

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.