

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