

the line twice over, and the State would still have its capital intact. That is, the State would get the Putaruru line out of the investment of the profits of the sale of half of its land. (c.) Thirdly, the line would greatly increase the value of the State freeholds in and around Taupo. The State owns the freehold of the greater portion of the sights in the Taupo district, nearly the whole of Taupo Township, and about 400,000 acres of Crown lands as well, so that by permitting the railway or acquiring it the State is directly enhancing the value of its own assets. Mr. Raw, in his evidence (page 12), states that as far as the attractions of both places, Taupo and Rotorua, were concerned, they did not feel the competition, and were not frightened of the competition of Taupo with Rotorua. If that is so (and it is the evidence solemnly given by the principal objector) I fail to see how the Putaruru line can depreciate the value of Rotorua. And I would further point out that, even if it did, it must not be forgotten that the State has only a landlord interest in Rotorua. The State land has been parted with on a ninety-nine-years lease, for which the State gets the absurd nominal rentals of about £15 a section on an average, the goodwill of which sections even off the main streets of Rotorua running into £400. Hence the State interest in Rotorua is really small at the present time, and the Rotorua people should not forget that the goodwill practically amounts to the huge unearned increment obtained by them from the assistance given by the State to the town, and they should under these circumstances be only too glad to assist in the development of other districts, instead of adopting a dog-in-the-manger policy. (d.) The Putaruru line will benefit the settlers of the district by giving them direct communication with the Waikato and Auckland, increased facilities for importing fertilizers, implements, fencing-materials, goods, &c., and exporting produce, and give a direct impetus to the progress of the country. (e.) The Putaruru line will vastly increase the tourist traffic of the Dominion, and so increase the revenue of railways and other Departments of the State. Page 8 of the Rotorua pamphlet admits the opening-up of Taupo will vastly increase the tourist traffic—a source of great benefit to the whole Dominion. And, again, I cannot do better than quote Mr. Raw, the leading objector, who, on page 11 of his evidence, stated that, “The knowledge that the whole of the thermal region of New Zealand was made so accessible (by railway to Taupo) to visitors from Australia and overseas would alone induce them to come in ever-increasing numbers.” It is universally admitted that the attractions of the Taupo and Wairakei district are far superior to those of Rotorua, therefore it is in the interests of the Dominion that railway communication should be established with Taupo at once. In fact, we contend that if the tourists could get to Wairakei and Taupo by railway, then nearly every visitor to Rotorua would visit Taupo as well, and consequently more money would be left in the Dominion. Furthermore, the visitors would be far more satisfied with the thermal wonders than they are at present, and would in themselves be the means of advertising the Dominion and so persuading more people to visit the sights, including Rotorua, and thus by increasing the tourist traffic increase Dominion revenue. We do not think that the railway would prejudicially affect Rotorua to any marked degree. Rotorua would participate in the increased tourist traffic, and we are satisfied that visitors to Wairakei and Taupo would not leave the Dominion without seeing Rotorua. In any case, we contend that the respective merits of the two districts should be allowed to decide the matter. It is quite wrong in principle that one district should be penalized and kept stagnant for fear that its development might injure another district. One of the planks of the new Government, we are glad to say, is equal opportunity for all. We trust and feel sure that the Government will recognize that we at Taupo are entitled to at least equal opportunity with Rotorua. (f.) The Putaruru line will form a direct link or extension of the proposed important connection of Wellington Main Trunk line *via* Tokaanu, Taupo, and Wairakei with the present Government line of railways *via* Putaruru to Auckland, and save a detour of thirty to forty miles for through passengers which would be occasioned by the Rotorua route. (g.) The Putaruru Extension is only twenty miles, and has been surveyed and demonstrated to be a line of easy gradients and cheap of construction. We contrast that against the Rotorua line of fifty-six miles of new construction, over a route which has not yet been surveyed, and with two bridges across the Waikato to construct. In addition the Rotorua scheme embraces the Paengaroa branch of line of about thirty-four miles of new construction, so that before Taupo gets communication with Tauranga the East Coast line has to be completed to Paengaroa, and then it means about ninety miles of new-construction railway as against twenty miles on the Putaruru line. At the same time we wish to make it plain that we do not object in the slightest to the Rotorua people getting their branch line *via* Paengaroa. (h.) The line *via* Rotorua would unnecessarily burden the Taupo people with the extra freight of thirty-two miles of railway from Putaruru to Rotorua. (i.) If the Government constructed a railway from Rotorua to Taupo at the present time they would have to contend with the opposition of the Putaruru line. (j.) Again, the very arguments of the Rotorua people serving to throw doubt on the quality of the land in the district and the commercial success of the undertaking form a very strong reason why the State should allow private enterprise to construct the railway, and thus save the Government the risk of sinking a huge sum of money in what the objectors consider a doubtful enterprise. If the enterprise fails the company will lose their money; if, on the other hand, the enterprise succeeds the Government can take over the railway. (k.) The interests of the State can be safeguarded (i) by taking over the line at once, or (ii) by provisions enabling the State to acquire the line at any time at a valuation after allowing the company a reasonable time. The interests of the settlers can be conserved by fixing a maximum scale of freight and passenger charges, &c. In this respect we think the freight charges should approach the scale of a Government line for the distance of fifty miles. As one of the *raison d'être* of the Putaruru line is the opening-up of the tourist resorts, we think provision should be made to secure that a station be erected within half a mile of the post-offices at Wairakei and Taupo. Rotorua objections: The only objections of the Rotorua people that, to my mind, call for any