

a hundred thousand passengers in a single day. Would it not, therefore, be very safe—indeed, an underestimate—to assume that the Rotorua-Taupo traffic with a greater improvement in facilities and a greater reduction in fares would increase at least half as fast—say, to five times the present numbers? This would give 20,000 fares, and, taking the average fare (first, 15s.; second, 10s.) at 12s. 6d., a revenue from passengers alone of £12,500 per annum. The existing goods traffic would not be worth a very great deal—say, £1,500 a year—but it would increase very rapidly. All this would bring profitable work to the railway, and it would be reasonable to suppose that ere long the return from goods would equal that from passengers.” Hence the Rotorua Chamber of Commerce estimates the revenue from their line at £25,000 a year. It is, of course, a ridiculous estimate. It is absurd also to compare an isolated district with only about ten settlers with Auckland with a population of 100,000. Discounting Rotorua’s figures by 75 per cent., and thus assuming an increase of £6,000 instead of £25,000, on that basis the Putaruru line would return a revenue of 7 per cent. on the cost of construction. I would like to refer to the country along the Rotorua route. As Mr. Kensington has said, on the western side of the Rotorua line is a ridge of mountains that would prevent the line tapping this country, while on the eastern side is the eruption country [map referred to]. Here is Tarawera Mountain, here Lake Rotomahana, and here Waimangu. I produce photographs taken by the Tourist Department showing what the country around Waimangu is like [photographs produced]. Waimangu is seven miles from Waitapu, so that the proposed Rotorua Railway-line is close to the edge of this country, only about a mile away. The Taupo people, rightly or wrongly, feel that Rotorua is not sincere in its advocacy of the Rotorua-Taupo line; but, knowing that it cannot be constructed for thirty years, if at all, they are content to set it up and support as a bogey to kill the other line and so prevent Taupo obtaining communication. This is the attitude of the extremist section, but we are glad to be able to point out that men of standing in Rotorua, such as the Ven. Archdeacon Tisdall, Mr. Clinkard, Mr. Spain, and others, are prepared to take a more broad-minded view. The attitude these gentlemen take up is this: “Let us try and get a Rotorua-Taupo line, and if we find that this is not possible in the near future let us assist the Taupo settler to get communication *via* Putaruru, and not adopt a dog-in-the-manger attitude.” This is fair, and shows that the fair-minded section of the Rotorua people see no objection to the Putaruru line in itself, or to the proposals of the Taupo Totara Timber Company in themselves. The objections, therefore, cannot be deep-seated, or men of this stamp would not offer to support the Putaruru line under any conditions. I would now like to refer the Committee to a report of a meeting of the Chamber of Commerce appearing in the *Rotorua Times*, where the President says, “It was nothing to them what state the company was in. They must look at the broad question, Were they going to get as much benefit as would be derived from a railway from Rotorua?” And this extract from the report will also illustrate to the Committee the attitude taken up by the Rotorua people: “The Rev. C. A. Tisdall spoke as *advocatus diaboli*. Those who accuse the company of Taupo of seeking their own ends were probably judging by themselves. Mr. Raw had said that the company had been honest, and he dared say that if members of the Chamber had been in the same position they would do the same. (Voices: Of course we would.) He was for Rotorua—(‘Quite so,’ and ‘Hear, hear’)—but he wanted to take a wider view. If they lived at Taupo and could obtain railway connection that would allow them to leave at 7 in the morning and reach Auckland at 5 p.m. they would strive to obtain it. (A member: We are not at the other end. Another member: Let the other fellow think for himself; we will think for ourselves. A third member: We are not at Taupo.) The question he desired to ask was, what possibility was there of getting a railway from Rotorua within the next twenty years? (A member: Every chance. Another: No chance at all. Mr. McLean: It would pay from the day it was opened.) Continuing, Mr. Tisdall said that, whilst a citizen of Rotorua, he thought they ought to try to consider the question from the other fellow’s point of view. If they could get a railway from Rotorua to Taupo within a reasonable time, let them strive for it; but if they could not get it there was no reason why they should stand in the way of other people. That was fair and ethical. They should not set the ‘dog in the manger.’” The Taupo settlers would point out that, being the settlers in the district referred to, and therefore those whose interests are most vitally affected by the proposed railway, whichever route be chosen, they have given the matter very deep and earnest consideration in all its bearings, and have unanimously come to the conclusion that it is in the interests of the Dominion generally, and in the interests of the white settlers and the Natives particularly, that the petition of the Taupo Totara Timber Company be favourably considered and granted either in its present or some modified form with such restrictions as the Government may deem it advisable to impose. The advantages of the Putaruru line and the company’s petition which have weighed with the Taupo settlers are mainly the following: The Putaruru line will (a) open up and lead to the development of over 2,000,000 acres of land now lying unproductive, and in addition to adding to the revenues of the State will do much to allay the present unsatisfied land-hunger, and that without any expense to the State. The Rotorua people want the Government to expend at least £400,000 to open up the Taupo lands, without taking into account the cost of the Paengaroa connection of thirty-four miles. They are not considering the State’s pocket at all. On the other hand, the Putaruru line will not require the expenditure of one penny by the State, and will equally—in fact, far better—aid the development of the Taupo lands. (b.) The Putaruru line will at least double the value without expense to the State of the 400,000 acres of Crown lands affected thereby now lying waste, and a heavy burden and expense to the State. This land could be cut up and settled by the State, and assuming the value to average £1 an acre when the railway is through, the State would receive £400,000 from the sale of these lands. This sum invested at 5 per cent. would in fifteen years double itself, so that in fifteen years the State would have made a profit of £400,000, which would be far more than sufficient to buy