

140. Would it pay better to build a railway than to build a bitumen road? Which do you think would be the more serviceable for a group-farm system—a road or a railway?—I cannot tell you. I have recently seen racehorses being carried in motor conveyances. I do not know what it would cost, or how far it is feasible, where live-stock are to be carried.

141. We are not talking of racehorses, but about fertilizers and stock. You would not suggest putting one hundred head of bullocks into motor-lorries?—I take it that it is a question of cost. They have to go in a conveyance somehow.

142. But you say you have had a lot of experience, and I have no doubt you have. Surely you can answer that question. Suppose that we had through the pumice country hundreds of farmers: which would be the most convenient, the most profitable, and the most useful service, railway trucks and carriages, or motor-lorries and motor-cars?—We are trying to get the chance of putting the motor-cars off the road.

143. Then, you want a railway-line?—Naturally. We own a railway, and we say it could be done more efficiently on a railway.

144. Then, you prefer a railway-line to motor-lorries?—Yes, in my present circumstances.

145. I am not talking about your job, but about the general advantage for a group-settlement scheme?—I do not know anything about general matters, only about particular ones. You were not in the room, I think, when I read a letter from my company to the Prime Minister. I merely wanted to refer to a fact that you will find in the evidence.

146. What I want to know is what you would do in a group-settlement scheme?—I would get hold of experts who know about settlement, and I would say, "What is the best way of settling this matter of transport," and so on. I would not form an opinion, because I know nothing about it.

147. Do you mean to say that after all the years you have lived, when it comes to a question of the settlement of hundreds of people upon the land, you cannot give us a practical idea of what would be the best means of transport?—I have never relied upon my own judgment in such matters.

148. What did you put your railway in for?—To make money.

149. If the railway was a good thing for your company, would it not be a better thing for the community?—In those days there was no motor transport. We are trying now to get it off the roads.

150. You would not use the bullock wagon?—Some people did, in the pioneer days.

151. It was a railway-line that you built through your country because it paid best?—Because we thought it would pay best. It would have paid us better to build a better line.

152. But you built the line according to your finance?—Yes.

153. If it was a good thing for your company to build a light railway-line for the purpose you have used it for, you must admit that if the Government decide to pursue a vigorous policy of land-settlement through the pumice country it would pay the Government to push a public line through?—Yes; but the question whether there should be a line via Tongariro would still arise. The scheme of settlement you are suggesting is contained in a letter we wrote in 1918. I wrote the letter, but it was not my scheme. It was common talk when the soldiers came back. I merely incorporated that common talk in the proposition to the Prime Minister.

154. The proposed settlement suggested in that letter was to be in close proximity to your own railway-line?—Yes, country on both sides of the Taupo Totara Timber Co.'s line.

155. The idea in your mind was that the soldier could make good because he would have access to his land through your railway?—Yes.

156. You would not have suggested that the soldier should go out to where there was no railway at all?—No.

157. Well, a railway-line is a good thing?—Cheap transport is essential.

158. The letter suggested that the soldiers should settle in close proximity to your railway-line—You admit that it was a good thing?—Yes.

159. That being so, would it not be equally as good a thing, or a better thing, if there were a line right through the country, so that they would get the benefit of it?—Yes.

160. *Mr. Kyle.*] You mentioned the fact that you had been in communication with the present Prime Minister, and that he thought you were taking the right course, but that he had not had time to go into the matter?—Yes. It was the businesslike course, he thought, but he did not commit himself to anything.

161. But he has committed himself to stopping the railway?—That is common knowledge.

162. So he committed himself to stopping the railway after having stated to you that he had not had time to go into the position?—No; he stopped the railway long before we saw him.

163. Well, he committed himself before he had time to go into the matter?—No—to go into our proposition.

164. Your words were taken down by myself?—I admit the words, but you were not aware at the time that this was after the railway was stopped.

165. After the railway was stopped they were the words the Prime Minister used to you?—To our counsel. He told me that he gathered that the Prime Minister was favourable, but that, of course, he could not commit himself till we put the whole proposition before him. It was merely a casual conversation, and perhaps I should not have repeated it; but I have told you that the Prime Minister was interested in the development of the country.

166. Did not this take place after the Prime Minister had stopped the railway?—Yes; a few weeks ago.

167. *Mr. Massey.*] I would like to find out your real position. You said you were not opposed to the Rotorua-Taupo line: is that correct?—I take it that one's actions are based upon one's feelings, and my action has always been to refrain from opposing any comprehensive system in the Taupo