

the thermal district and developing the tourist trade. Tourist officers and offices are stationed in various parts of the Dominion and the Old World, and it is absurd that a private enterprise should have the benefit of this expenditure. Either Taupo must be cut out of the Tourist Department's programmes or they must act as agents for the company. The existing Government lines will of necessity be used for the purpose of feeding the proposed private lines. The proposed extension would make the Rotorua end of the present Government line to a large extent a dead end, depriving it of all the goods traffic for Taupo, and a large share of passengers and a considerable portion of the southern traffic across Lake Taupo would naturally be deflected by the private line *via* Mokai. It needs no prophecy to point out that the trust will not be a party to inducing tourists to visit Rotorua; its interest will be to keep them moving on its own private track or route, which cannot include Rotorua. The Dominion has already spent large sums of money in and about Rotorua in the erection of a Sanatorium and bath-houses, with all the attendant adjuncts of an up-to-date spa, and in other works of a like nature, at an approximate cost of £300,000. If the Taupo-Mokai scheme be approved, the effect will be that the Government will be a party to the side-tracking of Rotorua, and thus depriving the latter place of its opportunity of making an adequate return on the money spent on it. The effect will be that the public money spent on Rotorua will be immeasurably depreciated. It has been a settled policy with the Government for many years to create and maintain a spa in Rotorua, and to a large extent because of this a town has sprung up. This town is State-owned; it is against the interests of the Dominion to do anything which will have the effect of sacrificing to private speculation the interests of the State-owned town of Rotorua. The tenants took their holdings from the State, relying on the State to continue its policy, or, at any rate, to do nothing which would have the effect of prejudicially affecting them. Ever since the passing of the Thermal Springs Act the Government has steadfastly adhered to the view that the thermal district of New Zealand was a national asset, and as such held for the people for all time. If this extension be assented to that policy is at end, for a powerful capitalistic body will then have established itself in control of the Taupo zone. The fiction may be preserved that the State may resume and that some of the properties are only leasehold, but all kinds of difficulties would be in the way of resumption. If there be a resumption the cost will be prohibitive, and in the meantime the trust will control the position and all transit facilities. The State would be called upon to pay heavily in hard coin for liberties it gives without a sufficient *quid pro quo*. We again affirm that this is a State matter of vital moment to the future of an important part of the Dominion, and should be judged as such. If the principle, so long affirmed, of State railways is to be set aside, it opens up the whole question of private charters, with all its attendant undemocratic eventualities. (7.) "That section 6 of the petition is contrary to the law of the Dominion, and foreshadows a monopoly of the fish in Lake Taupo itself": This seems to presuppose that special legislation will be asked for for their (the petitioners) special benefit. This fishing district is under special control by the State, who are the conservers under the Acclimatization Act, and if anything of a commercial nature is contemplated it should only be left in the hands of those who are expert in fish-management and responsible for the maintenance of the fishing on a satisfactory basis. The subject-matter of section (a), clause 12, conjointly with subsection (1) (a), clause 13, whereby the State is practically requested to subsidise this company in regard to the cost of construction of the proposed tramway, and in addition partially insure the said company against loss in the running of a passenger and goods service, would in substance amount to the bolstering-up of a doubtful private enterprise to such an extent as to constitute a dangerous and obnoxious precedent, which would not be tolerated by the public of this or any other democratic country.

3. *Hon. Sir J. Findlay.*] You are a resident, I take it, of Rotorua, Mr. Raw?—I am.

4. And a storekeeper there?—Yes.

5. Do you own any sections there?—Yes, I do.

6. You are the owner of one of those leases?—I am a joint owner of a sublease. The rest I have sold since I came here first.

7. You were an original lessee?—No.

8. What leases did you acquire in Rotorua?—I acquired a quarter-acre section outside the Town of Rotorua for the purpose of building a house.

9. Within Rotorua did you acquire any leases?—No.

10. Then you are interested to the extent you mention in a lease in Rotorua now?—I am interested as a lessee in a matter of thirty leases outside the Town of Rotorua, but they are sub-leases.

11. When you spoke of the proposed Rotorua-Taupo line increasing the State asset, may I ask you what you mean by "State asset"?—The value of what the State owns.

12. What is that?—It owns the thermal springs in Rotorua for one thing. It has absolute control over the medicinal waters. It owns the Spa waters and the baths, and everything necessary for catering for the different diseases through the waters there.

13. That is your definition of State assets?—Yes.

14. Would the Rotorua line increase the State assets?—It would increase the value of the land by increasing the population.

15. Would it not be purely for the benefit of the people?—Seeing that all the sections are held in Rotorua under leases which define what they shall pay for the term of ninety-nine years, less, approximately, eighteen years, I do not see that it is purely for the benefit of the people there.

16. You say that the proposed Rotorua-Taupo line would increase the assets of the State in Rotorua?—Yes.

17. Do you say it will not increase the value of the leases privately held in Rotorua?—I believe it would.

18. In point of fact those leases have some eighty years to run?—Yes.