

434. That does not complete the 41 miles 60 chains?—No; another contract has been entered into which we estimated at £28,000, and taken at £27,000, and includes the platelaying and build-ings.

435. That is, equipping the line?—Yes.

436. With rolling-stock?—No; the whole amount is £41,000 to be paid extra to the £115,000; that includes the above new contract, rolling-stock, engineering, and all expenses.

437. The company for equipping the line have to receive £41,800 in addition?—Yes; and there is a sum for land, £1,100, which you will find also in the agreement.

438. How will the cost of the construction of this line compare with the average cost of similar lines constructed by the Government?—The contracts were taken exceedingly low, and on that account, though the Government has also let exceeding low contracts, our line will compare favourably. I have never known such low contracts taken in the platelaying and formation.

439. *Mr. Montgomery.*] You are the engineer, Mr. Stewart, employed by the company?—I am.

440. What is the distance from Morrinsville by the railway to the place where it enters on the agricultural company's land?—Twenty-five and a half miles, or between that and twenty-six miles.

441. What distance does it run through the agricultural company's land?—It passes through in two portions; it enters and leaves another estate near Oxford; it will extend about eight miles, speaking from memory.

442. And Mr. Firth's?—About ten. It depends where his line is fixed. He has acquired some of the leasehold lands, the exact boundary of which has not been, so far as I am aware, finally settled.

443. The Patetere company?—It passes through about eight miles.

444. The agricultural company, Mr. Firth's property, and the Patetere company are all ratepayers?—All ratepayers; the Patetere company to a very large extent.

445. I should like to hear of the quality of the land on the second section, as you confined your remarks to the first section—from Lichfield to Rotorua?—I spoke of the first section only. I should have continued to have mentioned the second, which is by far the most important in every way. The junction is placed in the Mangakaretu Block, which is considered one of the good blocks belonging to the Patetere company, but the line immediately from its departure from the first section enters upon better land, and the land increases in quality all the way up to the bush. The valley leading up to the bush is a most excellent valley. Although it is narrow, the bush land I consider a specimen of the best bush country in Auckland. It is most eminently suitable for small settle-ments, which have been so successful in the Pukekohe and other districts in Auckland. On emerging from the bush the land is of first-class quality until it reaches about the level of 120ft. above the lake. There is a zone of poor land between that and Rotorua Lake. That is a description of the whole of the basin of Rotorua, with the exception of a few promontories of rich land running into the lake, and near which the Maori settlements are situated. The land is poor for a height of about 120ft. above the lake. Thence to the summits of the hills it is very rich, either fern or bush.

446. *Major Atkinson.*] Have you given any information as to the probable traffic of tourists?—I have not been able to make up my mind as to anything definite, but I have held a long time strong opinions as to the magnitude of the sanatorium which would eventually grow there, and in a short time, after railway communication has brought it within eight or nine ours of Auckland, I have come to the conclusion that, within two or three years of a proper establishment being built, there would be at least five hundred visitors residing on the average. This is from examination of visitors' books, and judging from their coming from all parts of the world, the rush that goes through in the summer time now, with no inducement in the way of residence, which is confined to second-class hotels. I have held strong opinions on those grounds, but it is hard to make definite statements.

447. Within three years of its opening up, there will be at least five hundred permanent resident visitors?—Yes; with a proper sanatorium. I should like to add that I wish to bring under the notice of the Government the advisability of creosoting tawa timber, for sleepers; the tawa is quite as strong as white pine, and will take creosote better, while in the colony there are about five tawa trees for every one of any other kind. They can be used for sleepers and telegraph-poles, and the industry would be a permanent one, because the more lasting portions of ordinary buildings would be used in the same way. House blocks and lower plates and floor-joists of houses would be constructed of this. It would form an industry for the small settlers, and they would thus always find employment.

448. *Mr. Barron.*] Do you think creosoted tawa sleepers could be laid on this line if constructed now at a less cost than the sleepers you have used?—Yes, quite sure, now that the Waotu bush is opened. I should be inclined to go there for totara sleepers in the absence of creosoting. Totara sleepers would cost us 4s., and we are paying 3s. 5d. for kauri sleepers. Tawa sleepers creosoted on the spot, I believe, from conversations with those formerly in the creosoting trade at Home, and with others in Wellington, would cost 3s. 6d. a piece for 8 by 5 size.

449. *Sir J. Vogel.*] And last as long as the sleepers will last with which the line is constructed?—Quite as long as totara. Kauri does not last in sand, but it lasts well in scoria ballast. It goes bad in the Waikato ballast in a very short time.

450. Has your attention been directed to the possibilities or probabilities of the district becoming the centre of a considerable population, partly of visitors, and partly of residents to supply the wants of the visitors?—I have studied that question for years.

451. Do you think a large population will be brought into the district?—I am perfectly certain of that.