

28. About Rotorua they grow excellent vegetables and fruit, &c., on that pumice soil?—Yes, of course the expensive manures and cultivation are very heavy.

29. You think the syndicate or company is taking too optimistic a view of the quality of the soil?—Yes.

30. Would you be prepared to say the soil is quite amenable to fertilizers and suitable for food-growing, &c.?—Considering no extensive experiments have been carried on, I could not say.

31. Large areas up the Main Trunk line have been used for growing roots, using no more fertilizers than on dry land?—I should be surprised to learn the Taupo country would give the results you state.

32. You said the land that had been tapped by this railway for many years had not been taken up?—Not to the extent I am led to believe, as is contended by the present petition.

33. A large lot of the land has been taken up?—A certain proportion of it.

34. You are not opposed to private enterprise?—No, not as a fair question.

35. The Government having announced their policy is to complete the main lines, such as the East Coast Railway and other important railways, first—consequently there is no chance of this railway being done for a number of years—if a private company is prepared to do it, to spend money on roading and bridging and improvements, and give the Government the right to purchase it, would you consider it wrong that they should be allowed to do this?—Yes, I refer to the monopoly.

36. How can a monopoly exist if the Government had a right of purchase?—I refer to the hotels, &c., being held by the company at the present time.

37. If the Government had the right of purchase and to include those options, it could not still be a monopoly. You do not object to a Government monopoly, I suppose. You do not mind the Government having a monopoly of the hotels and means of transit across the lake?—The State ownership would be quite different.

38. Your opposition to this railway is because you think it is against the interests of Rotorua?—I think, against the best interests of the Dominion, and that it would create a monopoly—not an absolute monopoly, but a monopoly to all intents and purposes.

39. *Mr. Guthrie.*] If this company's new line took another route, through Waitapu, would you object?—Personally speaking, I would.

40. Even though it were there?—Yes.

41. And the reason you object is because you are frightened of the monopoly that would be created?—Yes.

42. Do you think that monopoly would work against the State at large?—Perhaps against the community at large.

43. By what way could it work against the best interests of the State in Rotorua?—With regard to the ownership of hotels and thermal action. An enterprising company possessing a monopoly of thermal sites and hotels, backed up with large capital and keen business enterprise, could exert a powerful influence in the matter of directing traffic to their own particular locality. Personally speaking, I believe if I had a control like that, with the advantages and facilities I have named, I could make a tremendous difference in the amount of traffic which would reach Rotorua, or for the amount of time it would remain there.

44. Supposing it were diverted from Rotorua, the State would still have the tourist traffic?—Yes.

45. And Rotorua would not have it; it would lose it?—Yes. Rotorua, I take it, being a State-owned town, would depreciate.

46. In the event of this syndicate being granted the concessions that they ask, and that they get to work and employ their capital in experimenting on this land at the present time, would you object to the expenditure of that capital?—No.

47. Seeing that there is no likelihood of State experiments there for a long time, do you think it a good thing or a bad thing?—By itself I should think it a very good thing.

48. You are afraid to grant the power to the company to do this because that company might affect the interests of a State-owned town?—Practically the company asserts that the land will inevitably carry a large population. My answer is rather different from the way I read the petition. If the company had intended to experiment with this land I certainly would have taken quite a different attitude with regard to the land question.

49. That is their proposal; the company's proposal is to expend a very large sum of money in experimenting with this land, and they stand a chance of losing that money?—With regard to the large amount of money, I take it, with the cost of the railway, £180,000, buying the land, this thermal estate, all the hotels, &c., and the total capital being £300,000-odd, after they have completed their purchase, and so on, there will not be so much money left for conducting experiments.

50. *Mr. Newman.*] I think you said you had been connected with the tourist traffic. Are you in the Government employ?—No.

EDWARD EARLE VAILE, of Waitapu, examined. (No. 4.)

1. *The Chairman.*] You desire to give evidence, Mr. Vaile, do you not?—I am willing to do so, if it would be of any service to the Committee.

2. That is not for us to say, it is for you?—I must thank you gentlemen for coming here this morning to give me the opportunity.

3. Very well. Will you proceed, please?—I wrote out a short statement to save time, and will read it. I am a farmer residing at Waitapu, and owning the "Broadlands" Estate of 53,250 acres, freehold, upon which I have expended about £10,000 in development and stocking. The proposed Putaruru-Taupo Railway would pass within five miles of my land. A railway from Rotorua to Taupo could go by any one of three possible routes—one of them right away from my