

95. *The Chairman.*] Supposing this land is now worth 5s. an acre, for the sake of argument, and the railway were completed: if the Government were to sell the land at £1 an acre would you consider the difference to be paid to the company part of the Government's financial responsibility?—I do not know that I should view it quite in the same light, because that would be an enhancement due to the construction of the railway.

96. I am only illustrating what I want to get at. Any enhanced price the land might fetch after the railway is made—would you look upon that as being a financial responsibility on the Government in the way you put it?—I think it would be justifiable to devote that sum to assistance in connection with this railway.

97. *Hon. Dr. Pomare.*] Do you say it is necessary that the land round the lake should be acquired in order that this line should be made a profitable concern?—It would certainly be necessary for the land round the lake to be utilized. The Natives might themselves farm it or lease it to Europeans.

98. It is not absolutely necessary to compulsorily take the land?—I do not think so, if the Natives will profitably utilize it themselves.

EDWARD EARLE VAILE sworn and examined. (No. 20.)

1. *The Chairman.*] Your profession?—I am a farmer.

2. Have you any other calling?—No.

3. Where do you reside?—At Waiotapu.

4. You have a statement you would like to make to us?—Yes. I would not have troubled you with my evidence again this year were it not that I feel that the company, which is united and organized, and has a large personal financial interest enabling it to engage learned and eloquent counsel and bring witnesses from a distance, has an undue advantage. I will endeavour to avoid repeating the evidence I gave last year; that is on record, and can be perused by any caring to do so. My desire is to urge upon you more strongly than ever the advantages to be gained by the Government constructing its own line from Rotorua to Taupo: (1.) It would link up all the thermal sights in one continuous journey. This needs no demonstration; a glance at the map proves it. (2.) It would open to settlement a vastly larger area than any other railway that can be constructed in the Dominion, and this area includes upwards of 600,000 acres of Crown lands. There are some 5,000,000 acres of pumice land in the North Island, which is by far the largest area of habitable and cultivable land in the Dominion, which is not yet settled. Almost half of this would be beneficially affected by the proposed railway. There seems to be an erroneous impression that there are no Crown lands along the route of this railway, and I have accordingly taken the trouble to make a list of some of the blocks of Crown land, as follows: Run No. 81, 5,900 acres; Run No. 80, 8,854 acres; Run No. 83, 11,992 acres; Run No. 84, 8,634 acres; Run No. 82, 11,136 acres; Run No. 85, 8,181 acres; Run No. 94, 10,144 acres; Run No. 55, 19,460 acres; Run No. 56, 17,413 acres; Run No. 58, 29,312 acres; Run No. 77, 6,200 acres; Run No. 78, 8,896 acres; Run No. 79, 14,192 acres; Run No. 64, 11,380 acres; Run No. 66, 5,194 acres; Run No. 59, 56,556 acres; Run No. 60, 54,744 acres; Run No. 91, 20,000 acres; Run No. 90, 20,000 acres; Run No. 74, 10,350 acres; Run No. 95, 23,894 acres; Run No. 75, 8,938 acres; Run No. 19, 5,100 acres; Run No. 92, 12,310 acres; Run No. 93, 12,100 acres; State forests (Moerangi), 6,835 and 1,400 acres, (Rainbow Mountain), 2,974 and 445 acres, 1,746 and 33,355 acres; Paeroa South, 1,403 acres; Heruiwi, 2,484 acres; Waiotapu Reserve, 3,206 acres; around Taupo Town (about), 8,000 acres; Pohokura, Runanga, &c. (about), 150,000 acres: a total of 618,728 acres, or about double the area claimed to be benefited by the Totara Company's line. These lands are all lying close to the proposed route from Rotorua to Taupo, and the list does not include any of those large blocks which would be indirectly benefited by water communication with the railhead at Taupo, but only lands lying within, roughly, fifteen miles of the rail by land. I have included only such blocks as I know of. There may be others, so the area quoted is a minimum. It is true that much of this land is taken up; but it is only under pastoral license, which is a temporary tenancy nominally for twenty-one years, but giving the Crown the right of re-entry at any time at a year's notice without compensation. (3.) It could be constructed at an exceptionally cheap rate. I have recently had a party of surveyors over the route from near Mihi to Taupo. The country is mostly deal-level. Next to no formation-work is required. There are only five small bridges; no tunnels or rock-work. For about fifteen miles there is little to be done but lay the rails on the surface, and there are splendid long, straight runs. On other parts of the route where earthwork is necessary the soil is remarkably easy to shift. It never cakes hard or becomes sodden or sticky, and cuttings can be left with a much steeper batter than in clay country. (4.) It could be very cheaply worked. A mere fraction of the power from Huka or Aratiatia—right alongside the line—would suffice to work it. Abundant power could thus be obtained at a minimum cost. No staff need be maintained on the rail except at Taupo. (5.) It would pay handsomely from the day it was opened. This railway would occupy a unique position in that it would not depend for its profit upon the country through which it passed. It is estimated that thirty thousand tourists visit Rotorua each year. At Government rates the return fares Rotorua to Taupo would be 15s. first class and 10s. second class, or an average of 12s. 6d. At such a price for incomparably the finest trip out of Rotorua it would be safe to rely on two-thirds of the tourists visiting Taupo. This would give a revenue from passengers of £12,500. And I am reckoning nothing for the increase in the total value of tourist traffic which may be safely anticipated when Taupo is opened up. The revenue from goods is not easy to estimate, but I would place it at £3,000 per annum to begin with. The company estimates the traffic on its line at £2,000, and the Rotorua-Taupo line passes through much more settled country. Both passenger and goods traffic would rapidly expand. (6.) The rail would have great military importance. Taupo is at the centre of the North Island, and