

61. What distance is it from Putaruru to Rotorua?—Thirty-two miles.
62. Your line would be shorter from Putaruru to Taupo than the proposed Rotorua-Taupo line?—Yes, thirty-two miles shorter.
63. *Mr. Myers.*] Do you say it is sixteen miles or twenty miles from Mokai to Taupo?—It is more than sixteen miles, but from the point where the extension would commence on our line it is twenty miles.
64. What would be the cost of construction for the same gauge and the same weight of rail used on the present line?—Something under £1,500 a mile; that is, the actual construction, not allowing for stations and that sort of thing.
65. What length of time have the Taupo Totara Timber Company to run on its present lease?—For all time. An Order in Council under the Tramways Act gives you the right for all time.
66. I have always understood it was a limited term?—No. There is a right of compulsory purchase, but there is no time-limit at all.
67. You are not in a position to state that the syndicate would be prepared to spend any amount of money at the present time?—We have not at present entered into a contract with the syndicate. Of course, anybody taking up this land must necessarily, in the first place, be under contract with us to complete the railway to Taupo. If they acquire the Native land they are under contract with the Crown to cut that land up and dispose of it in small areas within, say, ten years.
68. Do you think it fair to ask a syndicate to spend a certain amount before the 200,000 acres have been acquired? Would it be a fair condition, in your opinion, to make?—I am afraid it might not be—it is impossible to tell what is a fair amount in a matter of that kind. They might say the burden was too great. If they found after experimenting with a certain area of the land that they could not sell it at a profit they would probably prefer to be allowed to throw it up. Under the condition we suggest, if they do not sell it within ten years, the Crown or the Maori Land Board would step in and sell the 200,000 acres in limited areas at whatever it would fetch.
69. Did you say it would probably be an essential aspect for the consideration of the Committee, if they were satisfied that a certain amount of money was to be spent in the development of the land, having regard to the point of view you have already urged, that it would benefit the 600,000 remaining acres of Native land and the 350,000 acres of Crown land?—My answer to that is this: if the syndicate goes into the transaction it is compelled to complete the railway, that the district may immediately become served by that railway, and it gets that benefit at any rate, which is a very substantial benefit. The additional benefit it would expect to get from the cultivation of these 200,000 acres it will, of course, get if the syndicate's experiments turn out successfully. It would not be in the interests, I suggest, of anybody at all, if these experiments are not successful, that the syndicate should be forced just to waste its money. That, I think, would not be a reasonable proposition; but inevitably, if what we hope for turns out to be correct, that this land can be cultivated, then the syndicate will spend a large sum of money in that way. My only objection to agreeing to a condition of that kind is that if the amount was large it might frighten the syndicate away.
70. *Mr. Mander.*] But the quality of this country has been tested already; it has been proved to be productive?—You cannot get people to agree on that point. I have said that the experiments have, so far as Putaruru is concerned, been successful, and that farming has been very profitable. The Assets Board have spent a large sum of money on that land.
71. *Mr. Myers.*] Can I assume that the loss sustained by the Taupo Totara Timber Company in the non-receipt of any return on the preference shares would be calculated as against the probable profit that you hope to obtain from the sale of the land—that is to say, it would be quite clear of the railway?—Quite clear of the railway question. The railway would be held by a different company altogether.
72. And when going into the assessment of the rates for the carriage of passengers or goods the railway proposition would entirely stand by itself?—That is so.
73. How would you view the question of the Government making the necessary connection between the Mokai and Taupo?—We would welcome it.
74. What amount do you consider it would be necessary to obtain to enable you to complete the sixteen or twenty miles of railway and cultivate the 200,000 acres if you acquired them?—We think that not less than £50,000 will be required to complete the railway and improve certain portions of the existing line, which is all part of the proposition, and obtain the necessary rolling-stock; £50,000 is the sum we have asked the syndicate to find for that purpose.
75. But, of course, they would be prepared to find whatever amount is necessary for the purchase of the land, and so-much for cultivating or experimenting?—Yes, that would be in addition to the £50,000. As a matter of fact, our proposition to them involves our handing over the line with additional rolling-stock and improvements for £180,000.
76. You could not give the Committee any idea of the ratio of profit the syndicate would be prepared to accept in the disposing of this land?—No, I cannot tell you that. So far as the railway is concerned, the Taupo Company guarantees a profit of 5 per cent. for a period of fifteen years, that guarantee being secured upon its other assets. Of course, it may make a loss on the land. You cannot tell how this country is going to turn out yet.
77. As regards the rate of freight to be charged on timber, would you treat that in the same way as timber carried elsewhere, or have you any special rate in your mind?—At present there is a special rate fixed by the Order in Council.
78. May I ask what that is?—The rate for all timber is 1s. 2d. per 100 ft. up to ten miles, and 1d. per mile after that.
79. And for passengers?—Up to fifty miles, 6s. [Schedule of rates put in.]