

Departments interested in the district. Our difficulty is that those Departments have no common policy for the pumice area. We wished to place before the Prime Minister the history of the district, and ask that the Government should come to a definite policy with regard to the whole area. [Features delineated on map explained.] We are not opposed to the construction of the Rotorua-Taupo Railway. We have only on one occasion opposed it. When the line was started by the Coates Government I was urged by the people of the Putaruru district to get up an agitation against it, but I told them that I would not do so—that it was not our business—and urged them not to oppose it, but to concentrate their attention on seeing that the Government came to a decision as to what it was going to do with its own timbers, which are adjacent to our line. Our tramway-lines are surveyed into two Government bushes adjoining our line, yet it is suggested that the timbers are going to be taken by a new line across to the proposed Rotorua-Taupo by a route which has never been surveyed, and down that way. That is what we are concerned about; but in our view the Rotorua-Taupo line should not be built upon evidence that the country served by our railway is going to be served by the Rotorua-Taupo line. Our evidence before the Committee will be directed entirely to that question. To show the interest we have in the country, and the justification we have for the full consideration of our interests by the Committee, I will give some figures. Since we started we have spent about £2,000,000 in the district. One million of that sum went in wages, and nearly a quarter of a million in traffic on the Government railway-line. In the last ten years we have paid £60,000 in taxes, and £600 a year in local rates. We are employing 186 men, who represent a population of 503, and as a result of our enterprise there are fifty-two settlers on our line. On the first few miles of our railway there are twenty settlers whom I do not include. There are seventy-three settlers served by our line. Of these, fifty, at any rate, have gone there as the result of my company's enterprise. In addition to these products of our work, a further £2,000,000 has been raised by the New Zealand Perpetual Forests Co., which has based its main activities upon our line. That company has acquired land on both sides of our railway, and planted it, to the extent of nearly 200,000 acres. So that we have brought to the district £2,000,000, in addition to our own expenditure and the farming that is going on at present. It has been a very big fight, in which we have been engaged for twenty-eight years. It has been my business personally to investigate this pumice country on all sides of the lake. I was employed to form the Tongariro Co. also, and I have been in touch with it in one way and another ever since. It began a few years after the Taupo Totara Timber Co. was formed. It has been my business to go all over this country, and to employ men to inspect it from both the settlement and the forestry points of view, so I am in a position to answer questions as to all parts of the country. Some evidence has been given as to the investigations that have been made. Shortly, I would say that there has been no public recommendation of the Rotorua-Taupo line. That is a statement that I make after having been through the whole process, and having had something to do with every investigation that has been made. I say definitely that in no case has a recommendation been made by any one who had authority to make one in favour of the construction of the Rotorua-Taupo line. The *Auckland Herald*, no doubt informed by some one, has repeatedly stated that two Commissions have reported in favour of its construction. It has also stated that we have been making endeavours to sell our railway to the Government. Neither of those statements can be supported by evidence. Mr. Vaile is a man with very valuable qualities. He has the qualities of eloquence, of hospitality, and of optimism. If, instead of opposing us, as he has been doing all this time, he had come along and said, "Let us do what is best for the pumice country," we would have had a great deal of settlement there to-day; but he is opposing all the efforts we have been making to settle that district. The first investigation that took place was made in these circumstances: Sir John Findlay, in 1911, entered into a written contract on behalf of my company with some London financiers, under which they were to take over the company's line at cost price, or whatever it was worth below the cost price, and extend it to Taupo, which extension was estimated to cost £50,000. A condition was that we should purchase 200,000 acres of land around the lake. That seemed to us a very fine opportunity. Another condition was that we should guarantee a certain amount of traffic, which we proposed to do with our timber. That would have provided them with the certainty of a small rate of interest on their capital. That, as I have said, was in 1911, and we petitioned Parliament in that year for permission to carry out the transaction—that is to say, to get this 200,000 acres from the Natives. That would have been only a portion of their lands. They would have had at least as much left to deal with, and the value of that land would have been increased by the settlement of the 200,000 acres. That appeal to Parliament was made in an election year, and the Committee which investigated the matter came to the conclusion that it was better to postpone the matter. At that time there was a good deal of opposition to any syndicate taking up a large area of country, and it was thought advisable to wait until after the election. The Prime Minister, who was in London, definitely said that he saw no difficulty in the proposal being carried through. On the contrary, he thought it was an excellent opportunity of outside capital being provided to take the risk of the pumice country.

3. *Mr. Vaile.*] That was Sir Joseph Ward?—Yes. Then the election took place, and a new Government came in. We petitioned Parliament again in 1912. I am not suggesting that there has been any political influence in the matter. I am not a politician. In 1912 the House set up a special Committee, consisting of Messrs. Anderson, Buchanan, Buick, Dickie, Hindmarsh, Laurenson, MacDonald, the Hon. Dr. Pomare, Messrs. Wilson, Young, Ngata, and the Hon. Mr. Fraser. Because of the opposition we had met with, including that of Mr. Vaile—

*Mr. Vaile:* No.

*Witness:* Well, I will read what the Committee said. Our proposal was—(a) That the Government should make a conditional contract for the purchase of the completed tramway to Taupo at its value, not exceeding the bare cost of construction, and should pay the purchase-money in instalments arising from the sale of the present unoccupied Crown lands and such Native lands as the Crown