

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.