

REPORT.

To His Excellency John Rushworth, Viscount Jellicoe, Governor-General
of the Dominion of New Zealand.

MAY IT PLEASE YOUR EXCELLENCY,—

We, the Commissioners appointed by Your Excellency on the 11th day of October, 1920, to inquire by all lawful means into all matters connected with the Taupo Totara Timber Company's estate, rights, and interests, and whether it would be advantageous to the State to acquire the said company's tramway from Putaruru to Mokai, or any portion thereof, or any of the other rights or interests of the said company, also whether it would be advisable to extend the said tramway or to alter and improve it, and also to advise what, if any, action should be taken by the Government to develop in the best manner possible the areas of Native and Crown land served by the said tramway that are considered suitable for settlement purposes, and to report on the several matters referred to in the said Commission, have now the honour to report for Your Excellency's information as follows :—

A preliminary meeting of the Commission was held at Wellington on the 14th October, at which an itinerary and other details were arranged, and at divers later dates public sittings were held at Wellington, Rotorua, Putaruru, Tokoroa, Mokai, Taupo, and Auckland.

We have also carefully examined the company's tramway between Putaruru and Mokai, and the route of the projected extension of same from Oruanui Siding to Oruanui Township, and the route of the further authorized extension of the line thence to Taupo.

We have also similarly examined the company's bush tramways, and made a general inspection of the country along the route of both the existing tramway and its proposed and authorized extensions, as well as the land bordering on Lake Taupo, and satisfied ourselves as to the general character of the soil and its probable producing-capacity. We were also shown over the cheese-factory at Tokoroa, and also inspected the dairy factory now in course of erection at Waihi, Lake Taupo.

Mr. F. G. Dalziell, the chairman of directors of the Taupo Totara Timber Company, attended all our public sittings and accompanied us on our several visits of inspection, as also did Mr. E. E. Vaile, acting on behalf of several local public bodies of the Rotorua district. The Commission also had the advantage of more or less detailed conferences with members of the Putaruru Development League, the Tokoroa Settlers' Committee, and other residents, and obtained from them much useful and valuable information. Altogether fourteen public sittings were held and forty witnesses examined. Mr. E. E. Vaile and Sir John Findlay addressed the Commission, the former on behalf of the Rotorua residents and the latter on behalf of the Taupo Totara Timber Company (hereinafter referred to as "the company"). A full transcript of the evidence and addresses, covering 398 pages of closely typed foolscap, is appended hereto. [Not printed.]

HISTORY OF THE UNDERTAKING.

The company was formed about 1900 to acquire, by purchase or lease, and to work, a large area of forest land at or near Mokai, in the Taupo district. At the time the company acquired the property it was believed to carry 500,000,000 ft. of good millable timber—much of it totara—and the balance matai, rimu, and other varieties. It was originally proposed to float the timber down the Waikato River, which river runs for some miles through the company's property; but this was subsequently deemed to be impracticable, as the company's experts advised that the timber would be liable to great damage and possible destruction in passing sundry rapids which occur in the course of the