

APPENDICES TO REPORT.

The following statements and returns obtained by the Commission in the course of its inquiry are appended hereto for Your Excellency's information :—

- (1.) Letter from Mr. Dalziel, dated 15th October, 1918, to the Prime Minister, urging the appointment of a Commission of experts to go into the question of the development of the Taupo district.
- (2.) Summary of facts, dated 30th June, 1920, prepared by Mr. Dalziel, regarding Taupo development.
- (3.) Opinion of C. P. Skerrett, K.C., and Sir John Findlay, K.C., *re* abandonment of Orders in Council under the Tramways Act, 1908.
- (4.) Book value of company's tramway and appurtenances.
- (5.) Tramway revenue on freight other than the company's timber and goods.
- (6.) Working-expenses of tramway.
- (7.) Tramway revenue and expenses per train-mile.
- (8.) Return of bush lands some distance from, but which will be served by, the tramway on its extension to Taupo. (For plan see Appendix 11.)
- (9.) Return of timber lands interlocked with the Taupo Totara Timber Company's bushes.
- (10.) Report on tramway by the Chief Engineer of the Working Railways Department, with estimate of cost of converting it to a Government standard railway.
- (11.) Map showing the tramway, the lands served by same, and the ownership of the several areas.

No. 1.

Letter from Mr. DALZIELL to the PRIME MINISTER.

The Taupo Totara Timber Company (Limited).

246A The Terrace, Wellington, 15th October, 1918.

SIR,

I am instructed by the board of the above company to urge upon you that the development of the Taupo district is a matter requiring immediate attention.

The necessity for urgency arises from the fact that settlement has progressed along the company's railway to such an extent that the full carrying-capacity of the company's present rolling-stock has been reached, and the plans of the settlers require the provision of further rolling-stock as well as additional sidings. In addition to this, speculators are coming into the district and endeavouring to purchase Native timbers which can only be marketed over the company's line, and if this movement is permitted the company will be called upon to provide considerable additional rolling-stock, and carry a great amount of traffic at a running-cost which, owing to the war, is very much greater than was contemplated when the company's traffic rates were fixed. There is also the further difficulty that the company has just started operations in a new totara bush, one-half of which is held by the Crown and is to be reserved, my company is informed, for Government purposes. The company's portion of the block in a great measure surrounds the Crown area, and it is obvious both that the whole bush could be most profitably worked as one block, and also that the cutting of the company's area will necessarily render the Crown area much more liable to destruction by fire than it is at the present time. These and other matters require the early attention of the different Government Departments whose interests are involved.

Long experience of operations in this country has convinced my board that the needs of settlement require that the company's railway and the whole of the timber in the district should be brought under one control, and that land-settlement should be vigorously promoted. This is the only course by which the railway traffic can be adjusted in the general interests of settlement. My board does not see how otherwise the owners of the railway can be justified in embarking capital in the development of the traffic.

The working-expenses of the railway—that is to say, the running-cost, exclusive of interest on capital—amount to about £7,000 per annum, and the receipts from goods traffic, other than the company's own traffic, amount to £2,400 per annum. There is in addition the following traffic or revenue accruing to the line at present: Passenger traffic (mainly to company's works), £400; mail contract, £112 10s.; company's goods (if charged at Order in Council rates), £340; company's timber (if charged at Order in Council rates), £10,350: a total revenue of £13,602 10s.