

opinions as may be necessary. I have been deputed by the Rotorua Chamber of Commerce to submit to this Committee their objections to the petition of the Taupo Totara Timber Company. As the Rotorua Chamber of Commerce is the only public body in Rotorua whereby expressions of opinions are obtainable, we may reasonably claim as representing the unanimous opinion of that Chamber to thus represent the State town and district of Rotorua, with an approximate population of between two thousand five hundred and three thousand. We desire in the first place to summarize our objections under the following headings: (1) That the conditions of the petition are unreasonable, and opposed to the best interests of the Dominion and also to the State town of Rotorua; (2) that a State-owned line from Rotorua to Taupo, connecting with the East Coast and Main Trunk lines, would be more advantageous in every respect than a privately owned Putaruru-Taupo line, and would form an integral part of the general railway scheme of the Dominion at a cost of approximately £100,000 less than any other route; (3) that if the present petition is granted, the possibilities of a State-owned connection between the coast and Taupo will be relegated to the very remote future; (4) that in an interior district the existence of a private railway, with the concessions asked for, is a bar to settlement and development of the country, when compared with the advantages appertaining to a State-owned line under similar conditions; (5) that as a tourist route the suggested Taupo-Rotorua line is incomparably superior and capable of greater development than the Putaruru-Taupo line; (6) that a Putaruru-Taupo Railway would depreciate the value of Rotorua as a State asset; that a Rotorua-Taupo Railway would increase the State asset; (7) that if the present petition be granted a gigantic and objectionable monopoly will be created; (8) 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. (1.) "That the conditions of the petition are unreasonable, and opposed to the best interests of the Dominion and the State town of Rotorua": It is open for the company to apply for and obtain an order authorizing the construction of the extension under section 5, Tramways Act, 1908, without parliamentary sanction. It seems plain that the real object of the petition is to effect the sale of fifty miles of railway or tramway already in existence from Putaruru to Mokai, and thus realize the cash value of a portion of the Taupo Totara Timber Company's assets. Evidently the necessity for this sale arises from the unsatisfactory position of the Taupo Totara Timber Company as stated by the petitioners, seeing that with a capital of £341,000 its operations throughout the eleven years of its existence have been so unsuccessful that no dividends have been paid, that ordinary shares are practically valueless, and that grave doubts exist as to the possibility of returning money to holders of preferential shares. It is also admitted that previous efforts to induce capitalists to take over and complete its tramway have failed, even when the company offered to pledge all its assets as security and guaranteed 5 per cent. interest for fifteen years. It is now stated that if permission be granted to acquire 200,000 acres of Native and Crown land at present value the petitioners have reason to believe that a new company can be found to purchase the present line and complete the extension. In other words, that the concession would become a valuable subsidiary asset, and that concession would, to all intents and purposes, be open to immediate sale. We respectfully submit that it is a most unusual proceeding to seek a concession from Parliament based on grounds of public welfare, and at the same time indicate the intention to immediately place that concession on the market and realize the value in cash. The case for the petitioners depends to a great extent on the contention that the proposed railway will result in the rapid development and settlement of a large area of Native and Crown lands. The realization or otherwise of this prognostication depends principally upon whether or not the land in question is capable of profitable cultivation. If the land is unsuitable for settlement we take it that no amount of railway-construction, either by Government or private enterprise, can possibly induce settlement, and under such circumstances the benefits suggested in this direction would be non-existent. If, on the contrary, the land is fertile and capable of maintaining a large population, as the petitioners claim, we submit that the State should provide the necessary railway facilities, acquire a great proportion of the 800,000 acres of Native land at present value, open up these lands as well as the 350,000 acres of Crown lands, and thus conserve the enhanced value for the public benefit. This would be in accordance with the avowed policy of the present Government, to purchase large areas of lands in advance of railway-construction, instead of permitting a capitalistic body to exploit an immense area purely for money-making purposes. The area proposed to be acquired is equivalent to a block of country fifteen miles wide and running throughout the entire length of the projected railway. It is reasonable to assume that the better-class land in the vicinity of the tramway would be secured by the petitioners. The consequence would be that to all intents and purposes the choicest land to an extent of about 200,000 acres, and mostly situated conveniently, would be closed to settlement except upon such terms and conditions which it would be safe to assume would compare unfavourably with the advantages pertaining to direct dealing with the Crown. Intending settlers would thus be debarred from the advantages provided by our liberal land laws for placing settlers on the land under easy and favourable conditions, unless satisfied with inferior land or that more remote from the tramway-line. We submit that grave doubts exist regarding the adaptability of this immense area of pumice land (about 1,500,000 acres) for profitable cultivation and close settlement by the ordinary class of farmer. If a rush of settlement is to attend the construction of the proposed twenty miles of railway as the petition infers, why has the present fifty miles of line not resulted similarly? The fact that comparatively small areas of the better quality of pumice land, principally river-flats, have proved profitable when worked by men of means does not demonstrate that the immense expanse of hilly country is suitable for settlement by men of moderate means, which is the class essentially catered for. There is a tremendous demand for farming lands in this country at the present time—a veritable land-hunger. This is shown by the rush for sections of suitable Crown lands wherever offered and by the high prices paid in