

3. *Objections.*—(a.) Objections were received by your Committee to granting the prayer of the petitioning company from the Rotorua Chamber of Commerce; several hapus of Maoris interested in the land surrounding Lake Taupo; and from the Wellington Trades and Labour Council.

(b.) These objections your Committee carefully considered. As to that of the Rotorua Chamber of Commerce, your Committee does not think that the proposed extension of the company's line, and the purchase by the Government of the portion already constructed, would affect Rotorua; nor does your Committee think that a railway from Rotorua to Taupo would, owing to the topography of the country, materially benefit the district served by the company's tramway. Your Committee does not agree that the extension of the company's line would injuriously affect the interests of the Natives. As to the objections of the Wellington Trades and Labour Council, these are generally on the grounds that the Council is opposed to the sale of the freehold of Crown lands, and of the sale of the freehold of any Native land in the Taupo district which the Crown may acquire. As these objections to a large extent are matters of policy, your Committee make no comment upon them.

4. That your Committee consider that the company's present tram-line will require improvement before it will be suitable for running passenger-trains.

5. *Finding.*—(a.) That your Committee do not recommend the Government to purchase the railway in the manner and on the terms suggested by the company.

(b.) That your Committee do not recommend the Government to grant the prayer of the petitioners to be allowed to purchase 200,000 acres of Native land.

(c.) That your Committee are of opinion that it is desirable that inducements be offered to settlers to occupy land in the vicinity of the tram-line and of Lake Taupo. To this end facilities for the economical transit of manures and produce are necessary.

(d.) Your Committee recommend that an Order in Council be granted to the company to extend their line to Taupo; that the Government guarantee the cost of such extension, not exceeding in the opinion of your Committee £50,000, on adequate security, and on conditions securing—

- (i.) That the construction of the permanent-way is carried out to the satisfaction of the Government;
- (ii.) That uniform freight and passenger rates over the completed system from Putaruru to Taupo are controlled in the public interest; and
- (iii.) That the Government have the right at any time to purchase the line and plant in working-order at a price not to exceed the actual cost of construction, such price to include goodwill.

A copy of the evidence taken is attached hereto.

16th October, 1912.

G. JAS. ANDERSON, Chairman.

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