

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