—

1. We having heard that the railway company has proposed to the Government that 200,000 acres be taken from the Rohe Potae of Ngati-Tuwharetoa to support that railway,—

(a.) Resolved, That the above-named hapu do not agree that our land shall go, as proposed, under the mana of that company—that is to say, by sale.

2. The boundaries of the lands within the Rohe Potae, which we decline to allow to go as proposed, are: Commencing at the Anaputarua, on the southern edge of Taupo Lake; thence along the line of Tauranga No. 1 to the boundary-line of Tauranga No. 2; thence to the survey-peg of Tauranga No. 3; thence direct to Owhaoko—that is to say, to the Rohe Potae boundary; thence turning eastward along the Rohe Potae boundary and turning westward on that boundary-line to the bank of the Waikato River; thence turning down that river to the mouth of the Waipapa Stream, on the westward line of Te Tatua West; thence running up the Waipapa Stream and along the line of the aforementioned Te Tatua West to the line of Whangamata; and on reaching Nga-mahanga to run along the line of Oruanui West and the eastern line of Whangamata, running direct to Tapararoa, at Taupo Lake; thence across Taupo Lake to the Anaputarua, the point of commencement.

Our lands inside these boundaries are not to pass under the mana suggested, neither are our lands outside these boundaries to so pass. We say nothing about the Crown lands or the lands of certain individuals (outsiders) within our said boundaries.

Those who have considered and adopted the foregoing resolutions are—Hira Rangimatini (and 32 others).

There are also many others, and these hapu' entreat of you to carefully watch the petition of that company when it is presented to the House. We also ask you to block it, and to submit these words of your Maori people—who will be very much injured if the said proposals be given effect to—to the proper authorities.

As witness whereof we subscribe our names hereto.

KURU RUTENE (and 149 others).

EXHIBIT No. 8.

In the Parliament of New Zealand, second session, 1912.

In the matter of the petition of the Taupo Totara Timber Company (Limited).

TAKE notice that the Trades and Labour Council of Wellington intends to apply to the Committee appointed to hear the above petition to appear by counsel to object to the whole of the said petition.

Dated this 2nd day of September, 1912.

[SEAL.]

W. C. NOOR, Acting-Secretary.

To the Clerk of Parliament and to the Petitioners.

