

from Taupo, and there is no road connecting the terminus with Taupo; moreover, the company has not sufficient rolling-stock to enable it to carry goods other than its own timber. We would urge, therefore, that no condition of this kind should be inserted. The company, as we have said, asks practically for no concession, but its enterprise has, in fact, been of great service to the colony. It is at the present time taking timber to market upon which it is paying at the rate of £15,000 per annum in freight, and this amount will probably be largely increased in the near future. It has also created for its bushes, by the construction of the line, land-tax value upon its timber in respect of which the Government is claiming, and will probably receive, the sum of nearly £3,000 per annum for land-tax. Further, the Government will in all probability benefit to the extent of some thousands of pounds per annum in the shape of income-tax. We therefore venture to suggest that the company's application for an Order in Council should not be made the means whereby to enforce the company to go to further expenditure in order to make its tramway available for public use.

It appears to us that the right to require the tramway to be used for the benefit of the public is only fairly exercisable where a monopoly or some equivalent concession is sought from the public. We would therefore urge that the only conditions which should be imposed upon the company in the event of an Order in Council being granted are such as may be necessary to prevent the public interest from being interfered with, and to provide proper safeguards for the protection of the employees upon the line.

We shall be obliged if you will kindly give this matter your early consideration, and will be glad to have an opportunity of discussing the details with you if you can make it convenient to give us an appointment for that purpose.

Yours truly,

FINDLAY, DALZIELL, AND CO.

The Under-Secretary for Public Works, Wellington.

DEAR MR. DALZIELL,—

Public Works Department, Wellington, 13th December, 1905.

I send you herewith a copy of the Order in Council for the Takaka Tramway. This is one of the oldest and certainly one of the shortest and simplest tramway Orders ever issued by this Department. I do not think anything with less onerous provisions than those could be thought of. In fact, if the Takaka Tramway Company were to apply again to-day I have no doubt that many more, and more stringent, provisions would be inserted. I should be glad if you would kindly let me have the print back when you have done with it.

Yours sincerely,

H. J. H. BLOW.

F. G. Dalziell, Esq. (Messrs. Findlay, Dalziell, and Co.), Wellington.

DEAR MR. DALZIELL,—

Public Works Department, Wellington, 19th January, 1906.

If you have finished with that copy of the Takaka Tramway Order that I sent you under cover of my note of 13th ultimo, I should be glad if you would kindly let me have it back.

Yours very sincerely,

H. J. H. BLOW.

F. G. Dalziell, Esq. (Messrs. Findlay, Dalziell, and Co.), Wellington.

Wellington, 18th April, 1906.

*The Taupo Totara Timber Company and the Tramways Act.*

DEAR SIR,—

Referring to my conversation with you this morning and to the correspondence which has passed between yourself and my partner, Mr. Dalziell, on this subject-matter, I desire to place the whole position before you for the purpose of showing that the Crown cannot reasonably insist upon the suggested condition of the Taupo Timber Company carrying timber for private owners from its Taupo terminus to Putaruru.

A very lengthy negotiation took place between myself and the Native Minister and other members of the Government prior to the publication of the Order in Council dated the 14th day of November, 1900, appearing on page 2067 of Volume ii of the *New Zealand Gazette* for 1900. During the course of these negotiations it was suggested on the part of the Crown that the Taupo Timber Company should undertake to carry timber of private owners over its line. The unreasonableness of this proposal was urged upon the Government, and without recapitulating the objections then urged it is sufficient to say that if the condition had been insisted upon the railway which has now been completed would never have been laid. It would have been hopeless to obtain the enormous amount of capital—amounting to over £200,000—which has been spent in the formation of this railway and the other works of the company had it been obligatory upon the company to carry timber for private owners, who would thus come into direct competition with the company itself and at the expense of the company. The force of this objection was recognized by the Government, and a compromise was arrived at which is embodied in the deed of covenant entered into by the company and the Crown dated the 1st July, 1901. You will observe from the Order in Council to which I have referred that any person taking a lease of the land comprised in the schedule to that Order in Council must execute a deed of covenant between himself and the Crown, and that deed of covenant was in fact executed by the company. Clause 6