

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. Q. 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. Q. 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.” So that if Mr. Raw were sincere and only objects to private ownership, we now offer State ownership and State monopoly. “Q. 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.” Then Mr. Guthrie asks a few questions: “Q. 39. If this company’s new line took another route, through Waiotapu, would you object?—Personally speaking, I would. Q. 40. Even though it were there?—Yes. Q. 41. And the reason you object is because you are frightened of the monopoly that would be created?—Yes. Q. 42. Do you think that monopoly would work against the State at large?—Perhaps against the community at large.” I cannot understand these answers. I suppose they would mean what the words imply. I suggest that the real attitude is natural, but that their avowed opposition is insincere. They have not stated their true reason for opposing the line. I submit that their true reason is this: they are actuated by a desire to block the development of Wairakei and the other thermal resorts, because they are afraid that if the traffic is diverted to Wairakei and Taupo, private interests in Rotorua may suffer. They desire to concentrate the tourist traffic in Rotorua, and how do they propose to do it? They attempt to block this proposal in this way: they say, “We admit that there must be access to this great area, and, secondly, we admit that the area must not be allowed to lie waste.” Mr. Raw in another part of his evidence frankly admits these two propositions. Having conceded that, they say access must be given by a standard Government line running from Rotorua to Taupo. They admit that it will cost £400,000, and know that no Government could hope to hold office and spend that sum within present prospects, and they hope that by insisting on that line they can thus block the traffic to Taupo by the company’s line. I say, therefore, that the attitude of the Rotorua people in this respect is both selfish and insincere. They say, “We do not want the railway from Rotorua to Taupo first.” The Chamber of Commerce of Rotorua—those who claim to have authority to speak for Rotorua—say that the line that must first be constructed is the Tauranga line. They say their goods should come through Tauranga and not from Auckland—that they want their opening to the world through Tauranga, and they want thirty-four miles of railway which will cost £400,000 as the first condition. That is the first outlet. They say, “Our first demand is for £400,000 upon this railway to Tauranga,” and another £400,000—from that to £500,000—for the other line, or something in the vicinity of a million of money before the people in the neighbourhood of Taupo can get access. Is it not playing with business men to suggest that access will be given in this way within a reasonable time to these 2,000,000 acres? I repeat that it is an effort to cloud their real purpose. Their purpose is to delay and not to promote access to Taupo and Wairakei. It is an effort to concentrate the traffic in Rotorua. When you contemplate what New Zealand has done for Rotorua, this desire to sacrifice the interests of others is the more remarkable. The Government has leased, as you know, sections in Rotorua at £15 a year on which goodwills have been paid amounting to £400,000. There is no place in the Dominion where the Government has done more to put money into the pockets of the people than at Rotorua. I pass from that phase of the question feeling that the matter requires no further elucidation, because it must be perfectly obvious that these people do not want to give access to Taupo. I say frankly that our fear is Rotorua and the influences which Rotorua can bring to bear against us. If this line is damned, it will be damned by Rotorua, and it will spoil the future of this great area. Rotorua says it wants access *via* Tauranga, and Taupo settlers say they want their goods from Auckland. The Taupo people say, “Why should we take our goods by a circuitous route?” Next, as regards Auckland. Auckland has a right to be considered, because if that great area is developed the increase in business with Auckland will be very great indeed, as it is the nearest large centre. The needs of the settlers would be supplied from Auckland, and to Auckland their produce would go. At any rate, Auckland is vastly interested in this great area and in the acquisition of this line by the State. The best evidence of that is this: that the two Auckland newspapers, which hold divergent views on political subjects, upon this question are at one, and both papers have in full detail given reasons why the State should accede to the request I am now making; and that the people there are in favour of it I have no reason to doubt. I will conclude by asking the Committee to regard this matter not from any local interest, but from the national interest. The remnant of our Crown lands is fast disappearing. We cannot as a matter of policy continue to spend enormous sums of money in purchasing areas of land at high prices; but here, lying within easy reach, are 2,000,000 acres which can be got for a small sum, and which are fit for small settlers, and with an excellent climate. I ask you whether you are going to allow the progress of that large area to be blocked because of some objection apparently of the haziest kind on the part of the Trades and Labour Council in Wellington. Are you going to accede to Rotorua objections and decide that it is better to keep this area of land idle for fifteen or twenty years, to be the “happy hunting-ground” for noxious weeds and rabbits, than to help the men who have settled and want to settle on these lands by completing and purchasing this railway? But there may be principles involved that are beyond my comprehension. I hope the Committee will view this matter in a businesslike way instead of being swayed by the nebulous objections which we have so far heard.

1. *Mr. Buchanan.*] Dr. Findlay, in the course of his address, laid stress on what I have not been able to discover in the petition. I have got clauses 12 and 13 in the petition, because I