

57. But the State would gain because they would travel over State railways to Rotorua?—I do not think that would mean more travelling over State railways, and I do not think it would affect the number of visitors from overseas.

58. But do not you think competition is the life of trade?—I do not object to fair competition.

59. I think you also said that the charges would be excessive if this syndicate acquired the hotels. Supposing the charges were regulated—there is no doubt, if the syndicate is allowed to proceed, the freight charges will be regulated and fixed—would that remove your anxiety in this respect?—Here we are in the dark again to a certain extent. You must understand that we have no official knowledge of what the company intended to do, other than what they have decided to tell the public of New Zealand per medium of the Press. But if we are right in what we base our objections, we say that the present application is for an extension of a charter—which has been justly granted. In that charter the power has already been given as to what amounts the company may charge for freights. I must say their charges at the present time are remarkably reasonable. If they are asking for an extension of that charter for that railway with the object which they have already expressed—of selling that railway to a new company—the Taupo Totara Timber Company by doing that hand over that charter to a company who make considerably higher charges than the State makes. When they have parted with that right they are naturally selling their charter, and if that charter goes to men investing money in their concern for getting profit, it naturally follows, if the trade increased to such an extent, they would have the right to charge what they liked, providing they did not exceed the amount given in their charter. Perhaps this Committee has power to alter their existing charter, and my answer to this question would not be the same as it would to the same question in other circumstances.

60. Would you as a business man prefer to see this one and a half million acres of land remaining idle for many years if told that the syndicate was prepared to agree that the Government should take over the line at any time at cost price; that the charges were to be of a reasonable nature; that as the volume of business increased the return was not to exceed the limit, when the charges were to be decreased; and that the syndicate was prepared to spend money to prove that the pumice land was capable of being farmed satisfactorily—or would you consider the granting of a charter giving them, of course, an option for a limited period inimical in any way to the best interests of the Dominion?—Where a syndicate or a company such as this is practically granted a charter for all time, I should say that it is against the best interests of the Dominion as a whole, even with all the provisos that you have mentioned.

61. That is your opinion?—Yes.

62. You are against private enterprise in any state or form touching the railways?—Yes.

63. *Mr. MacDonald.*] Leaving out the tourist question: you have a knowledge of the configuration of the country lying between the proposed Rotorua-Taupo line and the company's line?—A line from Rotorua to Taupo would pass within fifteen miles of the company's present terminus at Mokai, and would open up some of the same land as the company's proposed line.

64. In regard to the syndicate or company getting options over the hotels and accommodation-houses: no action of the Government at present could prevent that; they have a perfect right to do that; they can do it without any connection with the other matter?—When they contemplated asking for this charter I should say the man with the brains who thought of it did a very wise thing. I do not see it affects the granting of that in any way.

65. Anybody could acquire them under the same conditions?—Yes, anybody.

66. If the company acquired this large area of 200,000 acres of land and found it was unprofitable they would hand it back to the landlord?—Yes.

67. There is no doubt, if the company acquired 200,000 acres of land, so long as they were solvent they would have to comply with all the obligations in connection with the ownership of land. They could not simply abandon it. They would have to pay taxation in all directions; keep the land clear of weeds and rabbits, and do all that class of work?—I am not quite clear upon that point. I have always understood the ownership of a big area of land by a syndicate is different to the ownership of land by an individual.

68. If they disposed of it to other persons?—Oh, yes, they are bound, of course.

69. In your opinion, do you not think it would be in the best interests of the State to get large areas of this land settled as speedily as possible: and, knowing the class of country—it is difficult country to work, and purely in the experimental stage—do not you think that with settlers intending to improve the land it would be necessary for them to get easy transport facilities, or it would be practically unworkable otherwise—unless they can have the means of transporting manures, live-stock, &c.?—I believe the salvation of that country lies in cheap manures and cheap live-stock.

70. I notice that you stated that by the proposed line, in conjunction with the Government line, it would take sixteen hours to Auckland, as against eight hours to Tauranga?—Yes.

71. I suppose you are aware, in sending produce to Auckland, Tauranga is only one portion of the journey, so that eight hours from Rotorua to Tauranga would only be a portion of the journey?—Yes, and I think it is only practically waiting for the linking-up of that line when we will have freezing-works at Tauranga.

72. *Mr. Guthrie.*] In the event of the scheme being successful you seem to lay great stress upon the fact of the syndicate having the power to hand back the land to the Government?—If at the expiration of ten years their land-settlement scheme is not a financial success. I said they could then hand the land back, or proposed to hand the land back, to the Native Land Board, or whatever source they got it from.

73. In the meantime they would have experimented with that land and found out by the expenditure of their money whether it was capable of being brought into productiveness. Do you think that would be the best for the district?—Seeing what has already been done by the Agricultural Department, I do not see that there is much more to be gained.