

District and developing the tourist trade. Tourist officers and offices are stationed in various parts of this 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 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, while from the nature of the case the private line can in no way feed the Government lines more than at present. 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 Sanatorium and Bath-houses, with all the attendant adjuncts of an up-to-date spa, and in other works of a like nature. If the Taupo-Mokai scheme be approved the effect will be that the Government will be a party to side-tracking 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 in Rotorua. 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 an 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*. It has been urged that we as a community are opposing the Taupo Totara Timber Company because we fear the competition of Taupo and Wairakei as opposed to Rotorua. We wish now definitely to give all such and similar statements an emphatic denial. Taupo and Rotorua are naturally and inseparably linked together, inasmuch as they are the recognized centres of thermal activity in the Dominion, and experience has shown that tourists and visitors go as a matter of course from one place to the other, thus obtaining a thorough acquaintance with the various features of New Zealand thermal action. We have previously urged that, as part of the general scheme of State railways, a railway should connect Rotorua and Taupo. At the present time the East Coast line is about to pass within twenty-five miles of Rotorua. Such will give us connection with one of the finest harbours on the east coast of the North Island—Tauranga—which is destined by its position to play an important part in the near future in the destiny of the Bay of Plenty and Rotorua-Taupo districts. A glance at the map will convince any unbiassed person that this is the natural port for the whole of the districts mentioned. It has water deep enough to float deep-sea-going vessels; it is the centre of a large agricultural and pastoral district, where it is proposed to build freezing-works and other adjuncts of a deep-water port. The effect of this would be to bring Taupo with a hundred miles of deep water over one continuous State-owned line, against two hundred miles, partly per medium of a private trust line running on to a State line. It would have the advantage of long-distance fares and freights against the two separate fares to be paid, partly State and partly trust. It would mean eight hours for stock, against sixteen as at present proposed. The difference which the trust line can charge, as per their charter and the charges that are in operation at the present time, are matters of grave importance, irrespective of the big advantage of distance in favour of the coast line. From what we have already stated it must be admitted that we are not opposed to the progress of the district, or in any way opposed to the development of the Taupo district, but we urge that if a railway is countenanced or constructed it should be one that will conform to the general scheme we have here outlined, from the present railhead at Rotorua, and thence on through Waio tapu to Wairakei and Taupo, by a connection across the lake to the nearest point on the Main Trunk line, which is, we believe, Kakahi. Such a route would make one of the finest tourist routes in the world. It would shorten the distance by nearly a hundred miles for travellers leaving Wellington, passing through the thermal regions and on to Auckland, or *vice versa*. As an asset the two places are of incalculable value to this Dominion, and it is obvious that facility of transit from one place to another will rapidly bring this region within the reach of an ever-increasing class of people. At present during the season there is a continuous stream of traffic from one place to the other, notwithstanding the delays and inconveniences incidental to coaching, and there can be no doubt that were there a railway between the two places traffic would be at once enormously increased. The knowledge that the whole of the thermal region of New Zealand was made so accessible to visitors from Australia and overseas would alone induce them to come in ever-increasing numbers. As a business proposition it is therefore absolutely clear that direct access by the quickest route from one place to the other is an imperative necessity. A glance at the map will again show that from this point of view the Mokai scheme is an impossible one. It severs Rotorua from Taupo, and it creates a conflict between the interests of the two places where community of interest should exist. On the other hand, a line through Waio tapu *via* Wairakei to Taupo would be through the heart of the Thermal District. It would bring Waio tapu within easy reach of Taupo or Rotorua, and it would conserve the national interests of the whole of the thermal regions. In conclusion, we again affirm that this is a State