

land; another about the same distance away as the Taupo Totara Company's proposed line, and the third would pass through my property. This last route would be longer than the others; but by adopting it, the cost of two bridges over the Waikato would be avoided. I have thought it best thus candidly to state my own position so that the Committee may form its own opinion as to the degree in which, if any, my evidence may be biased. For the following reasons, I am strongly of the opinion that the Government ought to construct its own line from Rotorua through Waioatapu and Wairakei to Taupo, and eventually from Tokaanu to the Main Trunk Railway: (1.) All the natural wonders and sights of the thermal regions would be linked up on one continuous journey, and could be readily viewed by tourists without doubling back on their tracks or going lengthly side trips. (2.) A railway from Rotorua to Taupo would open up the Government's vast forest plantations at Waioatapu, and render marketable great quantities of timber otherwise valueless. And there are other huge areas of Crown land along this route. (3.) Such a railway would pass close to Huka, and could be very easily and cheaply worked with a fraction of the power there available. (4.) Railway-construction through this country would be exceptionally cheap. From the settlers' point of view, even if the company adopt the Government's schedule of freights, the charges to residents of Taupo would average 31 per cent. more than on a Government railway *via* Rotorua, although the length of the latter would be twenty-four miles greater. This is due to the break in the journey causing the loss of the benefit of the long-distance through rates. I am satisfied that a railway *via* Rotorua would pay from the start on the tourist traffic alone: 20,000 to 25,000 fares could be counted on. However, if there is no chance of the Government starting a railway within the next twenty years (which would mean that it would not be completed for thirty years)—and from careful inquiry I am perfectly satisfied there is no chance whatever—it would seem to me to be wrong to play "dog in the manger" and block the Totara Company's proposal. If private investors are prepared to undertake development-work which the Government absolutely declines, to my mind they deserve encouragement. But the concession should be on reasonable lines. The company's present concession is to charge a tariff of—Class 1, 10s. per ton up to ten miles, after that 9d. per ton per mile; Class 2, 8s. per ton up to ten miles, after that 6d. per ton per mile; Class 3, (timber), 1s. 2d. per 100 ft. up to ten miles, after that 1d. per 100 ft. per mile. All goods not specified to be charged as Class 1, so that everything except the two or three items mentioned in Class 2 would pay 10s. for the first ten miles, and after that 9d. per ton per mile. The above scale is absolutely absurd. At the present time I am getting goods hauled over a mud road at practically the same rates. Were the road macadamized I could beat those charges badly with horse-traction. It is quite useless for the company to claim that a high tariff would enable them to encourage the struggling settler with minimum charges, compensating themselves by charging full rates to the wealthy storekeeper, hotelkeeper, &c. In practice it would soon mean that the business of their friends and those subservient to them would be fostered under low charges, while that of their enemies and of those obnoxious to them would be ruined by high charges. What I contend, therefore, is that the present concession to the company should be cancelled and a fresh charter issued at Government rates and for a reasonable term of years, with well-defined rights for the Government to purchase the undertaking; the basis of valuation of goodwill to be now strictly stated. It should be provided also that a concession to one is a concession to all. That is to say, for example, if they charge 5s. less than their tariff to any one customer, they must be compelled to carry all other customers' freights at the same reduction; further, that their tariff should be altered in accordance with the alterations in the Government tariff. The right to audit the Company's accounts should be reserved.

4. You mean by the Government?—Yes; that is to say, if the valuation for the goodwill is to be based on profit, it will be necessary for the Government to have some means of ascertaining what profit they have made. It might be reasonable, however, to allow the company to charge somewhat higher rates for a moderate term, say five years; also to provide that the Government's option to purchase should not be exercisable until the company had had a fair opportunity of realizing a profit—say twenty years. As to the land proposals of the company, I see absolutely no objection; indeed, I make bold to say that every acre of land passing out of the hands of Maoris into those of Europeans thereby becomes a solid asset to the country. It then contributes its fair share to taxation, and the owners are liable to clear noxious weeds and rabbits, to erect boundary-fences, &c.: in short, desirable take the place of undesirable neighbours. The company should be bound to sell their land, and in the same areas and subject to the same conditions of occupation and improvement as Crown lands: sales to commence within, say, five years; half to be sold within, say, ten years, and the balance within, say, fifteen years. The company should be bound to fix a reasonable number of stations in convenient situations, and grant roads to them so that other lands than their own may benefit from the railway. They should also construct a reasonable number of subways to give access from one side of the railway to the other, and avoid level crossings. From my own experience I am convinced the country is capable of close settlement, provided good transit facilities are available. All root crops flourish. I have myself taken the following prizes off ground turned over for the first time and very roughly worked and manured with 2 cwt. of manure to the acre:—1910: Waikato Winter show—first for six heaviest swedes in the show, third in class for six best swedes; Palmerston North Show—second for soft turnips; Auckland Winter Show—second for best swedes. 1911: Waikato Winter Show—first for six heaviest turnips, second for six heaviest swedes, second for white-fleshed turnips; Auckland Winter Show—first for yellow-fleshed turnips; Matamata Show—first for oat-sheaf. The Rotorua Meat Company has for two years running carried off the special forty-guinea prize given at the Waikato Winter Show for John Bull swedes, and in 1910 it took first prize for swedes at Auckland Winter Show. Fat lambs and wool from the district have more than once topped the Auckland market.

5. *Mr. Newman.*] Do you farm similar land?—I have not been over the company's land.

6. It is all pumice country?—Yes.