

district, where the principal avenues of revenue will be controlled by this same company. In connection with this phase of the question, I suggest that, if the petition be granted, conditions be imposed prohibiting the inauguration of lower fares than are charged on State lines, in order to prevent unfair competition for the tourist traffic. The interests of Rotorua cannot be dissociated from the interests of the State, and the people of Rotorua feel sure that their interests, and the interests of their State-owned town, will not be sacrificed to mercenary private enterprise.

6. *Mr. MacDonald.*] I notice that you say that the land along the fifty miles of railway already in existence has not been developed. Is this additional twenty miles going to revolutionize the land-settlement of that district? I do not know that any attempt was made to acquire this land for land-settlement; the company which constructed that line did so purely for timber purposes. You are aware they were not a land company at that time?—Yes.

7. I suppose nobody took action to acquire Native land or other land at that time, as it is contemplated?—I understand that at the same time the company are possessed of a considerable quantity of freehold land which is not timber land.

8. I, of course, know nothing of that. You state that in regard to the profitable occupation and settlement of this land, that it is purely an experimental and problematical question. There is no doubt that is correct. Do you not consider that it would be in the interests of the Dominion if the company constructs this line of railway and goes into an extensive scheme of experiments to prove the land will be of benefit. Would that not be of benefit to the Dominion?—If the land is in every way highly suitable for cultivation. Then practically with that a large population will follow the construction of this railway.

9. That is, provided that the land can be brought into a practical state of cultivation?—As far as my readings of the reports are concerned, I understand that the company practically assert that extensive cultivation will ensue, and that the construction of the railway will be followed by a large increase of settlement. That is just the reading I am taking up myself.

10. Would it be in the best interests of the State for private capital to be expended in opening up this country?—I cannot disassociate the opening-up of this land by the construction of this line—that is, if the railway is constructed, and the right to acquire the land is granted, the result must inevitably be the creation of a monopoly.

11. Knowing that there is a large area of one million and a half acres of pumice country, and that practically nothing has been done in the way of improving it, do you not consider it would be in the interests of the Dominion for private capital to open up that country so that it could be made useful for occupation?—Certainly, it would be in the interests of the Dominion, providing there were conditions with reference to the opening-up of land that would not be detrimental in other ways.

12. *Mr. Fraser.*] You speak of the probability of a railway being built from Rotorua to Taupo: would that railway in any way serve the locality referred to in the petition?—I think it would.

13. Have you read what Mr. Dalziel stated on that point—that there was a range of hills which would prevent access to the particular area referred to in the petition?—I could not say of my own knowledge whether such is the case or not.

14. Would the line from Rotorua to Taupo in any way serve the area of land proposed to be settled if the scheme were given effect to—would it in any way serve the settlers along that area of land?—Yes.

15. How could they get to it?—I understand the country to be served by the suggested line at the present time is to draw its produce, to a great extent, across the lake.

16. Before you get to the lake?—Both lines would lead to the lake.

17. Do you know the country?—To a certain extent.

18. Have you been to the timber country along the line?—No, I do not know it in detail.

19. You do not know whether a railway from Rotorua to Taupo would be of any service at all to people settling in the locality referred to in the petition?—Except in this way: the line from Taupo to Rotorua must inevitably come along the same line of country for some considerable distance as the projected line.

20. Which end, the Taupo end?—The Taupo end. I should say it amounts to ten miles.

21. It is a distance of how much?—Either sixteen or twenty miles.

22. *Re* the question put by Mr. MacDonald: it is proposed by the petitioners to acquire a large area of land and spend money in reclaiming it, and put it into a state of grass, and then, after it is hoed and put into grass fit for occupation, to cut it up so that people with limited means could occupy it and make something out of it at once. Now, suppose the State were to acquire that land and offer it to settlers, is it likely that the State would adopt any such scheme before asking settlers to go on it?—I do not think it likely.

23. Would it be conducive to settlement to carry out a scheme like that if properly safeguarded?—It would depend upon the safeguard, and even then it would depend upon what beneficial results were obtained from the soil and if those results could be profitably placed upon the market.

24. Your opinion of the country in the locality is not a very high one as far as the small settlers are concerned?—My opinion is one of extreme doubt, in expressing a direct opinion, as to whether it is or is not suitable.

25. *Mr. Newman.*] Are you a farmer?—No, I cannot say I am a farmer.

26. Have you any personal knowledge of the quality of the soil through which this proposed railway will run and of the land it will open up?—Not exactly, as far as the total length of the line is concerned. Speaking candidly, my knowledge of it is decidedly against the optimistic views expressed by the petitioners.

27. How does it coincide with the land about Rotorua?—Against it.