

ORDER OF REFERENCE NO. 5.—MATTERS RELEVANT TO THE QUESTION AS TO WHETHER IT IS DESIRABLE AND WARRANTED IN AND BY THE PUBLIC INTEREST THAT A RAILWAY SHOULD BE CONSTRUCTED BETWEEN ROTORUA AND TAUPO AS AFORESAID.

(a.) Reference has been made in another part of our report to the representations made on behalf of the Taupo Totara Timber Company that it was not in the public interest to build another line which, by competing with the company's tramway for the carriage of timber from the indigenous forests lying to the west of the Waikato River, may lessen the ability of the company to cater for the needs of the present and prospective settlers on the lands adjoining the tramway-line.

As negotiations regarding this matter are in progress between the company and the Government, those representations will doubtless receive due consideration. We need not deal with them here further than to submit that the carriage of timber from the indigenous forests, though an important factor in providing revenue during the period of development of a permanent traffic, may not be the only, nor the principal, reason for considering the construction of a railway from Rotorua to Taupo. The opening-up of the country and the development of tourist traffic are permanent advantages which will continue after the removal of the indigenous timber. The tramway is not suitable for the carriage of passengers, and it does not serve the Government forest plantations.

(b.) It is anticipated that the exportable produce of the Taupo district will ultimately find an outlet by way of the ports in the Bay of Plenty. The distance from Rotorua to Tauranga is approximately forty-five miles. If Rotorua be connected by rail with the East Coast Railway the line from Rotorua to Taupo would complete the outlet from the Taupo district to deep water in the Bay of Plenty.

(c.) Should it be decided to assist settlement in the district under the provisions of section 11 of the Land Laws Amendment Act, 1919, a railway would be necessary.

(d.) On the Kaingaroa Plains, in the vicinity of Waiotapu, there is an area of approximately 22,000 acres of State-forest plantations, and this area is being increased by from 2,000 acres to 3,000 acres annually. There has been already incurred on these plantations an expenditure of £320,000. The available output from these and the Whakarewarewa plantations near Rotorua will in a few years reach 30,000,000 superficial feet of timber per annum, which will have a royalty value up to 6s. per 100 ft.

In the report dated 15th December, 1920, of the Taupo Tramway Lands and Timber Commission (parliamentary paper C.-13, 1921) reference is made to these forest plantations, and a report by Mr. R. W. Holmes, late Engineer-in-Chief and Under-Secretary for Public Works, is quoted as follows:—

There is another point that must not be lost sight of in considering this question, and that is that the Forestry Department has very large plantations in the vicinity of Waiotapu, which is about eighteen miles along the route Rotorua to Taupo. Irrespective of what is done in the way of giving Taupo railway connection, it will be absolutely necessary that a railway be constructed before many years elapse to Waiotapu to deal with the output from the State forests. The State forest will, when sufficiently developed, provide constant traffic for a railway over this distance. The land is cheap here, trees seem to do well, and it is only a matter of increasing the plantations until there will be as much timber coming out as the railway can comfortably handle, and this will continue in perpetuity.

Commenting upon this, the Commissioners added:—

It would seem, therefore, that there is urgent necessity, in order to avoid great national waste, for an extension of the Rotorua Government railway to Waiotapu with as little delay as possible; and bearing this in mind, and having in view the probability that the Government will give effect sooner or later to the strong recommendations of the late Engineer-in-Chief and the Director of Forests, your Commissioners venture to express the opinion that the line to connect Taupo with a Government railway system should be an extension of the existing Government railway to Rotorua.

We respectfully beg to endorse the opinion that in order to realize the value, both present and prospective, of these plantations means of transit by railway must be provided, and we may add that a railway from Rotorua terminating at a suitable point in the vicinity of the Waiotapu plantations would reasonably serve the present settlement in the Waiotapu Valley and would open up a further large area of land for development. There is also a possibility that the indigenous forests to the west of the Waikato River can be tapped by such a line.