

thermal district, where the principal avenues of revenue will be controlled by this same company. In connection with this phase of the question we suggest that if the petition be granted conditions be imposed prohibiting the inauguration of lower fares than are charged on State lines, in order to prevent unfair competition for the tourist traffic. The interests of Rotorua cannot be dissociated from the interests of the State, and the people of Rotorua feel sure that their interests and the interests of their State-owned town will not be sacrificed to mercenary private enterprise. As an indication of the importance of the tourist traffic, it may be mentioned that in annual reports of the Tourist Department as submitted to Parliament the value of the tourist traffic to the Dominion was assessed at £100,000 in 1900, and at £449,000 in 1909. The arrivals in Rotorua by train in 1901 numbered 5,066, whilst in 1910 the number reached 21,021. The revenue of the Tourist Department at Rotorua by way of bath fees, &c., is given at £4,616 in 1903, and £12,678 in 1910. It has been asserted in opposition to the proposed Rotorua-Taupo line that there is no prospect of its construction for many years to come. In view of the extraordinary rapid increase in traffic above mentioned, and in view of probable increased settlement, such a statement is rather hazardous. The importance of the tourist traffic in relation to railway-construction in the thermal district cannot be denied, as witness the traffic on the present line to Rotorua. The lines we now suggest would make the distance between Wellington and Auckland, including a detour connection with the Main Trunk line at Kakahi and Frankton, 529 miles. Considering that the distance at present is 426 miles, and that the detour of only 103 miles would be through the heart of New Zealand's wonderland, it is inevitable that immense numbers of people travelling by the Main Trunk would be induced to make the detour, to say nothing of establishing direct communication with the East Coast line. A Rotorua-Taupo Railway, with a further short line from about Kakahi on the Main Trunk line, linked up by steamer service across Lake Taupo, would eventually prove highly profitable as a tourist and passenger route, and fit in with the general scheme of railways. (6.) "That a Putaruru-Taupo Railway would depreciate the value of Rotorua as a State asset, whereas a Rotorua-Taupo Railway would increase the State asset": We are emphatically of the opinion that the request of the Taupo Totara Timber Company for an extension of their charter and power to construct a further twenty miles of railway, and the granting of power to acquire 200,000 acres of Native lands, is opposed to the best and vital interests of the State, and particularly the thermal regions of New Zealand comprised in the areas of the Taupo and Rotorua Counties. The creating of such a huge monopoly or trust, which, in addition to its present holding of many square miles of country, proposes to buy or acquire from the Natives without competition a huge slice of some 312 square miles of land, is opposed to settlement as at present understood by the people of New Zealand. It evidently would be the policy of the company to sell to men who had capital enough to purchase outright, and who were able to spend the money necessary to bring the pumice and swamp lands into profitable occupation. This class of settlement is limited, and it would be many years before such settlement would be successfully accomplished. In the event of their scheme not being successful the company have proposed, after a lapse of time—say, ten years—to throw up the land and allow it to be sold by the Native Land Board. They would then have only one class of trade left which it would be safe to say had any prospect of being an increasing one. The bushes on their own estimate have a prospective profitable life of fifteen years. If at the expiration of ten years their land-settlement scheme is a failure or not a financial success, the tourist trade of the Dominion is their principal asset. It therefore seems to us, seeing they are candid in their admissions, that the reasons for obtaining options over the whole of the hotels and sights in the Taupo district are to obtain the increased value of such caused by the extension of their railway to Taupo, and such values are entirely dependent on the tourist traffic; that as a business proposition they will put the whole, or a large part, of their energies and capital into inducing the ever-increasing body of tourists to travel on their railway, ride in their motor-cars, voyage in their steamers across Lake Taupo, and thus on to the proposed railway from the southern end of Lake Taupo to the Town of Kakahi, on the Main Trunk line. If it is a fact that they have already an option over the boats at present engaged on the lake, or whether they intend to form a fleet of steamers of their own, private competition will have no chance against a company which can issue through tickets from one end of its system to the other. By this and various other means it will control the traffic of the lake and fishing-camps, which must rely upon it for supplies and attendance. The best fishing-camps are held by the present Ferry Company on leases from the Natives and others. We believe it has been the practice of the Taupo Totara Timber Company in the past to supply those who are in its employ with stores and other necessities. It carries on the business of general storekeepers, and it is logical to deduct that it will use all those avenues of profit for its own benefit. Private enterprise will then find it unprofitable to carry on operations, and the field will be left to a strong company of foreign capitalists, who will endeavour by all the monopoly which they are asking to have granted to them to make the highest possible return to their shareholders that it is possible to make. So far as we are concerned, we have no objection to the Taupo Totara Timber Company as a timber company, but the proposal of the company is of such a nature that if it can sell its railway with the advantage of the large areas of land it proposes to acquire and the still greater control they will have of transit by land and water, we are no longer dealing with the Taupo Totara Timber Company, but with a body of foreign capitalists with a huge monopoly of land and traffic. It means, in effect, that this Dominion is making such a combination a present, without any equivalent, of the control of Lake Taupo and of the finest fishing in the world. It will have the control of half the thermal region, with all the spas, springs, and medicinal waters within its borders; the advantage of all its wide-world reputation, its prestige, and the fame of its healing waters, and the illimitable potentialities of its undoubted future. As an asset it is of incalculable value. The Government has already and is at the present time spending large sums of money in advertising