

74. You strongly object to this scheme, I understand, on account of establishing a huge monopoly over land, railways, hotels, and spas. Now, would you object to this company acquiring these same monopolies for a period, if the Government retained the power of resumption, had that route been situated through the Waiotapu to Taupo, and not from Putaruru?—It comes down to the question, if this private company were wanting to put a line in from Rotorua to Taupo, would we object? As a private individual I would not object, because I think it would be following up the general scheme of railways, and that the natural configuration of the country lends itself from point to point—that being the proper point for a railway connecting the two big centres of activity.

75. You made a point of Rotorua being State-owned and the tenants holding leaseholds?—Yes.

76. Do you say the interests of the tenants would be sacrificed to a certain extent?—Yes, depreciated to a certain extent.

77. By a diversion of the tourist traffic to another place?—Yes.

78. Then your objection to this scheme is principally to protect the interests of Rotorua?—Our objections are based on two grounds: the State and Rotorua. If Rotorua is injured the State must be injured. It must injure those who invested all their money there. I believe some of the objections are purely from a State point of view.

79. Evidently your Chamber of Commerce anticipates the connection with Waiotapu to Taupo, then to Tokaanu, and then by boat to Kakahi?—We do.

80. *Mr. Dalziel.*] You say there is not much more to learn with regard to this country. The Agricultural Department arrived at certain conclusions on the subject?—We have got a lot more to learn.

81. You said that the experiments proposed to be made would not be of benefit, and that the Agricultural Department had already abandoned that knowledge?—Yes.

82. Do you know whether those conclusions were favourable or not?—That much has helped by the Agricultural Department having gone into that matter. A good deal of experiment has been done in the Waiotapu Valley, and it has been moderately successful.

83. Do you know the result of the Agricultural Department's experiments—do you know whether definite conclusions have been arrived at?—No.

84. You suggest the company proposes to hand back the land to the Natives, to the Government, or to some one: do you know if that is correct?—I only know through the same medium that I have known anything in connection with this matter—per medium of the Press. I read a report of your speech before this Committee in which it stated, in the event of its not being successful, the company would be prepared to hand it back.

85. The statement was in fact that it would be sold at what it would fetch: they could not hand it back. You talk about monopoly: you mean a monopoly of the right to cater for the tourists?—Yes.

86. Can you tell us how many people would be compelled to go to the company's hotels? You have many boardinghouses in Rotorua that have not licenses: would it not be the same at Taupo?—It depends on whether they could get the land.

87. Do you know if the company has got land there?—Yes.

88. Do you know what portions of the old township the company has options over—any appreciable area?—I presume, enough to run a railway.

89. You do not suggest a large portion of the township?—No.

90. Do you not think it would be better for the land to be owned by a company that would have to spend capital on it than by the Natives?—I do.

91. You claim that Rotorua is a State-owned town: do you own any leaseholds there?—Yes.

92. Can you tell us what is the rental value to-day as compared with what it was when you took up these leases. I do not want the exact figures, or to go into your private business?—Since they were first sold and at the present time?

93. Yes?—In some favoured positions the increase in value so far as rent is concerned has considerably gone past the century.

94. Very considerably?—Yes. Very few holders of these sections hold them now. I am sure we have paid in Rotorua for land as much as the real freehold value of that land would be.

95. In streets there which are not principal streets, it is not going too far to say you would probably have to pay £500 goodwill for an eighth of an acre?—No; outside the two principal streets the values at the present time are approximately £400 per quarter of an acre.

96. That is goodwill?—Yes.

97. So the increase is very substantial?—Yes.

98. That has all been given to the tenants by State aid to Rotorua?—No.

99. The bulk of it?—No.

100. With the tourist traffic together?—Yes; and also through large sums of money invested there by private persons.

101. At any rate, the position is the Government's expenditure there has tended to increase very greatly the value of these leaseholds?—Yes.

102. Would it not be better for the community that some attention should be given to increasing the value of this great area of idle country, rather than further increasing the Rotorua values?—I agree with you but I do not see how you could do it.

103. Do you not think it would be better for the State?—Indirectly, yes.