

13. If that Tongariro railway was put through, would it be possible to bring the timber over the lake to that railway?—Oh, no. Our market is largely in the lower Waikato. If that Tongariro timber is brought in in a big way it will injure the sawmilling industry.

14. *Mr. Kyle.*] Do you think it would be an easy matter for the departmental officers to get together as you suggest and advise the Government to alter the policy from one of production to one of valuation?—I think so. I have discussed the matter at great length with the Public Trustee, and he sees no difficulty about it. Of course, he is a broad-minded man, and he is prepared to adjust himself to the idea. He would have to depart from current practice.

15. You are not aware that the majority of famers at the present time would like to think the same?—Yes, then they would know where they are; then you would get advances made only to competent farmers.

16. Do you not think that the continuation of that line—which you have pointed out on the maps—across to the Rotorua-Taupo line, will develop the area it goes through?—I do not see how it will.

17. You cannot see any reasonableness for the construction of that line?—There is no evidence in support of it, and we asked the Prime Minister in August, 1928, to have the question investigated when we offered to share the cost.

18. Well, the proposed Rotorua-Taupo line does not traverse that area?—No.

19. You think that your suggested route would be the better route of the two?—Mr. Vaile and the 1921 and 1922 Commissions relied upon the report which Mr. R. W. Holmes, Engineer-in-Chief of the Public Works Department, laid before the 1912 Committee. Mr. Holmes went into the question of what was the best route for the construction of a light Government railway—the Rotorua-Taupo route, the Putaruru-Taupo route, or an alternative route coming between those two. Mr. Holmes reported upon these three propositions, and he advised that for a permanent Government line the Rotorua-Taupo line should be chosen. I do not dispute that. We are not claiming that our line should be the Government standard line. I have already stated that instead of by that (Rotorua-Taupo) line the country ought to be opened up by this (Tongariro) line.

20. Do you think that that line is preferable to the route suggested by Mr. Holmes?—Mr. Holmes did not recommend the immediate construction of the Rotorua-Taupo line, he merely advised as between these three routes north of Lake Taupo. He was asked whether he would recommend an extension of our line to Taupo, and he said he would leave that to the Department.

21. With the Rotorua-Taupo line do you suggest you are not going to tap all that territory on the east side right down south of Lake Taupo?—The answer is this: If you are going to spend £700,000 there, that would be all right provided that you have £10,000,000 or £15,000,000 to spend immediately on settlement. If, for instance, one of these English settlement propositions would give you the capital up to £10,000,000 or £15,000,000 to develop that country, then that line would probably pay.

22. You know it is the policy of the present Government to spend £5,000,000 on the development of the undeveloped country—even to the extent of £70,000,000, we have heard it mentioned?—I do not know what the policy is.

23. Anyhow, you think it would be a good place in which to spend millions on settlement and development?—Well, I agree with Mr. Vaile that there is no question that it is a very valuable country.

24. Therefore it would be justifiable to put a railway into it?—That is a very different proposition.

25. What are you going to suggest?—First of all, what I want the Government to do is to help pioneer settlement there. The settlers there have gone in and taken risks themselves, and they should be assisted to make a success of their properties.

26. What about the pioneers on the east: would you suggest helping them also?—My proposition is that you should help all the existing settlers in the pumice country.

27. You have stated that the country wants developing, and that you could spend £15,000,000 on it: you think it would be profitable to do so?—It is just a question of a business proposition handled properly.

28. Now, there are all those plantations on the east of the line, that is principally Crown land: the plantations on the west are private plantations?—Yes.

29. You prefer that the Government should put in a railway for the convenience of the private plantations as against the Crown plantations?—They will not help the private plantations; it is a different district altogether. A special Committee of the House, after hearing all the experts of the Government, said that the Rotorua-Taupo line will not serve our country.

30. Well, you think that now that the Government have got all those plantations they must eventually have transit by railway?—I have always understood that it is more than overdue—they must have means to get out the thinnings.

31. And you believe that a railway there will serve the purpose better than a motor road?—Well, all the local bodies there are opposed to the use of the road for this purpose.

32. Therefore you think that a railway is necessary?—Yes; but a light railway, the same as ours, will do all that is necessary.

33. You would not recommend that the railway should go round Lake Taupo to Waiotapu—a 2 ft. railway?—No; our railway is 3 ft. 6 in.

34. *Mr. Jenkins.*] Is there deep water in the upper reaches of the Rangitaiki River?—I do not know.

35. You do not know whether it would be possible to raft that timber down?—No, I should think not.

36. You know what they do in that way in America?—Yes, but the water is not deep enough on the Rangitaiki River.