

to go into the question of fares and freights, or would the company reserve to itself the right to say what shall be fair rates?—The difficulty is that you have not only to satisfy the holders of our capital, but the syndicate, and the proposition must be such that the rates will bring them in a reasonable profit. It is a difficult matter, because we might agree to that and the syndicate might come along and say that the rates will not pay.

9. *Mr. Fraser.*] Is this scheme propounded by you one which is likely to meet with the approval of the Government? Can you inform the Committee whether you know, or do not know, that in the event of any feasible scheme being propounded it would have to encounter a hostile attitude on the part of the Government, or whether the Government would have an open mind in connection with it?—The position is this: we have not made any application at all to the Government in connection with the matter. My idea was that it would be better, first of all, to come to the House, in order that the whole proposal might have as much light as possible thrown upon it. It seemed to me the best way by which the matter could be threshed out. A Committee of the House having the power to call witnesses and get reliable information which will be available to the Government, its proceedings are given more publicity than could possibly be got by any other means; and our purpose was to get a recommendation from the Committee with which we could go to the Government and put it before them as a reason why this proposal should be carried into effect. So far as the Government is concerned, I have always felt that, having granted this Order in Council upon terms which are fixed, it would be a very great hardship to the people who constructed the line, and also to the settlers of the district, if it would not agree; and it has always seemed to me that as a business proposal the Government could have no objection to it, provided that steps had been taken to as far as possible thresh the question out in a public way. Bringing the matter out into the open in this way seemed to us the best possible course to take to obtain what we desire. I do not know at all what attitude the Government will take up in the matter.

10. I presume you represent any proposed syndicate that will be formed?—I do not represent the syndicate; I represent the promoters in the sense that I represent the company. We have no binding arrangements with the syndicate; we are simply negotiating, and I am supporting the petition in order to secure what may be necessary before entering into a contract.

11. In coming before this Committee all that you are putting before us is of a preliminary nature with the view of giving us fuller information further on; and if this goes on, have you any hope of anything being done this session?—I do hope that the Committee this session will come to some conclusion as to whether, on the information before it, this is a proposal which it can or cannot recommend.

12. Whether it should proceed or not?—That is all we can hope for. Legislation is not necessary. I do hope the Committee will come to a favourable conclusion on the matter.

13. Do you mean to say that legislation is not necessary—that if this Committee gives a decision, or gives its approval generally, that the Executive of the day can give effect to any scheme put before it without Parliament deciding?—Yes.

14. That is a very important consideration, because by doing so we are accepting a very great responsibility?—Yes, that is so; that is my reason for putting everything so plainly before you.

15. *Mr. Guthrie.*] I understand you appear before us as the representative of the Taupo Totara Timber Company only?—Yes.

16. And it is their intention to form a syndicate to take this business over?—Yes, that is the position. We are negotiating with other people, members of a syndicate distinct from the Taupo Totara Timber Company. The Taupo Company hopes to go right out of it, retaining only its timber business.

17. You are making this representation, that you want this concession added to those already held by the company?—Yes.

18. You said that you proposed to continue the operations of the company on debentures?—That was my first proposition, but I came to the conclusion that that could not be carried out.

19. In forming the syndicate you want to offer them as security something other than the property the company now holds?—Yes.

20. That is, 200,000 acres of land that you are seeking to get the right over?—Yes.

21. And the right of rating over a certain area?—No, we do not want that.

22. You have abandoned the proposition of asking the Government for a guarantee?—Yes, we are asking for no assistance from the Government or any one else.

23. You say that before putting this land on the market you will practically cultivate it?—I think that will be necessary; that is our proposition. We could not hope to dispose of it otherwise.

24. You have also said that the Rotorua-Taupo Railway route could never serve the area that your railway would serve?—That is so. There is a range of hills which severs one part of the country.

25. Will the Taupo Company's line serve the area to the east of that?—All I can claim is that it will serve $1\frac{1}{2}$ million acres of land.

26. Practically the position is this: that your local line will not serve the district to the east of the range which divides it from the Rotorua-Taupo line?—No.

27. *Mr. Newman.*] Have the Natives approved of your proposal or been consulted?—No; we have to go to the Natives. I have only discussed it with one or two of the chief Native people, and they are quite anxious for the completion of the railway. They realize that when the railway goes through, their lands, now unoccupied, may have a chance of coming into occupation. But there are about fifteen hundred or two thousand Natives concerned.

28. Has the land been through the Native Land Court?—Most of it—nearly the whole of it.

29. Then, if you deal with these Natives, do you propose buying the land?—Yes.