

if you choose to spend £10,000 or £15,000 more, then the railway will be one of the most useful and efficient of the lighter railway-lines we have had in New Zealand. Now, I would like to submit a few interesting figures. The company will guarantee—I am saying it in a strict obligatory sense—freights amounting to £11,606 a year. We will guarantee for fifteen years £11,606 in freights on that line. That is, if the Government takes over the line upon rates to be agreed upon the company will guarantee £11,606 a year in timber freights over this particular piece of line. We would get about £2,000 a year upon the present goods traffic of settlers over the line if completed, and the company's goods other than timber amount to £875. There are four thousand persons visiting Taupo through Rotorua yearly. We believe that that passenger traffic would inevitably come our way, and, estimating it at 15s. per head, that would come to £3,000 a year. You will notice that the Rotorua people say that if you provide a railway through Rotorua to Taupo the passenger traffic will be twenty thousand, so that our opponents anticipate twenty thousand visitors going to Taupo every year. I am taking the present number at four thousand, making a total income on the present basis of £17,781. What is the cost of running and maintaining the line? Taking the last two years of the company's working of the line, allowing for a liberal upkeep, efficiency, and repair, the total cost of running the line is £9,450 per annum. That leaves a balance of profit of £8,031. That will give you $4\frac{1}{2}$ per cent. on a capital of £180,000 and 4 per cent. on £200,000. That is all upon the present traffic; but what will the traffic be if you complete the line to Taupo—if you multiply the number of settlers and the tourist traffic? It is fair to assume that these figures will be more than doubled in the near future, so that we offer a very profitable thing indeed to the Government if it will take over this economically constructed line. If the line is completed a good deal of general traffic will go over it, and the tourist traffic will be increased and also settlement. Now, what does the company, ask? It asks that the Crown should acquire at present values a part of the Native land to be benefited by the extension of this railway. We say that much of the land marked yellow on the plan to-day is valueless because it is inaccessible; but if you put a railway in the value would be greatly increased. It is submitted that there is no reason why the Crown should not buy at present values. There is no reason why the Crown should add to the value of this Native land improved by the extension of this railway; but in accordance with the policy of the present Government the purchase should be made before the improvement takes place. The increase in the price—the difference between the cost of acquisition and the price paid by the settlers—would, over an area of 300,000 acres, probably pay for the acquisition of this railway. We asked last year to be allowed to buy 200,000 acres of Native land and no more. We submit that if the Crown acquired part of that Native land and should resell it, the Crown would get the difference between the cost of acquisition and the price paid for it. This seems quite fair to the Natives, but if it prefers the Crown can dispose of that Crown land shown now lying absolutely valueless, and use the proceeds to pay for the line. We do not ask the Government to pay us one penny except out of the land. We will take payment from time to time as the Crown sells these lands, and the prices created by the railway will go to pay for the railway. I submit that that is as fair a proposition as has ever been made to the Parliament of this country. What particular portion of Crown lands or of Native lands so acquired might be sold for this purpose will be entirely for the Government. It is, of course, a matter of indifference to the company how it is to be paid, and is a matter of policy for the Government as to how far Native land should be bought with which to pay for the railway. Now, if the proposal is agreed to we would suggest the following arrangement: the Crown to buy portion of the Native land at present values; the company to complete the line to Taupo immediately; the Crown to sell the land—both Crown and Native land—as expeditiously as possible; either on the line being completed, or on our assurance that the line shall be completed, the proceeds of sales to be devoted from time to time towards the purchase-money of the railway. I sincerely trust that no fetish will be made of the principle often applied, that private enterprise and private ownership shall not be permitted in railway communication. That is not a matter of consideration now, because we own the line, and the question of private ownership is here at least settled. It is submitted that the principle that the people should own the means of communication does not apply seriously to the light lines that make a temporary access until the access the Government will finally provide is established. We, therefore, shall not dilate upon this aspect of the matter. The proposal before you now is essentially different from the one of last year, which was to leave the line in the ownership of the company. The proposal now is for the Government to take the line out of the hands of the company, and is therefore an entirely different proposal, and obviates the contention that we are asking to extend private enterprise in connection with a public utility. Now, with regard to Rotorua. I begin with this statement: Every one agrees that the time has arrived when the Government should do something with the 2,000,000 acres of land in the district referred to. Two proposals are made. The first is access by a railway-line from Rotorua down to Taupo; the other is that the present line should be completed to Taupo. Let us contrast these two propositions, because this will be the crux of the matter. Contrast the difference in time in which access will be given. We have a line which could be completed to Taupo in eighteen months; but give us two years and it could be completed with certainty. We are all ready to go on. Now, contrast the other route. The survey has not yet been made of the Rotorua line, and gentlemen familiar with surveys know what that involves. You have further to bridge the Waikato in two places, and with bridges which our experience tells us will take a long time. Now, look at the matter with regard to distances: If you contrast the distances you will see how unfair it is to ask Taupo settlers to go through Rotorua. The distance from Putaruru to Taupo is only sixty-five miles, and it is twenty-three miles longer if you have to come round by Rotorua than it is from Putaruru to Taupo. [Distances pointed out on the map.] It is almost two sides of a right angle as against the length of the base. We suggest that the Taupo people should not be com-