

private enterprise, in the vicinity of Putaruru. This land is all that I consider tributary to the proposed Rotorua-Waiotapu line.

2. What do you call "tributary"—how far away?—The extreme end of the State plantations, from the Waiotapu line, would be about twenty-five miles.

3. You are including the land to twenty-five miles on either side of the proposed railway?—Yes, approximately. I do not want to be misunderstood. The Government has now planted land on the extreme side of the Kaingaroa Plains from that proposed line, which is, roughly, twenty-five miles away, and their oldest plantations are nearest to the line at Waiotapu. These are the ones that will come into profit first. Assuming that these 300,000 acres were planted, it is going to produce something like 500,000,000 ft. of timber annually—that is, more timber than is being used at the present time in New Zealand—that is, assuming that the forest is worked on the sustained-yield basis. The urgency of the railway, to my mind, lies in the fact that those plantations which were first planted, and which amount to about 16,000 acres, at present require thinning, and they cannot be thinned without very considerable expense—that is, 16,000 acres of the area already planted. Those trees vary from sixteen to twenty years old. They require thinning, and to do so would involve the State in very considerable expense, unless the Government can recoup the value of those thinnings by some means.

4. *Mr. Lye.*] Transport is necessary?—Yes, transport is necessary for that. I estimate that at the present time there is something like 320,000 cords of thinning-material available, and you will readily understand that the disposal of that small stuff—which is useless as timber, and which is in competition with the native product—is a very difficult matter. It is difficult to dispose of except on the local market, where you might get rid of a little as firewood, poles, and temporary timbers. Yet there is that material which it has been necessary to grow. That timber is there, and at present there is no means of disposing of it—except a small quantity. We require a railway to dispose of that material. Getting back to the 300,000 acres, I want to say here that if that area was planted we could expect something like 200,000 cords of thinnings annually, which would be useful for pulp. As to whether this stuff could be disposed of if we had the railway: just immediately it could not be disposed of, but I consider that the forest policy of New Zealand should take into account the disposal of that material; in other words, you cannot grow decent timber unless you plant it closely. We should not go in for forestry unless we can protect it properly. If due consideration is to be given to the forestry problem that railway must be built. Now, we want some means of getting rid of that huge quantity of material. The pulping of that material has been suggested as a possible means of utilizing it, and I do not think you could attract private capital unless the railway was there. On the other hand, it is a sort of zigzag business: the Government says that we have no immediate chance of getting that material for pulping, while private enterprise says that until the railway is built it will not provide the capital. It was suggested that forest material might be carted by road. At the present time there is a fair amount of timber being carted from Oruanui. Oruanui is about six miles from Wairakei. Timber is being carted from Oruanui to Rotorua. The alternative route to that is to cart the timber to the Taupo Totara Timber Co.'s line and rail it to Putaruru. I know what it is costing the sawmiller to-day: it is costing him 10s. per 100 superficial feet to put it on the railway at Putaruru, and it is costing him 10s. per 100 sup. ft. to truck it into Rotorua by motor-lorry. At the present time they are putting on 1,200 sup. ft. per load, and in the winter-time possibly less, where the roads are bad. Furthermore, I think they are liable to be asked to discontinue carting at certain times if the roads get very bad. If you put a bitumen road through there the position would not be very much improved, but you really would require a road which would carry a 10-ton load—possibly a concrete road. Even then, with the existence of heavy motor traffic, I doubt very much if you could get your cartage down to less than 1s. per 100 sup. ft. per ten miles of that road. The conclusion that I want to draw from that is that cartage at the present time will not permit of anything but heart totara being carted over that road; with ordinary building timber—partly heart and partly sap—it would not pay to cart it on that road. The consequence is that with the exception of totara all other timbers are being left in the bush. That is all I wish to say just now; if there are any questions I shall be glad to answer them.

5. *The Chairman.*] You said you are anxious to see the Government plantations get a fair deal: do you say that that cannot be done without a railway?—Yes.

6. Are the Government plantations ready for that fair deal now?—Yes, in so far as the thinning only is concerned.

7. Now, as regards this thinning, you have admitted that this thinning-material is not a very valuable class of timber?—Not as timber—that is so, but as ligneous material it may be made very valuable.

8. Do you know what the railway charges are for carrying such timber?—I know that the railway freight from Rotorua to Auckland is 5s. 4d.

9. For thinnings?—No, I do not know what the freight on that is.

10. My question is, if the railway were constructed and you could get full loads every time, do you think that at an exceptionally low rate it would pay?—Yes, I think so. I do not know if it would pay the Department to run the railway for that alone, but I do say that the Government, having planted those forests, should set out by some means to profitably utilize them.

11. That is quite another proposition. The question is, supposing they got all this timber you speak about, would it still warrant the building of the railway?—I am not going to say that.

12. That is a very important question?—I think it would. My point is this: that you have not got a forest policy if it does not include means whereby these thinnings can be taken out and utilized.