1929.

NEW ZEALAND.

PUBLIC PETITIONS M TO Z COMMITTEE

(ROTORUA-TAUPO RAILWAY).

PETITION OF EDWARD EARLE VAILE AND 88 OTHERS.

(COLONEL McDONALD, CHAIRMAN.)

Report together with Minutes of Proceedings, Evidence, and Appendix brought up 8th November, and ordered to be printed.

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 2ND DAY OF AUGUST, 1929.

Ordered, "That a Committee be appointed, consisting of ten members, to consider all petitions from M to Z that may be referred to it by the Petitions Classification Committee; to classify and prepare abstracts of such petitions in such form and manner as shall appear to it best suited to convey to this House all requisite information respecting their contents, and to report the same from time to time to this House, to have power to report its opinions and observations thereon to this House; also to have power to call for persons and papers; three to be a quorum: the Committee to consist of Rev. Clyde Carr, Mr. Jenkins, Mr. Kyle, Mr. Lye, Colonel McDonald, Mr. Makitanara, Mr. Massey, Mr. Samuel, Mr. Semple, and the mover."—(Hon. Mr. RANSOM.)

REPORT.

No. 74.—Petition of EARLE VAILE and 88 Others, praying for resumption of work on the Rotorua–Taupo Railway.

I AM directed to report that the Committee, having heard the evidence of a considerable number of settlers and other representatives of the Railway, Lands, Agriculture, Forestry, and Prisons Departments, is of the opinion that the action of the Government in discontinuing the Rotorua–Taupo Railway was thoroughly justified, and that the said railway should not be continued, and that in regard to the prayer of the petitioners the Committee recommend that no action be taken. The Committee is also of the opinion that the Government should consider the putting into operation of an exhaustive experimental test on a limited area of, say, 10,000 acres of the better-class pumice land, to be brought into permanent pasture on the principle of mass employment.

T. W. McDONALD,
Chairman.

8th November, 1929.

PETITION.

To the Honourable the Speaker and Members of the House of Representatives of New Zealand in Parliament assembled.

MAY IT PLEASE YOUR HONOURABLE HOUSE,—

Our humble petition showeth—

(1) That in 1920 and again in 1921 the Public Petitions Committee of the House of Representatives recommended the immediate construction of a railway from Rotorua to Taupo.

(2) That in 1920 the Taupo Tramways and Timber Commission unanimously found that "there is urgent necessity, in order to avoid great national waste, for an extension of the Rotorua Government railway to Waiotapu with as little delay as possible."

(3) That in 1922 the Royal Commission on the Rotorua–Taupo Railway unanimously endorsed the above finding.

(4) That in 1928 Parliament authorized the construction of the railway as far as Reporoa, and voted the sum of £75,000 for the building of the first section.

(5) That in pursuance of this authority a very large sum of money was spent on the said railway.

(6) That if the work be not resumed without delay this expenditure will be wasted; but far more serious is the fact that the development of the great Rotorua–Taupo district will be further delayed.

We therefore pray your honourable House to order the immediate resumption of work on the said railway. And your petitioners will ever pray.

EARLE VAILE (and 88 others).

MINUTES OF PROCEEDINGS.

WEDNESDAY, 11TH SEPTEMBER, 1929.

THE Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Makitanara, Mr. Kyle, Rev. Clyde Carr, Mr. Massey, Mr. Lye, Mr. Semple, Mr. Samuel, Mr. Jenkins.

Minutes of the previous meeting were read and confirmed.

Petition No. 74, Earle Vaile and Others.—On motion of the Hon. Mr. Ransom, it was resolved, That Committee reporters be engaged to take down the evidence, and that six additional copies of evidence be taken off for the use of the Committee.

On motion of the Hon. Mr. Ransom, it was resolved, That the proceedings of the Committee be open to the press, and that the Chairman do report this resolution to the House.

Resolved, That the first meeting in connection with this petition be on Tuesday, 17th September, at 10 o'clock.

TUESDAY, 17TH SEPTEMBER, 1929.

The Committee met pursuant to notice at 10 o'clock.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Makitanara, Mr. Kyle, Mr. Massey, Mr. Samuel, Mr. Lye.

Minutes of the previous meeting were read and confirmed.

On motion of Mr. Kyle, it was resolved, That the action of the Chairman in increasing the number of copies of evidence to twelve be confirmed.

Correspondence relative to this petition was taken as read.

A letter was received from Mr. Dalziell, and the Clerk was instructed to reply that the Committee thanked him for his letter, and to inform him that it is not the duty of the Committee to call evidence on the petitions set down for hearing, but to hear any evidence placed before it by the petitioners.

The following members of the House were present: Mr. Sykes, Mr. Young, Mr. Clinkard.

Messrs. Barker and Hansen (Forestry Department) and Mr. P. G. Rousell (Railway Department) were present.

The following petitioners were present, gave evidence, and were questioned by members of the Committee: Mr. Earle Vaile, farmer, Waiotapu; Mr. H. A. Gaudie, forestry manager, Rotorua; Mr. H. M. Martin, farmer, Ngongotaha; Mr. W. J. Parsons, farmer, Guthrie; Mr. F. C. Rollett, agricultural editor, *Auckland Weekly News*, Auckland.

The Committee continued to sit until 1.5 p.m., and adjourned until 9.30 a.m. on Wednesday, 18th September, 1929.

WEDNESDAY, 18TH SEPTEMBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Makitanara, Mr. Kyle, Mr. Massey, Mr. Lye, Mr. Semple, Mr. Samuel, Mr. Jenkins.

Minutes of the previous meeting were read and confirmed.

Resolved, That the previous instruction given to the Clerk to write to Mr. Dalziell be cancelled, and that he be informed that an opportunity would be afforded him of giving evidence before the Committee.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Young, Mr. Sykes, Mr. Hall, Mr. Parry, Mr. Macmillan, Mr. Fraser.

Messrs. Rousell and Knutzen (Railway Department) and Messrs. Barker and Hansen (Forestry Department) were also present.

The following petitioners were present, gave evidence in favour of the petition, and were questioned by members of the Committee: Mr. F. C. Rollett, agricultural editor, *Auckland Weekly News*, Auckland; Mr. W. A. Parnham, farmer, Wharepaina; Mr. W. G. Butcher, farmer, Reporoa; Mr. H. M. Martin, farmer, Ngongotaha.

Mr. Martin handed in a statement, to be marked Exhibit 1 in the Minutes of Evidence.

On motion of Mr. Semple, it was resolved, That the evidence on the petition of Earle Vaile and others be printed, and that the previous instruction for the typing of extra copies of the evidence be cancelled.

The Committee continued to sit until 1.15 p.m., and adjourned until 9.30 a.m. on Thursday, 19th September, 1929.

THURSDAY, 19TH SEPTEMBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Makitanara, Mr. Kyle, Mr. Massey, Mr. Lye, Mr. Semple, Mr. Samuel, Mr. Jenkins.

Minutes of the previous meeting were read and confirmed.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Young, Mr. Sykes, Mr. Hall, Mr. Parry, Mr. Macmillan, Mr. Fraser.

Messrs. Rousell and Knutzen (Railway Department) and Messrs. Barker and Hansen (Forestry Department) were present. Mr. W. J. Parsons was also in attendance.

Mr. E. E. Vaile gave evidence in favour of the petition, and was questioned by members of the Committee.

On motion of Mr. Massey, it was resolved, That a representative of the Department of Agriculture be summoned to attend at next meeting.

The Clerk was instructed to write to the Railway Department and obtain information as to the quantities of manure carried to Matamata and Rotorua respectively.

The Committee continued to sit until 12 noon, and then adjourned until 10 a.m. on Tuesday, 24th September, 1929.

TUESDAY, 24TH SEPTEMBER, 1929.

The Committee met pursuant to notice at 10 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Makitanara, Mr. Kyle, Mr. Samuel, Mr. Jenkins, Mr. Massey, Mr. Lye, Mr. Semple.

Minutes of the previous meeting were read and confirmed.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Young, Mr. Parry, Mr. Clinkard.

Messrs. Rousell and Knutzen (Railway Department), Messrs. Barker and Hansen (Forestry Department), Mr. Cockayne (Department of Agriculture) and Mr. Galvin, Crown Lands Ranger, from the Lands Department, were present.

Mr. E. E. Vaile was further examined by members of the Committee.

Mr. Dalziell, barrister, Wellington, gave evidence.

Mr. E. E. Vaile informed the Committee that he intended to call further evidence, naming Mr. W. E. L. Napier and Mr. Lane.

The Committee continued to sit until 1 o'clock, and then adjourned until 9.20 a.m. on Wednesday, 25th September, 1929.

WEDNESDAY, 25TH SEPTEMBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Kyle, Mr. Jenkins, Mr. Massey, Rev. Clyde Carr, Mr. Lye, Mr. Semple, Mr. Makitanara, Mr. Samuel.

Minutes of the previous meeting were read and confirmed.

On motion of Mr. Kyle, it was resolved, That the Committee adjourn at 11.25 a.m. on Thursday, 26th September.

The following members of the House were present: Mr. Lee Martin, Mr. Parry, Hon. Sir Apirana Ngata.

The following departmental officers were present: Messrs. Rousell and Knutzen (Railway Department), Messrs. Barker and Hansen (Forestry Department), Mr. Cockayne (Department of Agriculture), and Mr. Galvin (Lands and Survey Department).

Messrs. Vaile, Parsons, and Lane were also present.

Mr. Dalziell, barrister, Wellington, gave further evidence, and was questioned by members of the Committee and Mr. E. E. Vaile, one of the petitioners.

The Committee continued to sit until 1 o'clock, and then adjourned until 9.30 a.m. on Thursday, 26th September, 1929.

THURSDAY, 26TH SEPTEMBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Rev. Clyde Carr, Mr. Makitanara, Mr. Jenkins, Mr. Kyle, Mr. Massey, Mr. Lye, Mr. Samuel, Mr. Semple.

Minutes of the previous meeting were read and confirmed.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Parry.

The following departmental officers were present: Messrs. Rousell and Knutzen (Railway Department), Messrs. Barker and Hansen (Forestry Department), Mr. Cockayne (Department of Agriculture), Mr. Galvin (Lands and Survey Department).

Messrs. Vaile, Parsons, and Lane were in attendance.

Mr. Dalziell, barrister, Wellington, gave further evidence and was further examined.

On motion of Mr. Kyle, it was resolved, That Mr. Newson, Local Stock Inspector, Rotorua, be summoned to give evidence before the Committee.

On motion of Mr. Lye, it was resolved, That Mr. Dolamore, Assistant Forester, Rotorua, be summoned to give evidence before the Committee.

The Committee continued to sit until 11.25 a.m., and then adjourned until 10 a.m. on Tuesday, 1st October, 1929.

TUESDAY, 1ST OCTOBER, 1929.

The Committee met pursuant to notice at 10 a.m.

Present: Colonel McDonald (Chairman), Mr. Kyle, Mr. Massey, Mr. Lye, Mr. Makitanara, Mr. Semple, Mr. Samuel, Mr. Jenkins.

Minutes of the previous meeting were read and confirmed.

The Chairman explained that at the suggestion of the Committee the heads of the following Departments had been asked to send representatives to give evidence before the Committee: Department of Agriculture, Lands Department, Forestry Department, and Railway Department.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Parry.

The following departmental officers were present: Messrs. Roussell and Knutzen (Railway Department), Messrs. Barker, Hansen, and Dolamore (Forestry Department), Messrs. Cockayne and Newson (Department of Agriculture), and Mr. Galvin (Lands and Survey Department).

The following were also present: Messrs. Vaile, Dalziell, Blair, Galvin, M. Wells, and Taylor.

Mr. Galvin (Lands and Survey Department) gave evidence, and was questioned by members of the Committee and Mr. E. E. Vaile, one of the petitioners.

The Committee continued to sit until 1 o'clock, and then adjourned until 9.30 a.m. on Wednesday, 2nd October, 1929.

WEDNESDAY, 2ND OCTOBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Mr. Jenkins, Mr. Samuel, Mr. Kyle, Mr. Massey, Mr. Lye, Mr. Semple.

Minutes of the previous meeting were read and confirmed.

On motion of Mr. Jenkins, it was resolved, That the State Advances Department be written to requesting a return showing particulars of capital value, amount of loans applied for, and existing mortgages to the Matarawa Land Co. settlers in the Matarawa Land Co.'s area near Putaruru.

The Chairman explained to the Committee who the witnesses were from the several Departments who were yet to give evidence, and that one witness, Mr. H. B. Campbell, had volunteered to give evidence.

The following members of the House were present: Mr. Lee Martin, Mr. Munns.

The following departmental officers were present: Messrs. Rousell and Knutzen (Railway Department), Messrs, Hansen, Barker, and Dolamore (Forestry Department), Messrs. Cockayne and Newson (Department of Agriculture), and Mr. Galvin (Lands and Survey Department).

The following were also present: Messrs. Vaile, Dalziell, Galvin, and H. B. Campbell.

The following witnesses gave evidence and were examined by members of the Committee and Mr. Vaile: Messrs. Dolamore, H. B. Campbell, and Cockayne.

On motion of Mr. Massey, it was resolved to call Mr. Banks, Manager of Hautu Prison Farm, to give evidence before the Committee, subject to the approval of Mr. Speaker.

The Committee continued to sit until 1.15 p.m., and then adjourned until 9.30 a.m. on Thursday, 3rd October, 1929.

THURSDAY, 3RD OCTOBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Rev. Clyde Carr, Mr. Makitanara, Mr. Kyle, Mr. Semple, Mr. Jenkins, Mr. Lye, Mr. Samuel, Mr. Massey.

Minutes of the previous meeting were read and confirmed.

On motion of Mr. Samuel, it was resolved, That a recommendation be made to Mr. Speaker that one of the petitioners, Mr. E. E. Vaile, be furnished with a printed copy of the evidence. Mr. Makitanara and Mr. Jenkins voted against the motion.

The following departmental officers were present: Messrs. Rousell and Knutzen (Railway Department), Messrs. Cockayne and Newson (Department of Agriculture), Mr. Hansen (Forestry Department), and Mr. Galvin (Lands and Survey Department).

Mr. Cockayne was further examined by members of the Committee and Mr. Vaile.

Mr. Hansen gave evidence and was questioned by members of the Committee and Mr. Vaile.

The Committee having agreed to hear another petition, adjourned the further hearing of this petition until 10 a.m. on Tuesday, 8th October, 1929.

TUESDAY, 8TH OCTOBER, 1929.

The Committee met pursuant to notice at 10 a.m.

Present: Colonel McDonald (Chairman), Mr. Jenkins, Mr. Kyle, Mr. Lye, Mr. Makitanara, Mr. Massey, Mr. Samuel, Mr. Semple, Hon. Mr. Ransom.

Minutes of the previous meeting were read and confirmed.

The Chairman reported to the meeting the decision of Mr. Speaker *re* furnishing Mr. Vaile with a printed copy of the evidence.

The Chairman read to the Committee a telegram to the Minister of Railways from Mr. Goldfinch, and read memo. from Mr. Taverner to the Chairman of the M to Z Committee.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Lee Martin, Mr. Parry, Mr. Armstrong.

Mr. Rousell, Superintendent of Transport, Railway Department, continued his evidence from last meeting, and was questioned by members of the Committee and Mr. Vaile.

Mr. Banks, Chief Warder of Hautu Prison Farm, gave evidence, and was questioned by members of the Committee and Mr. Vaile.

Mr. Vaile asked permission to read a letter from Mr. Parsons, of Guthrie.

Mr. Samuel moved, That the letter should be read.

The Committee divided, and the names were taken down as follow: Ayes—Mr. Massey, Mr. Kyle, Mr. Semple, Mr. Samuel; Noes—Mr. Makitanara, Mr. Jenkins, Mr. Lye, Colonel McDonald.

And the voting being even, the Chairman gave his casting vote against the motion, and so it passed in the negative.

Charles H. Newson, Stock Inspector, Rotorua, gave evidence, and was questioned by members of the Committee and Mr. Vaile.

Mr. H. P. Knutzen, Bush Manager for Railway Department, opened his evidence, and the proceedings closed.

All witnesses left the room, and the Committee discussed the letter of Mr. Parsons, of Guthrie.

On motion of Mr. Massey, it was resolved, That Mr. Parsons be alllowed to give further evidence at his own expense, and that the Committee will be prepared to hear him.

The Clerk was instructed to notify Mr. Vaile of this resolution.

The Committee continued to sit until 12.50 p.m., and then adjourned until 9.30 a.m. on Wednesday, 4th October, 1929.

WEDNESDAY, 9TH OCTOBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Mr. Makitanara, Mr. Jenkins, Mr. Massey, Mr. Samuel, Mr. Semple, Hon. Mr. Ransom, Mr. Kyle, Mr. Lye.

Minutes of the previous meeting were read and confirmed.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Nash, Mr. Parry, Mr. Armstrong, Mr. Williams, Mr. Macmillan.

The following were also present: Messrs. Vaile and Dalziell.

Mr. H. P. Knutzen, Bush Manager, New Zealand Government Railways, resumed his evidence, and was questioned by members of the Committee and Mr. Vaile.

Mr. Dalziell sought the indulgence of the Committee to rebut the evidence given by Mr. Knutzen; this he was permitted to do, and was questioned by members.

The Committee continued to sit until 1.5 p.m., and then adjourned until 9.30 a.m. on Thursday, 10th October, 1929.

THURSDAY, 10TH OCTOBER, 1929.

The Committee met pursuant to notice at 9.30 a.m.

Present: Colonel McDonald (Chairman), Hon. Mr. Ransom, Mr. Makitanara, Mr. Jenkins, Mr. Semple, Mr. Kyle, Mr. Massey, Mr. Samuel, Mr. Lye, Rev. Clyde Carr.

Minutes of the previous meeting were read and confirmed.

On motion of Colonel McDonald, it was resolved, That Mr. Vaile be permitted to sum up the evidence given before the Committee on the petition of E. E. Vaile and others.

The following members of the House were present: Right Hon. Mr. Coates, Mr. Nash, Mr. Parry.

Mr. Vaile, one of the petitioners, summed up the evidence, and thanked the Committee for having given the petitioners such a patient and careful hearing.

Colonel McDonald thanked all the witnesses for the valuable information contained in the evidence placed before the Committee, and also Mr. Vaile for his expression of appreciation of the facilities that had been extended to him and the manner in which he had been treated by the Committee.

The Committee then commenced deliberations.

A return asked for on 2nd October, from the Superintendent, State Advances Department, concerning the settlers on the Matarawa Land Co.'s area, was read to the Committee by the Chairman and considered.

The suggestion of Mr. Vaile that the Committee should visit the pumice area before coming to a decision was discussed by the Committee.

On motion of Mr. Makitanara, it was resolved, That as the session is nearing the end the Committee regret that time will not permit opportunity to visit the Rotorua–Taupo area.

Mr. Jenkins moved, That the Committee report the following resolution to the House :—

" That the Committee, having heard the evidence of a considerable number of settlers and other representatives of the Railway, Lands, Agriculture, and Prisons Departments, is of the opinion that the action of the Government in discontinuing the Rotorua–Taupo Railway was thoroughly justified, and that the said railway should not be continued, and that in regard to the prayer of the petitioners the Committee recommend that no action be taken. The Committee is also of opinion that the Government should consider the putting into operation of an exhaustive experimental test on a limited area of, say, 10,000 acres of better-class pumice land, to be brought into permanent pasture on the principle of mass employment."

The following members spoke to the motion : Mr. Jenkins, Mr. Makitanara, Hon. Mr. Ransom, Mr. Kyle, Mr. Samuel, Mr. Massey, Mr. Semple, Mr. Lye, Rev. Clyde Carr.

It was suggested that, as members of the Committee wanted time to review the evidence, the Committee defer consideration of the petition ; and after discussing the suggestion it was unanimously decided on the voices to postpone further consideration until 10 a.m. on Tuesday, 15th October, 1929, to which date and time the Committee adjourned at 11.55 a.m.

TUESDAY, 15TH OCTOBER, 1929.

The Committee met pursuant to notice at 10 a.m.

Present : Colonel McDonald (Chairman), Rev. Clyde Carr, Mr. Jenkins, Mr. Kyle, Mr. Lye, Mr. Makitanara, Mr. Massey, Mr. Samuel, Mr. Semple, Hon. Mr. Ransom.

Minutes of the previous meeting were read and confirmed.

The Committee commenced further deliberations as agreed to.

Mr. Semple moved the following amendment to the previous motion of Mr. Jenkins :—

" That this Committee, in view of the recommendations made in 1920 and 1921 by the Public Petitions Committee, and in 1920 by the Taupo Tramways and Timber Commission endorsed by the Royal Commission on the Rotorua–Taupo Railway together with evidence submitted to the Committee as to the actual and possible settlement on the lands within reasonable proximity to the proposed railway, is of the opinion that though the present Government may have been justified in temporarily suspending operations, that a full and complete experimental development should be made of an area of the said land sufficiently large to determine whether the soil can be economically and profitably exploited, and therefore recommends that the Government immediately provide for the settlement of at least 50,000 acres of land on a group-settlement basis, and that the building of the railway be determined by the success or otherwise of such settlement."

The following members of the Committee spoke to the amendment : Mr. Semple, Hon. Mr. Ransom, Rev. Clyde Carr, Mr. Samuel, Mr. Kyle, Mr. Lye, Mr. Jenkins, and Colonel McDonald.

On the amendment being put, the Committee divided, and the names were taken down as follow : Ayes—Mr. Semple, Mr. Massey, Mr. Kyle, Mr. Samuel, Rev. Clyde Carr ; Noes—Hon. Mr. Ransom, Colonel McDonald, Mr. Lye, Mr. Makitanara, and Mr. Jenkins.

And the voting being even, the Chairman gave his casting-vote against the amendment ; so it passed in the negative.

The original motion was then put, and the Committee divided, and the names were taken down as follows : Ayes—Colonel McDonald, Hon. Mr. Ransom, Mr. Makitanara, Mr. Lye, and Mr. Jenkins ; Noes—Mr. Semple, Mr. Massey, Mr. Kyle, Mr. Samuel, Rev. Clyde Carr.

And the voting being even, the Chairman gave his casting-vote in favour of the Ayes ; so it was resolved in the affirmative.

Discussion took place *re* the letter of Mr. Parsons, and it was decided that no action should be taken by the Committee.

On motion of Mr. Samuel, it was resolved, That the Chairman report the finding of the Committee to the House, with a recommendation that the report, together with the minutes of proceedings and copy of evidence taken, be laid upon the table of the House and be printed.

The Committee then adjourned.

THURSDAY, 17TH OCTOBER, 1929.

The Committee met pursuant to notice at 10 a.m.

Present : Colonel McDonald (Chairman), Mr. Jenkins, Mr. Kyle, Mr. Massey, Mr. Samuel, Rev. Clyde Carr, Mr. Lye, Mr. Makitanara, Hon. Mr. Ransom.

The minutes of the previous meeting were read and confirmed.

Discussion took place on the difficulty of printing Exhibit 1, handed in by Mr. Martin.

On motion of Colonel McDonald, it was resolved, That the Clerk make a summary of Exhibit 1, as handed in by Mr. Martin, on the petition of E. E. Vaile and others.

The Committee then adjourned.

LIST OF WITNESSES.

LIST OF WITNESSES

MINUTES OF EVIDENCE.

TUESDAY, 17TH SEPTEMBER, 1929.

EDWARD EARLE VAILE examined. (No. 1.)

1. *The Chairman.*] What are you, Mr. Vaile ?—A farmer, residing at Waiotapu.

2. Will you just make your statement first ?—Yes. Mr. Chairman and gentlemen, first of all I would like to refer to the offer made by the Government to construct a road instead of this railway, and I would ask for the Public Works Department's estimate of the cost of the road, and some rough specification of it—that is to say, the width of formation, the width of bitumen, and what load will be permitted to be carried on it.

The Chairman: I am afraid we cannot supply you with that. It has nothing to do with the petition—you are petitioning for the completion of the railway.

Witness: Then, in the second place, I would ask that all witnesses be sworn.

The Chairman: We do not swear the witnesses. Why do you ask for that ?

Witness: Because all my witnesses are quite willing to be sworn, and what we desire in connection with this matter is to have the truth, the whole truth, and nothing but the truth.

The Chairman: I would like to point out to you that you have come here before a properly constituted parliamentary Committee, and you must abide by our rules. You cannot come here and dictate as to how we should run the affairs of the Committee. Of course, you have the right as ask it, but I only want to put the position before you—the proceedings here must he carried out according to parliamentary procedure.

Witness: I merely asked that question that witnesses be sworn without any idea of dictating to the Committee; I am ignorant of your procedure, and I merely wished to indicate that we were willing to be sworn if it were desired. Now, sir, I come before your Committee with some feeling of diffidence because I am fully aware of the forces that are arrayed against me. It is a very serious thing to be up against the Government of any country. In the past the timber interests have been very much against the construction of this railway, because it happens to be by far the greatest area of timber in the Dominion, and upon every previous occasion I have been opposed by no less a person than Sir John Findlay, K.C.; but notwithstanding that, upon every previous occasion—and the subject has been before two parliamentary Committees and two Royal Commissions—a unanimous verdict has been given in favour of the railway from Rotorua to Reporoa. Upon three occasions it was unanimously recommended that the railway be constructed to Taupo, but upon one occasion one particular Commission found that it should go only as far as Reporoa. And, gentlemen, I should not venture to appear before you unless I honestly and firmly believed in my own mind that right and truth and justice are on my side. I have a feeling also of my great responsibility, and that I represent a very great and promising district. The pumice area contains 5,000,000 acres of land, which is by far the largest area in New Zealand of cultivable and habitable land yet to be settled, and the opening-up of this area is worthy of attention not only for a few minutes, but is worthy of the attention of the first intellects in this Dominion for an extended period. It is one of the greatest problems before New Zealand—the settlement of the question of whether we are going to make use of it or leave it there as a reserve for noxious weeds, rabbits, wild dogs, and deer. In connection with this matter we have never had anything to offer—we have no votes, we have no money, we have no influence; and I am afraid that past Governments have looked at the matter from that point of view—that here was £700,000 to be spent, and no vote to be gained by that expenditure. They looked upon it as a waste of public funds to spend money in that direction. But I stand before you as an advocate of the development of these desert and wild waste places. I appeal to you upon that well-known principle of the British Constitution, that every member of Parliament represents, in the first place, the interests of the whole Kingdom, and only in the second place the interests of his particular parliamentary constituency. As for myself, I have devoted the best twenty years of my life and a considerable fortune to this problem; and not only that, but I have done a vast amount of experimental work which should have been done by the Government. I have also a confession to make in connection with this matter: I am the owner of 10,000 acres of land, not on the route of the railway to Reporoa, but on the extension to Taupo, which is inevitable. If I fail to prove to you that the construction of this railway will be of benefit to that district—indeed, if I fail to prove that it will be of benefit to the whole of the Dominion —I confess that I shall have failed. But I want to relieve myself of any suggestion of personal interest, and I will hand to you an offer in writing to sell to the Government my land at its present value, so that if they choose to take that area for closer settlement the payment which they will have to make to me is only the value of the land to-day, and not the value after the construction of the railway. I hope by that means to discharge myself from any implication that I have any personal financial interest in this railway. In connection with this matter I really do not think that I am called upon to make such a sacrifice, because I think I can justly claim that if anybody in this Dominion deserves the construction of a railway I do. I have fought for it for twenty years, and there are people who own much larger tracts of land in the district who have never contributed anything to the railway. Now, gentlemen, I am not going to detain you with a long speech, but I hope that I may be allowed in conclusion to sum up the evidence and to reply to anything that may be said. I would like to draw your attention to the fact that the petition, although in my name, is the petition of the Rotorua County Council, the

Rotorua Borough Council, the Rotorua–Taupo Railway League, the Rotorua Progress League, the Rotorua Chamber of Commerce, the Ngongotaha Branch of the Farmers' Union, and other public bodies. It was put in my name merely so that I should support it myself and not have to engage counsel, which we could not afford. We did not seek numerous signatures to the petition. As you know, you can get as many signatures as you want by the expenditure of money. I want also to emphasize the point that we are not petitioning for a new railway; we are asking you to recommend the resumption of the construction of a railway which has been authorized by Parliament, and for which money has been voted by Parliament. I want to know why the money voted for this railway has been taken and spent upon another line. We claim that that money should be expended where Parliament authorized it to be spent. We want to know upon what authority and upon what grounds this has been done. We have no evidence whatever. Explanations have been given as to why the Palmerston North deviation was stopped, but there has been no explanation as to why the Rotorua–Taupo Railway was stopped. We also want to show that for the development of that area a railway is required and not a road. The evidence that I propose to lead will show you that there is a vast area of country which is habitable and cultivable and productive, and that it is a national crime to keep it locked up. The first evidence I wish to place before you is silent but none the less eloquent. I would like to draw your attention to these exhibits we have brought down. These [referring to exhibits] roots were grown at Reporoa with 2 cwt. of manure. These turnips were all grown on pumice land with 3 cwt. of manure. These swedes are from three farms. The potatoes were grown in pumice soil with stable manure; also the onions. This hay is from my own farm. That is first-class clover hay, and that was grown with a top dressing of 2 cwt. to the acre—the first cut in the second year. Any one who understands roots will know that these roots are very fine, both from size and quality. I may say that they are not the first lot that were reserved by us for this inquiry. We had better roots reserved, but owing to the delay the ones we first reserved did not keep.

3. *Mr. Lye.*] Were they grown on the ridge or on the flat? On the flat.

4. *Mr. Kyle.*] Are they a fair average? They are not the worst, of course, but they are a fair average of the crop. I saw the crop from which these [soft turnips] came, and it was a magnificent crop; naturally we have not brought you the worst.

5. *Mr. Lye.*] But it is generally understood that on that land the first crop is always a good crop? Yes, but afterwards good crops are grown too. Mr. Chairman, I would like to place before you some photographs showing what this land will produce [photographs submitted and described]; also prize tickets from Palmerston North, Waikato, and other shows [produced]. I have never sent exhibits to a show without taking prizes, and I can assure you that I have never cultivated any crop for show purposes—the exhibits have always been taken out of the ordinary field crop, and never more than 2½ cwt. of manure to the acre has been used.

6. *The Chairman.*] You are showing us these prize tickets to indicate the capabilities for production of the land which will be opened up by this railway?—Yes, and to show the value of developing the area. Then this [produced] is a pamphlet which our league issued. We claim that the only way in which our railway can be opposed is by misrepresentation and by ignorance. Copies of this pamphlet have been sent to all newspapers, and there has never been an effective criticism of it, except that we had not stated in the book the cost of the railway, but that is now stated in this edition. It has been stated that there are photographs of two or three turnips where an animal has died. That is not true, because there are acres and acres of crops there. As regards calves, which were represented as being as high as the top of a 6 ft. fence, the photographs show that they are up to the second rail. I want to draw your attention particularly to the map in the middle of the book. Here [pointing out the pumice area] is the only area in the Dominion which has no access by land or by sea. It strikes the eye at once that there is a great vacant space there, and we say that it is a national disaster that that area has not been opened up for settlement. If that land were of no use it would be all right, but we can show that there is no useless land in that area, that the whole of the land is useful, and that such of the land as may not be available for cultivation, amounting perhaps to 25 per cent., is the finest timber-growing country in the world. Now, gentlemen, this concludes my opening remarks. May I suggest that I be allowed to give my evidence last.

7. *The Chairman.*] I take it that you are giving it now?—I thought I was giving an address.

Mr. Kyle: May I suggest that those witnesses who wish to get away be taken now. I for one do not want to be sitting here during the sittings of the House.

Mr. Samuel: I suggest that Mr. Vaile be allowed to break off his evidence now and resume later on.

The Chairman: That can be done.

HALBERT ALEXANDER GOUDIE examined. (No. 2.)

1. *The Chairman.*] You are a Conservator of Forests?—I used to occupy that position in the Department. I am still carrying on my occupation as a forester. I had been in the Department for twenty-five years. My interests in coming before you to advocate the construction of this railway are really largely due to the fact that I was in charge of the State Forest operations, practically from their initiation, and I am naturally very anxious to see that these plantations, on which the Government spent so much money, should get a fair deal, and I am satisfied that you cannot get a full and profitable realization from these plantations without the construction of the railway. I may say that in addition to the area owned by the Government, and which is largely planted, there are altogether about 300,000 acres of land tributary to that proposed line, including the Government land reserved for forestry purposes by the Government, and by private enterprise, which are tributary to the proposed line. I do not include in that 300,000 acres the land which is planted or held by

private enterprise, in the vicinity of Putaruru. This land is all that I consider tributary to the proposed Rotorua–Waiotapu line.

2. What do you call "tributary"—how far away?—The extreme end of the State plantations, from the Waiotapu line, would be about twenty-five miles.

3. You are including the land to twenty-five miles on either side of the proposed railway?—Yes, approximately. I do not want to be misunderstood. The Government has now planted land on the extreme side of the Kaingaroa Plains from that proposed line, which is, roughly, twenty-five miles away, and their oldest plantations are nearest to the line at Waiotapu. These are the ones that will come into profit first. Assuming that these 300,000 acres were planted, it is going to produce something like 500,000,000 ft. of timber annually—that is, more timber than is being used at the present time in New Zealand—that is, assuming that the forest is worked on the sustained-yield basis. The urgency of the railway, to my mind, lies in the fact that those plantations which were first planted, and which amount to about 16,000 acres, at present require thinning, and they cannot be thinned without very considerable expense—that is, 16,000 acres of the area already planted. Those trees vary from sixteen to twenty years old. They require thinning, and to do so would involve the State in very considerable expense, unless the Government can recoup the value of those thinnings by some means.

4. *Mr. Lye.*] Transport is necessary?—Yes, transport is necessary for that. I estimate that at the present time there is something like 320,000 cords of thinning-material available, and you will readily understand that the disposal of that small stuff—which is useless as timber, and which is in competition with the native product—is a very difficult matter. It is difficult to dispose of except on the local market, where you might get rid of a little as firewood, poles, and temporary timbers. Yet there is that material which it has been necessary to grow. That timber is there, and at present there is no means of disposing of it—except a small quantity. We require a railway to dispose of that material. Getting back to the 300,000 acres, I want to say here that if that area was planted we could expect something like 200,000 cords of thinnings annually, which would be useful for pulp. As to whether this stuff could be disposed of if we had the railway: just immediately it could not be disposed of, but I consider that the forest policy of New Zealand should take into account the disposal of that material; in other words, you cannot grow decent timber unless you plant it closely. We should not go in for forestry unless we can protect it properly. If due consideration is to be given to the forestry problem that railway must be built. Now, we want some means of getting rid of that huge quantity of material. The pulping of that material has been suggested as a possible means of utilizing it, and I do not think you could attract private capital unless the railway was there. On the other hand, it is a sort of zigzag business: the Government says that we have no immediate chance of getting that material for pulping, while private enterprise says that until the railway is built it will not provide the capital. It was suggested that forest material might be carted by road. At the present time there is a fair amount of timber being carted from Oruanui. Oruanui is about six miles from Wairakei. Timber is being carted from Oruanui to Rotorua. The alternative route to that is to cart the timber to the Taupo Totara Timber Co.'s line and rail it to Putaruru. I know what it is costing the sawmiller to-day: it is costing him 10s. per 100 superficial feet to put it on the railway at Putaruru, and it is costing him 10s. per 100 sup. ft. to truck it into Rotorua by motor-lorry. At the present time they are putting on 1,200 sup. ft. per load, and in the winter-time possibly less, where the roads are bad. Furthermore, I think they are liable to be asked to discontinue carting at certain times if the roads get very bad. If you put a bitumen road through there the position would not be very much improved, but you really would require a road which would carry a 10-ton load—possibly a concrete road. Even then, with the existence of heavy motor traffic, I doubt very much if you could get your cartage down to less than 1s. per 100 sup. ft. per ten miles of that road. The conclusion that I want to draw from that is that cartage at the present time will not permit of anything but heart totara being carted over that road; with ordinary building timber—partly heart and partly sap—it would not pay to cart it on that road. The consequence is that with the exception of totara all other timbers are being left in the bush. That is all I wish to say just now; if there are any questions I shall be glad to answer them.

5. *The Chairman.*] You said you are anxious to see the Government plantations get a fair deal: do you say that that cannot be done without a railway?—Yes.

6. Are the Government plantations ready for that fair deal now?—Yes, in so far as the thinning only is concerned.

7. Now, as regards this thinning, you have admitted that this thinning-material is not a very valuable class of timber?—Not as timber—that is so, but as ligneous material it may be made very valuable.

8. Do you know what the railway charges are for carrying such timber?—I know that the railway freight from Rotorua to Auckland is 5s. 4d.

9. For thinnings?—No, I do not know what the freight on that is.

10. My question is, if the railway were constructed and you could get full loads every time, do you think that at an exceptionally low rate it would pay?—Yes, I think so. I do not know if it would pay the Department to run the railway for that alone, but I do say that the Government, having planted those forests, should set out by some means to profitably utilize them.

11. That is quite another proposition. The question is, supposing they got all this timber you speak about, would it still warrant the building of the railway?—I am not going to say that.

12. That is a very important question?—I think it would. My point is this: that you have not got a forest policy if it does not include means whereby these thinnings can be taken out and utilized.

13. But we are not considering the forest policy, but whether the railway would be warranted from the point of view of paying its way?—I cannot see why you should differentiate in these two points of view. One is necessary to complete the investment of the Government, but it is ultimately going to prove very profitable for the railway.

14. Your point is that while it may not pay as a railway proposition, it might make up for it as a forestry proposition. We will get that evidence from the transport expert, but I wanted to get your view as to whether you know anything about it. It is one thing to tell the Committee about these thinnings, and quite another to say that if these thinnings were carried they would be carried at a loss?—Most of the evidence was given to the Commission, and those figures can be depended upon. I am not sure upon that point. Speaking from memory, I think it was definitely proved that the railway would at least pay expenses.

15. Now, you reckon there are about 300,000 acres of land tributary to the proposed line—and "tributary," according to you, is about twenty-five miles on either side of the line. Do you know that it is not considered practicable to consider any area lying outside fifteen miles from the railway. I think that it will be found that the Commission laid that down emphatically. What effect would that have upon your evidence, if you knew that instead of twenty-five miles it was reduced to fifteen miles?—Well, knowing something about the methods of getting out the timber, I am satisfied that if the Government put in subsidiary tram-lines from Waiotapu, ten miles out from the oldest part of their forest, they would continue that tram-line farther on.

16. That is a subsidiary matter. That is, if they put in another tram-line. Assuming that they are not going to construct the railway, what is going to happen—the material would have to be disposed of in another way?—Excuse me, but I think you have mistaken me. The land to which I referred as being 300,000 acres is that east of the proposed line. I made the point that I was not including any land used for forestry purposes on or near the Putaruru route.

17. That does not include anything on the western side?—Not as far as I know. There is no land occupied which could be considered tributary. All the area which is earmarked for forestry purposes is on the east side.

18. You said there are 16,000 acres already planted that requires thinning, and that it would be a considerable expense to the State to do that thinning. It would probably be a greater expense to the State if they had a railway, because the railway might have to carry it at a loss. You are not prepared to say whether it would be carried at a loss or otherwise?—I would like to know how we are going to get rid of that stuff without a railway.

19. You said there were about 320,000 cords of this material available, which requires a railway to dispose of it. It is important to know not only whether this vast amount of material is available and is accumulating, and requires a railway to dispose of it, but the question is whether, if that railway is built, do you think that this business would warrant the building of that railway?—Yes, I think so—and considering the settlement of the country as well.

20. You spoke of superficial feet of timber: would you define that term for the Committee? You do not mean running feet?—A superficial foot is the common measurement in New Zealand—it is 12 in. by 12 in. by 1 in.

21. That is, as opposed to the running foot, which is the length of a piece of timber apart from its width?—Yes.

22. *Mr. Makitanara.*] Where trees have been growing since they were planted, from now onwards how many years do you suggest it will take this timber before it is ready for milling purposes?—Do you mean for final cutting?

23. I mean as a profitable crop?—About thirty-five years altogether.

24. From now?—No, not from now. All that I can say is that the oldest-planted trees will be ready in ten years.

25. And the bulk of it will be ready when?—That is very difficult to say, because planting has been going on from year to year.

26. Say fifteen years at the outside?—Yes, sawn timber will come out of there in fifteen years, and will continue to come out annually in increasing quantities.

27. *Mr. Kyle.*] You gave us a figure of 10s. per 100 ft. for fifty miles of carting at the rate of 1,200 ft. per load. There was an interjection by the Chairman that the idea of the departmental officers was that it would cost 10s. railage. What would be tonnage carried by an ordinary train?

Mr. Roussell (Railway Department): An ordinary train coming over that country would be running on a grade of 1 in 50, and that would limit the load to 200 tons gross.

Mr. Kyle: That would be £100 per train-load at 10s. per ton.

Mr. Roussell: But we would give that particular part of the line the full credit: say it was being hauled 180 miles, and 30 miles of that was on the extension line, we would credit it with 30-180ths of the 10s.

28. *Mr. Kyle.*] You said, Mr. Goudie, that it will be fifteen years before those plantations will be fit for cutting for milling purposes. You reckon that at the present time there are 16,000 acres which it is absolutely imperative to thin?—Yes.

29. Would that go on continuously from now—that is, the thinning over the whole area?—Yes.

30. So that it would not be only for one year?—No.

31. Really that thinning would go on continuously until the time when the main crop would be ripe for milling purposes?—Yes, that is so.

Mr. Hanson: As Mr. Goudie has said, we have about 16,000 acres to-day that can be operated on to-day, but the remaining 300,000 acres will not come in within twenty-five or thirty years.

32. *Mr. Kyle.*] Mr. Goudie, what was the original idea of the Government in going on with these plantations—was it to produce trees, or only to give access to the place?—We have always regarded the building of the line as necessary for the plantations.

33. Otherwise the plantations would never have been put there ?—That is so ; and also it meant spending a lot of money there without completing the forestry policy.

34. *Mr. Massey.*] Are there any other areas of native bush within the vicinity of this pumice area ?—Yes, at Oruanui.

35. How far away is that ?—I do not know how far it is from the proposed terminus of the line, but I think it is about thirty miles.

36. Have you any idea of the quantities ?—Yes, there is a lot of timber there, but I could not tell you how much timber is supposed to be there. I think I remember that in the evidence given before the Royal Commission it was said there was sufficient timber to last for about fifteen years—that is, native timber.

37. Is that close to the tramway of the Taupo Totara Timber Co. ?—That was regarded as tributary to it.

38. Who owned it ?—There is one big block owned by Dr. Rayner, and the Railway Department has another area there. Then, of course, there is a comparatively small amount of timber on the Paeroa Ranges, close to the line at Waiotapu.

39. Are you of the opinion that the Government cannot develop their forest plantations without the construction of the railway ?—Yes, that is my opinion.

40. What is the difference in cost of construction as between railway and road ?—I should think the cost of road-construction would be very high there, because all the metal would have to be brought in. At any rate, we have not got any good metal there handy suitable for a road which would have to carry heavy traffic.

41. Where do the Rotorua people get their metal from ?—From Ngongotaha.

42. *The Chairman.*] Then it is possible to get metal there ?—Yes, but that is not very high-class metal.

43. *Mr. Massey.*] At any rate you have no idea of the cost of construction of a suitable road ?—No.

44. And you think that the timber cannot be profitably handled unless you have a railway ?—I think so.

45. *Mr. Samuel.*] I would like to ask you at what age these forests are fit for milling : you say, thirty-five years from the time of planting ?—Yes.

46. This planting was started, if I remember rightly, in about 1900 ?—Yes.

47. And it has been going on continuously ever since ?—Yes.

48. Every season trees have been planted. Then, if we assume that we will have timber ready for milling in another five to seven years, that would be a correct assumption ?—Yes, there will be a small quantity ready.

49. We will say ten years ?—Yes.

50. And then we can safely assume that there will be millions of feet coming on from that date onwards, as long as the planting was kept on—an inexhaustible supply ?—Yes, it would be a permanent industry.

51. That tree-planting industry was inaugurated by the late Mr. Seddon when he was in power ?—I think it was.

52. And the object of it was, what ?—To produce timber—to replenish timber.

53. *Mr. Lye.*] Do you really suggest that the railway freights that would be offering as a result of the forestry operations would warrant the construction of a special railway within the next ten years ?—Yes, I think so.

54. Do you really think that you could find a profitable market for the thinnings after paying freight on the railways—for pulp or firewoood ?—Yes. I think that if you provide means to get these thinnings out you would possibly get the pulping industry started, and that would be a very considerable industry not only to New Zealand but also to the Government, as far as making the Government plantations pay.

The Chairman : Would you give us your Department's view, Mr. Hanson ?

Mr. Hanson (State Forest Service) : At present we have no use for the thinnings. That is the greatest problem we are up against ; and I can only hope that we will get some pulping plant started to use up these thinnings from the plantations. Mr. Goudie stated that it would be ten years before the timber is ready for milling ; I should say that that is rather optimistic. If we hope for the utilization of timber within ten years we will have to have somebody interested in the project first.

55. *Mr. Vaile.*] Mr. Goudie, I would like to ask you to give the Committee some account of your service with the Government in the Forestry Department. Would you tell the Committee what service you have rendered to the Government in the Department—how long were you there ?—I started with the Government in 1901 at Rotorua, and I was there until 1926, when I resigned.

56. *Mr. Kyle.*] Optionally ?—Yes, to take up a better appointment. I practically saw the thing right through, and was in sole charge, and eventually, about 1920, I had about half a million acres of native forests under my control.

57. *Mr. Vaile.*] You were always in a senior position ?—Yes.

58. It has been suggested that freight cannot be brought for a greater distance than fifteen miles from the railway : can you give the Committee any information about timber which is brought for forty miles to the railway ?—That timber of which I spoke is being carted fifty-five miles to the railway.

59. Have you any idea of the quantity of timber being carted from Te Whaiti to Rotorua ?—No.

60. On the question of subsidiary tram-lines, have you ever heard of a bush being worked without subsidiary tram-lines ?—Never.

61. They have extended many miles ?—Yes.

62. What is the length of the Taupo Totara Co.'s tram-line ?—About forty-five miles.

63. More than that. So that there is no reason why, when this railway is built, there should not be such tram-lines built in all directions ?—That is so.

64. That is the ordinary forestry practice ?—Yes. I know one case where timber is being brought twenty miles.

65. Can you tell us briefly the cost of planting timber in this area, compared with planting in other districts in New Zealand ?—Planting is very cheaply done in pumice land. It would cost from £2 to £4 per acre; but in heavier land in the South Island it might run into double that; and in the North Island, in the clay soils, it would be perhaps 50 per cent. more than in the Rotorua district.

66. What is your idea of growth in this district ?—It is more rapid than anywhere else in New Zealand for coniferous trees.

67. Or perhaps than in any other part of the world ?—Yes, possibly.

68. And did I understand that your estimate was that when these plantations are yielding the annual yield will be 500,000,000 ft. of sawn timber and 200,000 cords of immature timber annually ?—Yes, that is my estimate.

69. That is far more than is being cut by all the mills in New Zealand to-day ?—Yes.

70. Do you suggest that that justifies the construction of the railway ?—Yes.

71. Can you tell us how much of this country is actually planted at the present time ?—Of the 300,000 acres, it is something in the region of 120,000 acres.

72. Now, is it your experience that the forests improve the quality of the country upon which they are grown ?—Oh, yes, they do.

73. You have a fair acquaintance of the area to be served by the railway ?—Yes.

74. Do you know of any useless land in that area ?—I do not think there is any land there that could not be used for farming or tree-planting; you could get 100 per cent. utilization.

75. Do you know of any inaccessible country there, or is the country easy for roading ?—Yes, it is easy for making roads.

76. You consider that timber and other produce could be brought out easily, owing to the contour of the country ?—Yes.

77. As to the cost of roadmaking, have you any idea ?—Just making the ordinary roads, it costs from 5s. to 10s. per chain, without metalling.

78. About utilization of thinnings: what do you think of them for fencing purposes ?—They are quite good for temporary fencing, and they will last four or five years.

79. You think they would need to be creosoted ?—Yes. They are quite good for droppers.

80. And for rails ?—Yes, I have used them for rails, and they are quite serviceable.

81. And for scaffolding ?—Yes, they could be used for that, but I have never used them for that myself. They are being used for mine-props.

82. What is your estimate as to the length of time that the native timbers will serve the Dominion—when will they be all cut out ?—I believe that the State Forest Service estimate is something like twenty-five years.

83. And after that we shall have to depend upon planted forests ?—And to some extent on New Zealand hardwood, like beech.

84. You consider that the railway will be necessary to develop these forests so that in the end they will give the maximum yield to the taxpayer ?—Yes, I do.

85. *The Chairman.*] You consider that subsidiary tramways are necessary, and do you conclude that if this railway were constructed it would be necessary also to construct subsidiary tram-lines ?—Yes.

86. I wish that point to be clearly understood, that in addition to the construction of the railway the witness considers it would be necessary to construct subsidiary tramways. Now, the next point: Have you any idea of the cost of constructing subsidiary tramways per mile ?—Possibly about £1,000.

87. If I told you that the estimate given to the Commission was £3,000 per mile, would you think that would be right ?—You could spend £3,000 per mile, but it all depends upon the class of country: that country is fairly level.

88. Would it cost that in new country ?—I do not think in that country it would cost £3,000 per mile; I think it would be from £1,000 to £1,200 per mile.

89. Have you in your evidence considered the influence of the Taupo Totara Co.'s tramway-line in regard to the railway that would be built ?—That serves quite a different area altogether. I do not think that that could compete with this particular line.

90. Of course you know that is a different view from what the company itself holds, and which it has given to the Commission ?—Yes, I dare say.

91. You differ from their view ?—Yes, they give a different view, but they also know that it means a considerable deviation from their present route.

92. Do you know that that company believes the time will come—and probably in the not-far-distant future—when that timber railway will have to be abandoned altogether owing to the cutting-out of the timber; that the question of sinking fund arose to wipe off the cost in a given time? You would think that possibly a railway being constructed would apply to that ?—No, I do not think it would apply to that line on account of the timber cutting out; that would never apply in the case of the Rotorua–Taupo line.

93. Have you given any thought to the passenger traffic along the proposed line ?—No, I have not.

Mr. Hanson: I do not disagree with anything Mr. Goudie has said, except the time for the utilization of the timber; Mr. Goudie said ten years, and we think he is optimistic in that estimate.

94. *The Chairman.*] What is your view ?—We have to get a plant established and——

95. *Mr. Hanson:* The only question I would like to ask Mr. Goudie is, Where would the pulping plant be established ?—Of course I do not know that.

96. Upon that depends a great deal ?—I think it should be down in the Bay of Plenty somewhere.

97. *The Chairman.*] Then it must go through Rotorua ?—Yes.

98. And have you reason to believe that that plant will be established in the next ten years ?—I have never made that statement.

99. If you did not make that statement, then the plantations will not be usable for ten years ?—I said there was an accumulation of thinning-material which could be used now if we could get a pulping plant established. The point is that we cannot attract capital to build that pulping plant until the railway is built. The Government say, "We want the pulping plant established before we build the railway."

100. *Mr. Hanson.*] We are both agreed upon the point that it will be ten years before we can use the plantations ?—What I said was that there would be millable timber there in ten years.

101. But it would not be possible to use it ?—I think we could utilize it. You know that the amount of thinning has brought down the annual increment.

102. You know that we have thinnings but we cannot dispose of them ?—Exactly.

103. And so we arrive at the same point, that for the next ten years we will not be able to use the plantations ?—Well, I would not like to put a period upon that. If we get the railway and the pulping plant, it would relieve us of our difficulties, and then the final dealing with the timber would be brought much closer in time.

HERBERT MUNRO MARTIN examined. (No. 3.)

1. *The Chairman.*] Where do you reside, Mr. Martin ?—At Ngongotaha, near Rotorua.

2. Will you just make your statement to the Committee, Mr. Martin ? — Mr. Chairman and gentlemen, I have been farming in the Rotorua district for thirty years ; I was practically one of the first farmer settlers who settled there after the railway to Rotorua was opened. I have been continuously farming there. I early recognized the value of the Rotorua land from a farming proposition point of view. I am also intimately acquainted with the area of land that the proposed railway was going through. I have had considerable experience in valuing, and I am sure from my knowledge that that country is worthy of settlement. It is capable of sustaining farmers, and with access and fertilizers for development the farming on that land would be successful. It grows almost any crops that we require, very well indeed. The returns from the land which has been broken in and farmed in a reasonable way have been quite encouraging, and sufficient to sustain farmers quite as well as in any other district, and that I can prove to you from documents which I have. The Reporoa Settlement has been a success, and that is right in the heart of the district which would be opened up by the railway. Wherever settlement by experienced men has taken place, I do not know of one case where they have gone back. They have always been able to proceed and expand their operations, and break in their country and make a living off it. I have no interest whatever in the country—my interests are on the Rotorua side ; but I do know that this very large area of land is capable of settlement and sustaining farmers, and if it were opened up by a railway I have no fear that it would not be a success. I expect that most of you know Matamata. The Government of the day acquired in 1904 the land on which Matamata now stands, and the land there is the nearest comparison that I can make to you with the area in the Taupo district, which the proposed railway was to go through. When I first saw Matamata in 1899 it was very similar to the Taupo district in appearance. When the bank had it the country looked anything but promising, but when the Government acquired it in 1904 at £3 per acre for 42,000 acres, and cut it up, there came about a very great change in a few years. To-day there are twenty thousand dairy cows being milked at Matamata, and it is sustaining a township of 1,050 inhabitants ; besides, the whole of the country is closely settled, and producing as well as any other part of New Zealand ; and that is pumice land, very similar to the Waiotapu land and the Taupo lands. The rainfall in the Taupo district, which will be influenced by this railway, is a good one—I think it is about 46 in. or thereabouts ; and we as farmers all know that wherever we get an adequate rainfall, and the country is reasonably fertile, we will get good results, because we use fertilizers considerably, in the shape of superphosphate and basic slag, and these manures will not operate to their fullest extent unless there is a fair rainfall. We have Taranaki as an example : there they have a good rainfall. Hawke's Bay, with superior land, is not comparable as a dairying district with Taranaki or the Waikato. It has better land, we admit, but it has not the necessary rainfall. I would like to emphasize that there is a stable rainfall in this Taupo district, manures act normally there, and the result is that the settler is able to grow his winter feed and crops very readily and cheaply to sustain his stock during the winter months. The winter extends for about three or four months, and there is but little growth in the district during that period. Of course, it depends upon the amount of fertilizers used, but, as I said, being able to grow swedes and clover hay enables the farmers to carry on quite well. I do not know that I have anything more to say, except that I shall be glad to answer any questions that may be asked.

3. Have you any idea what is the average value of the land to be served by the railway ?—No, I could not say.

4. Assuming it to be worth a certain sum now, if the railway were constructed would that land rapidly increase in value to a considerable extent ?—I should say it would increase in value, but I do not know that it would increase in value very rapidly, because you have got to add the cost of breaking it in. You cannot afford to pay very much for such land in a native state.

5. If I told you that land in a similar state has increased from 2s. to £2 per acre as a result of the building of a railway, would you consider that an enormous increase ?—I should say it was too much.

6. You say that the Matamata land was owned by the State. Is that still owned by the State? Did they subdivide it?—They subdivided it; it was put under the Land-settlement Act, but since then they have been able to freehold it.

7. Has the State much of that land now?—I could not say.

8. When you spoke of the rainfall being suitable, did you refer to the Matamata district?—No, at Rotorua and Taupo.

9. The Commission received evidence upon that, that it was a drawback. What is the average rainfall there? Is it up to the average of New Zealand, or is it above it or below it?—I think it is quite up to the average. In our own Rotorua district we have a good rainfall, rather above the average.

10. Now, how is the land watered—for stock, for ploughing, and other farming?—Some parts are fairly well watered.

11. Generally speaking, do you consider it well watered?—Yes.

12. What is the average amount of fertilizer per acre required for that land?—3 cwt. for crops or grass. I do not think you should put less on it.

13. *Mr. Massey.*] Can you tell us the cost of bringing this land into production?—I estimate that it would cost £7 per acre, excluding buildings but including fences. That would bring it into a pasture state, and then it should carry a cow to 2½ acres.

14. That is about £20 per cow?—Yes, £17 10s. to £20 per cow.

15. And how much for sheep?—Well, you could take about five or six sheep to a cow.

16. How does this land compare with Tokoroa land?—It is very similar.

17. Have you ever bored for water in the Taupo district?—No.

18. How many acres are there within the pumice area?—Excluding the forestry area, I estimate it at about 1,000,000 acres.

19. Who owns that?—The Natives and the Crown.

20. In what proportions?—I have no idea.

21. *Mr. Samuel.*] How does this pumice area compare with the land you own yourself at Ngongotaha?—It is very similar. In our district the land in native state was mostly in tutu and fern; in the Taupo district it is in tutu, fern, tussock, and manuka.

22. This country, in your opinion, would cost no more to work than the land round Rotorua?—No, providing it had railway access it would cost no more.

23. And in your opinion, with proper treatment the Taupo country would give the same results as the Rotorua country?—Yes.

24. You have been farming for how long at Ngongotaha?—Thirty years.

25. When you went there your place was in the rough?—Yes. I might say that when I first went to the Rotorua district I with my brother took up 800 acres of bush country at Mamaku. We broke that in, but we found that it was not healthy for stock there.

26. *The Chairman.*] There was bush-sickness there?—Yes, and then we acquired land outside the bush area near Rotorua, to work in with this other land. We developed a considerable area of this fern and tutu country, and we still have this bush country. We found it handy to have it, to work when breaking in the open country. Now I am living outside, and dairying and grazing, and still utilizing the bush country.

27. *Mr. Samuel.*] You consider that with the same facilities you could do equally well with the Taupo country?—I do not see any reason why I should not.

28. And you are recognized as a fair judge of the value of land?—Well, yes, perhaps so.

29. Do you ever do any valuing?—Yes, a considerable amount.

30. Do you ever do any for the Government?—Yes. I was chairman of the Eastern Revaluation Committee for returned soldiers, and I have also done valuing for banks, solicitors, and the Government for a period of fifteen years.

31. *Mr. Lye.*] The proposed railway-line does not serve Tokoroa, does it?—No, the range divides that land from Taupo; it is fifty miles away from Taupo. [Area indicated on map.]

32. The land which the railway will serve—is it similar to the Tokoroa land?—In parts it is. Tokoroa is a plain, practically.

33. With outcropping high land?—Yes.

34. And that outcropping high land is of better quality than the flats?—Yes, in some cases.

35. Are you prepared to admit that around Tokoroa there is a considerable amount of cattle-sickness?—I believe there is.

36. Does that apply to a large area of the country which would be served by this line?—I am not aware of that. I do not know of any cattle-sickness there.

37. Were they troubled with it at Reporoa?—At the first they were troubled with what appeared to be cattle-sickness, but once they began to use fertilizers and got their pastures in proper heart that disappeared.

38. Are you inclined to believe that the use of basic slag will materially reduce any tendency to cattle-sickness?—Naturally it will. The use of slag appears to be beneficial.

39. And you are quite satisfied that the Taupo lands, generally speaking, are really the easiest broken-in land that we have for settlement in the Dominion?—Yes, by a long way. You can break it in very cheaply. You can plough it at any time of the year, and you can put in root crops at any time of the year.

40. With regard to water-supply on that vast area of land, can it be got at a reasonable depth by boring?—I am not aware of that. I have had no experience of it. Of course, there are very large areas in some parts of New Zealand where they have not much water—in the North Island particularly—on two-thirds of the stations. They have to make dams.

41. From what you know of this country, they can get it by boring?—That is so.

42. My reason for asking the question is that on portion of the pumice country that I have been on there is a scarcity of water, and I am wondering whether you could get good water by boring ?—I can only speak from my experience. I have bored 160 ft. and have got very good water, and there is plenty of it.

43. *The Chairman.*] With regard to Waiotapu and Kahuroa, do you know anything about cattle-sickness there ?—I have heard there is, to a limited extent, but when the country is brought in it does not hurt if there is a little cattle-sickness.

44. Have you read the report of Mr. B. C. Aston, made in 1927, in which he classes quite a portion of that district as cattle-sick country ?—I do not think I read that particular portion.

45. Would you think that a fair statement ?—If he said that, I think so.

46. *Mr. Massey.*] I forgot to ask you about the Hautu Prison Camp farm. How does that land compare with the land in the Taupo area ?—I have not been in that district, so I could not say.

47. *Mr. Kyle.*] What is the rainfall in the Taupo area ? I want that information in connection with the water-supply. In the early days of Canterbury they had no water-races, and the stock got their drink off the grass as they walked along ?—I think the average rainfall is about 46 in. I may be wrong.

The Chairman: I am not sure what the Commission's report showed, but I think it was considerably below that.

Mr. Vaile: Might I ask whether Mr. Aston's evidence is going to be taken ?

The Chairman: I am drawing attention to what appeared in the Agricultural Department's report by him.

48. *Mr. Vaile.*] I would like you, Mr. Martin, to give the Committee some information as to your career—say what you know about farming ?—Yes. I am the son of a Lincolnshire farmer, who came out here and settled in the North Auckland district. I was trained under my father, and I went to Hawke's Bay. I was on the late J. N. William's station for six years, and on the Hatuma Estate, just prior to its being cut up by the Government, for one year. Both these estates were first-class sheep and cattle country. The experience which I gained on them has been very valuable to me ever since.

49. Now, as to your activities in the district: am I right in stating that you have been Chairman of the Chamber of Commerce ?—The Rotorua Chamber of Commerce, yes.

50. For how long ?—In 1911 and 1912.

51. And Chairman of the Rotorua County Council ?—Yes, for about eight and a half years. I have been a member of the Council for about eleven years.

52. You are a member of the Rotorua Co-operative Dairy Co. ?—Yes.

53. You were also a member of the Returned Soldiers Revaluation Committee ?—Yes.

54. And you are the County Assessor ?—Yes, the Rotorua County Assessor.

55. Tell me whether you started off in this district with a large capital ?—No, I managed to save £150 while in Hawke's Bay, and I started with that in Mamaku in conjunction with my brother.

56. And in farming that country you have achieved an independent position ?—Yes, I think so.

57. If the price of land increases from 2s. 6d. to £2 an acre following the construction of a railway, do you think that proves the utility of a railway ?—It certainly has a bearing on it. If, owing to a railway going through, people are willing to give £1 10s. or £2 an acre, when they would give only 2s. 6d. prior to the railway going through, I should say the railway has an influence.

58. Have you known of any case in which, owing to the construction of a road, there has been a similar advance in the value of land from 2s. 6d. to £1 10s. or £2 an acre ?—No; and I do not think that the construction of a road would affect the country to the same extent as the construction of a railway from an agricultural point of view.

59. Do you consider this country suitable for holding in large areas or in small areas ?—I should suggest small areas.

60. About 200 acres ?—About 200 acres, two-thirds of it ploughable. I think it is very necessary that that country, or the greater portion of it, should be ploughable, because you cannot get 100 per cent. return from land that you cannot plough.

61. How does the cost of working this land compare with the cost of working the land in other parts: is it cheaper or dearer ?—Very much cheaper.

62. That applies not only to the ploughing, but also to subsequent operations ?—Yes. Our Canterbury friends would be surprised if they saw the way we are working our land. I do not suppose they would get any crops at all if they did the same.

63. *Mr. Kyle.*] You only skim the surface ?—Yes.

64. And one ploughing does it ?—Yes. If we want to get good swedes we skim the ground, and plough deeply just before drilling-time.

65. *Mr. Vaile.*] How do you find the land for the growth of winter feed—turnips, clovers, and so forth ?—Very favourable.

66. They can be produced more cheaply than in most other districts ?—Yes.

67. Have you noticed any response to cultivation ?—Yes. A curious thing about that class of country is that once you break it up it seems to develop plant-food itself. A wonderful change takes place once the ground is turned up to the air and sun. That is independent of fertilizers. Of course, we would not have the crops without the use of fertilizers; but no doubt the working of the land improves it immensely.

68. Do you find that the tramping of cattle on the ground has a good effect ?—Yes, a very important bearing. The ground requires heavy tramping to consolidate it.

69. You have told us that the land will grow turnips, clover, and so on. Are the roots and hay of good quality ?—Yes, I think they are of good quality. They fatten cattle, and store cattle do well. I have no reason to believe that the quality is not as good as in most other districts.

70. Tell us how many dozen prizes you have won ?—I have had a great many prizes and trophies.

71. Fully equal to the display I have here ?—I have shown in Auckland and Waikato, but not in Palmerston North, and I have had a great many first prizes. As a matter of fact, I made thirty-two entries in the Rotorua Winter Show and got twenty-nine prizes.

72. With regard to home produce, does the land grow vegetables ?—Yes, it is very well adapted to the growing of vegetables.

73. How do you find the quality and flavour of the products—the meats, potatoes, other vegetables, fruits, and so forth ?—I consider it is equal to that of products in other parts: quite good.

74. About the provision of shelter in the area: how long does it take to provide shelter ?—About six years. *Pinus insignis* makes very good shelter in those areas.

75. You represent the Reporoa area on the board of the dairy company, for example, and are frequently out there ?—Yes.

76. And you have a fair acquaintance with that area ?—Yes.

77. What proportion of the area do you think is ploughable: I do not mean the hillsides ?—You mean parts on which you could work a drill ?

78. Yes ?—About two-thirds.

79. Speaking of cattle-sickness in the Waiotapu district: have you known of any of this iron-hunger ?—In my work in connection with the Soldiers Revaluation Board we visited one farm at Reporoa, a farm in the swamp, and we were shown a beast which gave indications of the sickness—one beast only. I have since seen the owner of that property on a good many occasions, and he has told me that since he has broken in his land and fertilized it he has not had any trouble. That was the only isolated case I have seen.

80. Do you think that case might have been due to the feed ?—Yes, and the beast was constitutionally delicate, a Jersey.

81. *Mr. Kyle.*] It might have had tubercular disease ?—Yes.

82. *Mr. Vaile.*] In a large mob you might find an odd animal sick in any district ?—Yes, even in Hawke's Bay, on the best land, you will find in clumps of tea-tree the bones of cattle.

83. In what market do you buy your supplies of manures, for instance ?—In Auckland.

84. You do not use Rotorua for such purposes ?—No.

85. With regard to getting produce away from Waiotapu: what do you think would be the deterioration of fat lambs or fat cattle through droving on the road ?—Quite a considerable amount. There are three or four days' droving, also a day on the train, before the animals reach the market.

86. In connection with the droving, you need, I understand, a considerable mob: you cannot send eight or nine bullocks by themselves ?—No, it would not pay.

87. The consequence of that is that you have to keep those bullocks fat while others come forward to make up a suitable mob. How much a week do you consider it would cost in winter to keep those bullocks going ?—I should say, not less than 5s. per head per week.

88. That, of course, is loss ?—Yes.

89. And in the summer-time what would it cost ?—If you had a good pasture, I should say, a couple of shillings.

90. Do you consider that, as a farming proposition, the district would be improved if it had increased population ? Do you think the facility of sale-yards, public halls, amusements, and so forth would tend to the development of the country ?—Undoubtedly it would.

91. Do you think that country can be successfully settled without a railway ?—I think that settlement would be very slow without a railway. The cost of transport by motor-lorry would be not less than 1s. per mile per ton. It would cost £1 a ton to take material out to Reporoa. I do not think settlement would take place to any great extent without a railway.

92. And are you quite confident that, with a railway, the district can be settled ?—Yes, I have no doubt about it. I feel quite sure about it, and I can conscientiously say that I would have no fear of that country not being settled successfully if it had railway access.

93. *The Chairman.*] If the country can be settled, say, along the east coast of the Wairarapa with a railway one hundred miles or more away, and never having had a railway nearer, is there any reason why the same should not apply to the Rotorua-Taupo district ?—The conditions are not the same.

94. In what way are they different ?—The country you speak of is pretty well first-class land. In the old days it would be grazing and probably a little cropping that was done. Dairying on small farms could not have been carried out.

95. There is a good deal of closer settlement away out in the backblocks of the Wairarapa district, and dairying is being carried on extensively. Why could not the same be done in the Rotorua-Taupo district ?—Of course, you have better roads in that district.

95. Supposing you had better roads in your district ?—We would always be handicapped by the cost of conveyance by motor-lorry as against the ordinary train freight. The country, I admit, is not as good country as the country of which you are speaking. Of course, when you get first-class country it tides the farmer over a lot of difficulties, such as transport, and that kind of thing.

96. If it knocks the stock about so much owing to the droving in the absence of a railway up Rotorua–Taupo way, how is it that the same does not apply to the district of which I have been speaking ?—It must to a certain extent. Of course, on the particular road I have in mind—the Waiotapu Road—there are tremendous difficulties. There is considerably traffic, and the stock cannot get along; they get into the side cuttings and the breast cuttings. The stock is knocked about. I admit that there are other districts that are just as much handicapped.

97. And have carried on for years ?—Yes.

98. *Mr. Massey.*] I think Mr. Martin will admit that there is a big difference between the quality of the land in the Wairarapa and the quality of the land in the pumice area ?—Yes.

99. And that in the pumice area you will depend almost entirely on fertilizers for the development of the land ?—Yes, we recognize that we must have fertilizers.

100. And the haulage charges must be taken into consideration ?—Yes.

101. *The Chairman.*] As you are so largely dependent on fertilizers there, and as the railway carries fertilizers at a very cheap rate, how would that affect a railway-line ?—The more fertilizers carried by the railway into that country the greater will be the outward railway freight offering. There will be more return freight for the railway : the more fertilizers, the more produce and the more traffic.

102. You admit that there would be little or nothing in freight out of the fertilizers ?—Yes, but that applies to any district. A settler going into that district with a handicap of £1 a ton is almost out of it as against a man nearer the railway.

103. *Mr. Massey.*] Have you any idea as to how the production has increased in the Auckland District during recent years ?—I could not give you figures, but I know it has increased tremendously owing to the cheapness of the fertilizers, and we see the result now in the exports of our dairy-produce.

104. Speaking from memory, I believe that half of the butter exported from New Zealand is exported from the Port of Auckland ?—I believe that is so.

105. *Mr. Vaile.*] About droving in this district which is being compared with ours, do you know whether there is good feed for the stock as it goes along the road ?—I do not know. There is absolutely no feed in our district. There are small stock-paddocks used for sheep and cattle, but they have no growth, as they are being used continually.

106. There is no farm you can run your stock into ?—No.

107. It is just a length of country covered with scrub ?—Yes.

108. *The Chairman.*] You say there is no growth ?—There happens to be an area which is not suitable. The country through which the road passes is more or less a narrow valley until you arrive at these plains.

109. Is that typical of the country ?—Oh, no—about three miles out from Rotorua, to the first stock-paddock.

110. Then those conditions would not apply, except along this particular part ?—No.

111. *Mr. Vaile.*] Do you know of any district in the Auckland Province where you can depasture cattle on the scrub ?—No. In the olden days, when bringing cattle from North Auckland, they had to go through scrub and tea-tree.

112. And you never brought them to Auckland fat ?—No, mostly store cattle.

113. *Mr. Massey.*] Do you know the Karaka district, between Drury and Pukekohe ?—Yes, where the gorse is plentiful.

114. How many years ago did you know it ?—I am not intimately acquainted with it, but I have passed through it during the last thirty years.

115. Have you passed through in the last year or two ?—No, not off the railway.

WILLIAM JOHN PARSONS, of Guthrie, near Rotorua, Farmer, examined. (No. 4.)

Witness : I come before you to-day with a good deal of diffidence. I feel this way : that the question of the Taupo Railway has resolved itself, as the Chairman just now remarked, to a certain extent to sides with regard to the political situation.

The Chairman : I did not say that.

Witness : You did not mention the political situation. You said " the other side."

The Chairman : I was not referring to politics. No question of politics enters into this at all.

Witness : As far as I am concerned, there is absolutely no political sentiment connected with anything I say. I feel that if I did not come and state what I know about pumice country I would not be doing my duty to the Dominion. I have farmed in this district now for some sixteen years. When I first went on to my holding I had to cut my way through tea-tree in order to build my shack. At the time I took up that country I, like many others, was of the opinion that it was necessary to have very large areas in order to make the farming pay. My experience has taught me this : that the country lends itself to intensive cultivation ; and I am of the opinion that, in times to come, instead of farms being in, we will say, 200-acre lots as suggested by Mr. Martin, we will have quite small holdings, as in the Waikato—what we may call " one-man holdings " of from 50 to 60 acres. I am certain, from my experience, that the soil in this part of the country is equal to what was to be found in Hamilton and Cambridge thirty or forty years ago. I am of the opinion that the fineness of the soil has more to do with the immediate results that we get than what we might call a soil that has heart in it. Let me explain it this way : if I took a lump of pumice, crushed it with a hammer and then sieved it, the essence of all the ingredients would be the same. Some would be coarse like stones ; others would be finer silts, and, in water, would settle down. From that finer soil we would get very satisfactory results. These soils are, I think, immature : they are new. The plant-food that is in them has not had time to develop, and in this class of country we are really dealing with immature soil. My experience has taught me that cultivation and aeration bring even what might be termed our poorest soils into productivity. There is country that would not carry a rabbit, as the saying goes—that would not carry a cow to 10 or 12 acres—in its natural state ; but by cultivation and aeration of the soil the plant-food becomes available, and that apparently poor soil becomes a very rich soil indeed. I believe that our subsoils are probably just as rich as top soils. In fact, I break all my country in now 7 in. or 8 in. deep. That class of farming would, in some districts, be useless, as you know. I have grown great big swedes on what was apparently all poor clay land, or pumicy clay. The district I am in varies just a little from the Waiotapu district, but I think only probably in the fineness of the soils. On country that in its natural state would grow nothing, after taking off a crop of swedes matures—that is the system I generally adopt—I find that, contrary

to the experience in most other parts, a second crop of swedes is even better than the first crop on the same, two years in succession. I put that down to the fact that, in the meantime, the soil has become sweeter from the cultivation, and the plant-food has become available. If the ground is ploughed and allowed to lie fallow for twelve months, that seems to be as good as 2 cwt. of manure to the acre. The mellowing of the soil seems to make plant-food available. It is, of course, necessary to use fertilizers in the growing of all crops in this country. Apparently we are very short of phosphate. I believe the pumice soils to be more than doubly supplied in potash, and by the growing of clovers, which do exceptionally well, we can supply the nitrogenous manures, but have no means of supplying the phosphates, except by getting them from outside. The country responds very much to the application of phosphoric manures. Both in cropping and in the top-dressing of pastures I have found superphosphates to give quite wonderful results. I have cut cow-grass hay for eight years in succession. I think the next-best clover country that I know of in New Zealand is in Marlborough, and it is considered in Marlborough that if they can cut for three or four years in succession that is quite good. The results of the growth of this grass in the pumice lands beat that by just about double, as you will see. I do not think there is any so-called bush sickness within many miles of this proposed railway. If there is, it is in isolated districts, where perhaps the soils are very coarse. I am not a chemist, but I have read a good deal of what Mr. Aston and others have said about the bush sickness, and I have come to the conclusion that the finer soils have no bush sickness whatever, but that the bush sickness might be to a certain extent perhaps in the coarses soils, where the iron has percolated through the loose surface soil; and I am of the opinion that all this country will in the course of time, with farming, become consolidated, and as it becomes consolidated it will become what we call very healthy country. I have had no experience at all of bush sickness, but I say without any hesitation that there is no bush sickness within many miles of my farm. I believe the "sick" country is practically confined to bush areas of not open country, but is mostly found in bush country along high country near Mamaku. I do not know that I have anything more to say, and perhaps I would be better at answering questions than at making a speech.

1. *The Chairman.*] I think you have done remarkably well. There is, however, one very important question arising out of what you have said. You laid great stress on the value of the fineness of the soil and the working of the soil to make it fine. I think, if I understood you aright, you said that getting the soil fine was equal to applying a certain weight of fertilizers?—Yes, my experience goes to show that that has assisted very materially, and is as good as 2 cwt. of fertilizers.

2. Then the remedy lies more in the working of the soil than in fertilizers?—No, I think that is an assistance; but from my experience, no matter how much working of the soil is done, we must have fertilizers. We do not need much potash and nitrogen—we need phosphates.

3. *Mr. Kyle.*] That applies to all farm lands?——

4. *The Chairman.*] Exactly so; but I want to get from the witness the relative values of the fertilizers and the working of the soil?—I top-dress all pasture at the rate of 2 cwt. to 3 cwt. to the acre. I would go further and say that it would be more profitable if I put on more fertilizers. I believe the carrying-capacity of this soil is very largely dependent on the quantity of phosphates applied.

5. You think fertilizers are more necessary in those areas than they are generally in New Zealand?—I think so—phosphoric fertilizers.

6. I would like to have something about the possibility of the railway being able to pay. Do you think it would be a financial success?—I do; and I will give you a few figures. Before the Reporoa settlement took place there was practically no butterfat coming from the Waiotapu Valley. To-day the quantity of butterfat that comes from this settlement is somewhere about 270,000 lb. Putting that down at 1s. 6d. per pound—and the New Zealand Dairy Co. paid 1s. 6d. and nearly ½d. last year—the yield last year from this small area was just over £20,000.

7. It is a question of what would be the tonnage freight on that?—Yes. I believe there are great possibilities for this country, and that the railway will bring settlement—that is, taking the experience elsewhere.

8. *Mr. Makitanara.*] With regard to the first working: it means that the land will have to rest, as it were. You let the weather and nature assist you?—Yes. I use 2 cwt. of fertilizers, and I think it is just as good, but I believe the conditions are the result of the soil being mature. The working of the soil improves it, and makes available the natural plant-food that is there. Of course, it does not supply phosphates. You could work the soil for ten years and it would not supply phosphates. The Government chemists will bear us out when we say that the soil is very short of phosphoric manures.

9. *Mr. Kyle.*] You say that the country lends itself to intensive cultivation, and you believe that eventually, it would be brought down to farms of 50 or 60 acres?—Yes.

10. That is if put down in permanent pastures? There is no necessity for any rotation or anything like that? Once you get a basis, the assistance of fertilizers would keep you going?—Yes, I believe even on pasture land it will in future be a case of 50- or 60-acre farms; but the country lends itself to all sorts of cropping.

11. What rotation would you suggest?—The country lends itself to grain-growing—to root crops. One does not like to blow one's own trumpet, but it seems to me it is necessary to state one's experience. As to the growing of oats, I have had to stop growing oats because of the cost of conveying the produce to a market.

12. *The Chairman.*] How far are you from the railway?—Fifteen miles.

13. *Mr. Kyle.*] What price do you get f.o.b.?—I sold a little and got £10 a ton at that time. I admit that was a good price.

14. Therefore, it would really mean that that part of the country would require a number of farm-implements? That would be a big consideration. It would require harrows, mowers, cultivators, and so on, and that would encourage the farm-implement industry?—Yes, they are all necessary.

15. More so than perhaps in any other portion of the North Island?—Yes. With regard to how the soil improves with age: in this paddock I had down in clover for eight years I ploughed 3 acres and put that area in potatoes, and I took 45 tons of potatoes from those 3 acres—15 tons to the acre. Allowing for the heavy cartage into Rotorua—and it cost £1 a ton—those 3 acres returned to me, net, £316.

16. We are growing potatoes in the South Island for nothing?—South Island farmers would hardly credit what I have said, but those are actual results.

17. However, it would mean a large number of implements would be permanently used?—Yes, it would be necessary to have them.

18. *Mr. Massey.*] What did your country cost per acre to bring in?—Roughly speaking, about £6 to bring into grass off the rough. That is not including fencing or buildings. Fencing would be, roughly, £1 to £1 2s. 6d. per chain, so the total expenditure would depend on the size of the paddock.

19. Am I correct in understanding you to say that, according to your opinion, this land is similar to what the land in Cambridge used to be?—I believe we have hundreds of thousands of acres of similar country.

20. *Mr. Samuel.*] With railway facilities in that part of the country, you, as a young man, would be satisfied to take up a block of land and invest £1,000, and you would be certain you could do well?—I would not hesitate.

21. *The Chairman.*] You state that your place is about fifteen miles from the railway, and it is owing to the cost of getting your produce to the railway that it is not paying?—I did not say that the country was not paying. I said I had to give up growing oats because I found the growing of oats was unprofitable.

22. If you find that fifteen miles is too far away from the railway, do you not think that this proposed railway would limit its benefits to farms that were closer to it?—It would as regards that class of cropping. With potatoes, of course, they would be a profitable undertaking. It all depends on the crop. A farmer is limited now in his system of farming owing to the lack of railway facilities.

23. *Mr. Lye.*] I know Mr. Parsons has done remarkably well at Guthrie. I want to know something about the water-supply. You say, and I believe it is correct, that that land is suitable for close settlement in small areas. Can you tell me anything about the water-supply?—Yes, I can tell you probably a good deal about the water-supply. There are hundreds of thousands of acres adjoining my property that are very well supplied with water.

24. By way of boring?—Creeks and springs.

25. There is a large area of this pumice country that is not served by running streams. Is water to be had reasonably cheaply by boring?—My experience is that it goes down to a certain level, and there you will find water everywhere. I have been out with water-diviners, and they say that they can locate water all over the country. It seems to me to percolate down to certain strata.

26. Do you know of any cattle-stations and runs that are practically abandoned to-day in the pumice areas?—I must confess I do not know of one.

27. I have forgotten the name of one not far from Putaruru. I was there recently, and, to my amazement, I saw grass a foot high with no stock on it. I got the information that that was land that had been top-dressed, and it would be folly to put stock on the grass because the cattle would become sick?—I believe there is cattle-sickness in parts of Tokoroa, which is caused through the want of water.

28. It is absolutely essential that you should use fertilizers?—Yes, it is essential.

29. Is it correct to say that some of that pumice country has been farmed with little or no success for fifty or sixty years, but that that is due to a failure to use fertilizers?—I think that might apply to districts possibly about Putaruru and Tokoroa, but I think there are none of the farms in the district that would be served for twenty-five or thirty miles on either side that have been farmed and abandoned. I do not know of any. The Putaruru district, although the country is similar in one way, is well over fifty miles away from this district.

30. Then you are quite confident that with small holdings and the use of the plough and fertilizers the country can unquestionably be brought in. Do paspalum and lucerne do very well?—Lucerne does very well. I do not think our climate suits paspalum. Our winters are too severe for paspalum.

31. Do you consider it is of paramount importance in bringing about closer settlement that the proposed railway-line be built?—I do. I do not see how settlement can take place quickly unless it is built. I do not say that settlement will not take place otherwise; but there is not the slightest doubt that a railway will help.

32. *Mr. Vaile.*] Have you had any experience of farming in other districts?—Yes, I was brought up on a farm in Canterbury, and have farmed in Taranaki and Marlborough.

33. Your experience is not limited, then, to the district you are in now?—No.

34. As a result of your previous experience and your present experience, you are settled in this pumice area, and you intend to remain there?—Yes, I believe it offers greater possibilities than any of the other districts I have known.

35. I think you are managing director and chairman of directors of the Rotorua Dairy Factory?—Yes.

36. Have you any land that will be increased in value by the construction of this railway?—I do not think so. I will be no nearer to the proposed railway than I am to Rotorua.

37. So your opinion is quite unbiased ?—Quite unbiased.

38. Have you experienced any difficulty in growing oats and clovers on your place, or have you had uniform success ?—I have never had a failure. I have had some crops much better than others, but never what you would call a failure.

39. What has been your best cut of clover hay ?—I have got up to 4½ tons of clover hay to the acre.

40. As regards the quality of the produce : do you find these potatoes and other produce of good flavour and quality ?—I have not sold a potato in Rotorua this year under the price at which Canterbury potatoes have been sold in Rotorua. My potatoes are bringing to-day £11 10s. a ton—or, rather, that was the price when I left. Of course, the market goes up and down a little.

41. What is your market ? Do you buy your fertilizers in Rotorua or in Auckland ?—Fertilizers have to come from Auckland.

42. And as to fat stock ?—The fat-stock market is in Auckland—at Westfield.

43. What is your estimate of the proportion of land in that area that can readily be ploughed ?—I should say 80 to 90 per cent. of the country is ploughable, and up to 75 per cent. is quite easy country.

44. What is the average freight per ton per mile by lorry in your district ?—Over 1s. 3d. We pay £1 for fifteen miles.

45. Have you noticed anything in that area in the way of a spread of noxious weeds ?—Yes, it seems to me that the spreading of the blackberry is going to be a very serious menace in the future in that part of the country unless it is settled very quickly. I think that a very large area of that part of the country, unless settled within the next ten or fifteen years, will not be worth settling—that is, if the blackberry spreads as it has done in the last ten or fifteen years. There are hundreds of thousands of acres there on which every here and there you can see blackberry coming up where seeds have been lodged by birds. The only solution for dealing with that class of noxious weed is closer settlement.

46. Have you noticed any other weeds ?—The ragwort is there. There is a little ragwort all over the country.

47. *Mr. Kyle.*] Is there any Californian thistle ?—There is a little, but its growth is very small indeed.

48. *Mr. Makitanara.*] I think that, in reply to a question, you made it quite clear that your place would be no nearer to the proposed railway than it is to Rotorua ?—It would be three miles nearer. But it is just as if I lived at the Hutt : I would not stop at Kaiwarra—I would come on into Wellington.

49. You are doing all right ?—Yes.

50. Quite satisfied ?—Yes.

51. Others could do the same ?—I think there are better farms than mine about.

52. Others could do just as well as you ?—Yes.

53. *Mr. Massey.*] You could do better if the haulage was cheaper ?—Yes. I take up this attitude : although I have not a railway, that is no reason why some one else should not have one.

54. *The Chairman.*] You apparently have done remarkably well, as other witnesses before you have under existing conditions. Would it be of any benefit to you if the railway were constructed as proposed ?—No.

55. None at all ?—No.

56. From your point of view there is no necessity for the railway ?—No, not from my personal point of view.

57. From the point of view of your farm ?—My farm could not be benefited by the railway.

58. *Mr. Samuel.*] How far are you from the railway ?—Fifteen miles.

59. How far is this Taupo country ?—The present proposition is to take the railway about thirty-five to forty miles.

60. How far is the Taupo country from this railway ?—Sixty or seventy miles.

61. *The Chairman.*] Would you expect that a railway built on the proposed route would benefit that property fifty or sixty miles away ?—No, it would be thirty-five or forty miles nearer.

62. *Mr. Kyle.*] The railway to Taupo would serve that thirty-five to forty miles within a radius of fifteen miles, like the tentacles of an octopus ?—Yes.

63. *Mr. Samuel.*] What is the distance from Rotorua to Taupo ?—Fifty-six miles. The present Taupo Totara Timber Co.'s tramway is of no use to any of the country, and we suggested two ways to the Waiotapu country.

64. *The Chairman.*] Where is this country fifty or sixty miles away ?—It lies right up the Waiotapu Valley as far as Taupo. Taupo is at the extreme end—fifty-six miles away. Taupo is about fifty-six miles from the present railway.

65. *Mr. Massey.*] Do you know the prison camp at Hautu ?—I have never been on it. I have had the officers of it at my place, and they have told me that our country is very similar to that at Hautu. The only difference is, I think, that they are dealing perhaps with more swampy land.

66. Have you any idea of the quality of the stock they send off that farm ?—I know they send off tip-top stock. They have topped the Westfield Market.

67. How far away from the rail is the Hautu Prison Farm ?—I could not answer that definitely, but probably seventy to eighty miles away, or possibly ninety miles away.

68. If you had a railway to Taupo, it would develop quite a lot of land on the other side of Taupo ?—Yes.

69. Have you any idea of the prices realized at the Westfield Market for stock ?—I cannot give figures, but I know that at the time the prison-farm authorities were very pleased. They topped the market.

Mr. Massey: You have seen figures in regard to stock sold there. Lambs sold on the Westfield Market five days off the field actually brought 10s. per head more than any other stock offered that day.

70. *The Chairman.*] Do you agree that the circumstances related by Mr. Massey obtain ?—Yes.

71. Well, in view of that, what is the urgent necessity for the railway—if you can take stock off the land for five days and get such good prices ?

Mr. Massey: My point is that, if a railway were provided, the people in the area could produce considerably more stock of similar quality, and they would be able to land it into the markets at considerably less cost.

72. *Mr. Kyle.*] Is the whole of your output of stock sent away fat, or as store stock ?—I am dairying. I have never sent away fat cattle.

73. *Mr. Massey.*] You recognize that if a railway were provided the cost of transport would be considerably reduced ?—There is no doubt about that, and the produce of the farmers would be considerably increased. That is the experience of my neighbour, and I know it is correct.

74. And it would have a big bearing on the settlement of that area ?—Yes. My neighbour has to drive his fat lambs twenty or thirty miles, and he considers that he loses at least 1s. a day in transport. To drive fat lambs that distance would take three or four days, and he would have to stand that loss. In spite of topping the market, the loss to the individual farmer must be considerable on account of the lack of transport facilities.

75. *The Chairman.*] You have given a glowing account of this land. Do you know of any one who has left his farm ?—I believe one or two settlers at Reporoa have left ; but the number who leave compared with the number who stay is very small indeed.

76. Generally, they are doing well ?—Generally, they are satisfied. I think most of them are doing exceptionally well, especially after being established for two or three years. It takes, to my mind, two or three years for the pastures to reach maturity. You then get much thicker sward and thicker growth of grass. You can get good growth in a year or two, but it improves with age. My older paddocks are my best. It is all a case of the soil and the use of the land.

77. Then the chief benefit to be derived from the railway would be that the settlers would make more profit ?—Yes.

78. *Mr. Samuel.*] And there would be more settlement ?—Yes.

79. If there were a railway to Reporoa, possibly no one would have left ?—I do not think any one would have left.

80. And there would be a lot more settlers there ?—Yes.

81. *Mr. Lye.*] We have had some very good accounts of the country, and plenty of confidence expressed in regard to it. Do you find that there is any difficulty in financing as regards the State Advances Office or private lending institutions ?—Yes, the country is cried down from one end of the Dominion to the other.

82. *Mr. Kyle.*] By the Government money-lending concerns ?—I would not like to say by the departmental officers.

83. *Mr. Lye.*] Can you advance any reason why, if the men apply up-to-date methods and fertilizers, it is difficult to finance either through the State Advances Department or through private lending institutions ?—I can only put it down to the fact that the country has a bad name. If you give a dog a bad name you have settled him, have you not ? It seems to me that the pumice country generally is cried down, and on that account people are chary about lending money on it.

84. Is that because of their careful policy ?—I do not think so. I think they are lacking in knowledge.

85. *Mr. Makitanara.*] Would it be correct to say that some who have left Reporoa found it necessary to do so through bad management ?—I think it was the natural result of putting returned men on to land when they had no inclination for farming and had no knowledge. I do not want to say that they were encouraged to go on the land, but the fact of the Government giving them the opportunity to go on and putting them on influenced men who were not born to be farmers and had no liking for farming to take up the land. The great majority of the Reporoa settlers have done well, and some are doing exceptionally well.

86. *The Chairman.*] Do you think it was the absence of a railway that sent those men off ?—No, I do not think it was the absence of a railway altogether.

FREDERICK CARR ROLLETT, Agricultural Journalist, Editor *Weekly News*, Auckland, examined. (No. 5.)

Witness: I may say that I have had quite a long experience of the pumice lands. Their possibilities were shown to me when the Patetere areas were turned over and sold, about twenty-three or twenty-four years ago. I saw at that time, in the Lichfield district, that the land under cultivation was growing clover and turnips. I argued then that if the land could do that it could be made into good farm-land. After that I had the opportunity of going down to Mr. Vaile's place—in fact, it was before Mr. Vaile was there—and seeing the pumice country from Rotorua to Taupo, from Taupo to Rangipo and down to Waiouru, and further round the whole pumice plateau. I have seen a large number of the farmers and conversed with them. I am mentioning this to show that I have some experience of the area of land, and, to some extent, of its capabilities, because I have seen what has been done in the past twenty years. Personally, I am of the opinion that, from a national point of view, if this proposed railway from Rotorua to Taupo were built and an active policy of settlement started and carried out properly, a very large number of people could be settled on the land, and they would be successful on it. I do not say that they would make fortunes ; but they could lead contented, prosperous lives, and in this way should settle to some extent a great national problem. We would relieve the cities to a considerable extent in the matter of unemployment, because men would naturally

turn to farming; if given the opportunity of settling on land with the hope of success, they would forsake the precarious classes of work as labourers and so on and take to the land. This pumice land is the only portion of New Zealand that offers settlement under what I would call reasonably cheap conditions. The greater portion of it belongs to the Crown. From what I can gather, there are 700,000 acres of Crown land between Rotorua and Taupo, all more or less adjacent to or within a reasonable distance of the proposed railway. Under the Homestead Act a small portion of this land has been offered to prospective settlers, the land itself free, and the only conditions are residence and, I think, improvements to the extent of £1 17s. 6d. per acre in seven or eight years. I say this: that if this proposed railway were put forward in stages, and, at the same time as it was being put forward, all the Crown lands and as many of the other lands as possible were settled in small areas, you would create there a population of very great importance. It would help to carry our burden of public debt. I imagine that you could, along the route of that proposed railway, create a thousand new farms, giving a larger area than Mr. Parsons mentioned, under intensive cultivation. One thousand farms, on the average of our New Zealand farm population, would carry five thousand people. That would carry a corresponding population of six thousand in the cities and boroughs. You can imagine what the creation of that population would mean, especially in view of the trade, commerce, and industries that would be carried on. A thousand new farmers with, say, 100 acres each would farm 100,000 acres, and yield from £3 to £5 an acre per year. Under intensive farming the yield would possibly be up to £15 per acre. But if you put it down at only £3 to £5 an acre you can get an idea of what it would mean to New Zealand as a whole. I do not doubt for a moment that the ideal of Mr. Parsons could be realized—that when you come right back 50 acres would carry a family in comfort. If we can do anything on a large scale like that it will create new wealth for the nation and new industries for the people, and put on to our soil a contented population, and we will be doing a very big thing. I am sure you would all further that with all your power, because you could not help doing it. I have heard some questions with regard to different parts of the country, and I might be excused if I give you just a little of what I call topography. [Mr. Rollett, with the aid of a map, gave the Committee a detailed description of the country that he thought would benefit from the proposed railway]. After leaving Waiotapu Flats, you come on to the private lands of the Butcher family and Mr. Vaile's property—all on the same side of the Kaingaroa Plains. I have examined these plains from various angles.

1. *Mr. Lye.*] There is some good country there?—Yes, is is somewhat better than much of Mr. Vaile's farm. It is finer soil. The soil is more decomposed, and the loam is deeper than in the Waikato Valley.

2. Is there much of it Crown land?—On one side there is an area of 300,000 acres. Of course, it has largely been handed over to the Forestry Department.

3. *The Chairman.*] I think it has all been handed over to the Forestry Department?—Practically all.

Mr. Vaile: There is one section of 56,000 acres not forestry land: that is Crown land.

Witness: You have been asking about water. That is a very important question. The plains should be described a plateau. The water comes from the plains into the Waikato valley. Mr. Vaile will bear me out in this. You will see here the most wonderful springs in New Zealand, right down to the Kaimanawas. I have seen a deep stream, as wide as this room, of the clearest and finest water in the world. Wherever you go you will find big springs. The upper part of the plains is possibly 300 ft. or 400 ft. high. There is no pressure. The water percolates through the strata and accumulates at a certain depth.

4. *The Chairman.*] What is that depth?—I should say, not more than 200 ft.—less in places—possibly 150 ft. Where the land rises the water-table is lower. At Lichfield, which is in the Putaruru district, they have driven very often to a depth of 200 ft. or 300 ft., and the water rises up to, I think, 150 ft. from the surface. They get a magnificent supply of water by small windmills, and as far south as Tokoroa. I do not anticipate any difficulty, so long as the trouble is taken to put down bores. Then there is the magnificent, clear Waikato River, with all its tributaries, on one side of the Kaingaroa Plains, and on the other side the Rangitaiki River, continuing right down the great valley to Taupo itself, and extending to the Urewera country. The northern portion of this is too rugged and does not lend itself to farming. In the south-western part of the Urewera country down to the Kaingaroa Plains you get a different class of country—a better class of soil and a much better class of forest. If I had Mr. Goudie here he would bear me out that, fringing this, is some of the finest land in the Urewera country.

5. How far is that from the proposed railway?—I suppose you would go on to the edge possibly fifteen or twenty miles away. Some of the best timber in the Urewera country comes from this part. Continuing further, you have Lake Taupo, the largest area of navigable fresh water in New Zealand. All round this lake, although it looks rough as you hurry past in a motor-car, you find quite large valleys of the finest land.

WEDNESDAY, 18TH SEPTEMBER, 1929.

FREDERICK CARR ROLLETT further examined. (No. 5.)

Witness: Mr. Chairman, I was giving the Committee a description of the character of the land which will be opened up by the railway. From Waiotapu southward it is as level as this table, and therefore it will be very easy to make a railway there, and there are no big bridges to be made. I say that it is easy country, and there is a tremendous amount of level or easily ploughable country on each side of the railway. There is Maori settlement on one side, and a lot of that is decent country, and highly suitable for cutting up into small farms. By intensive cultivation that land can be made tremendously and permanently productive. The land on the east side of the lake goes back in rolling hills, covered with scrub at the present time. There are also numerous valleys. Some of these valleys are twelve or fourteen miles long, with a considerable amount of easy country on each side, all offering scope for farming in the future. When you get down to the Waiohcke Valley you can see what has been done by the Prisons Department. They have instituted two farms in that district; the first one is at Hautu. These are in valleys that run back from the eastward of Lake Taupo. Their approach is along the road from Taupo to Tokaanu.

1. *Mr. Massey.*] How far are they away from the Tokaanu Township?—Twelve or fourteen miles.

2. And about fifty miles from the railway?—Yes. That is quite easy country all the way. That Hautu Valley, which has been handled by the Prisons Department, is a sample of the other valleys. It happens to be cultivated by the Prisons Department, which has shown what that land can do. In the floor of the valley the land is better than the average pumice soil, because originally there was a certain amount of swamp on each side of the river, and there have also been washings down from the Kaimanawa Ranges. When I was there, there were oats 6 ft. high. They have broken in some thousands of acres, so that it is not a mere pocket experiment: they have done it on a large-enough scale to show what can be done with that country. But one of the great values of that work is to show what has been done in the hilly lands on each side of the valley. That is typical of all this vast extent of pumice country. The floor of the valley might be exceptional, but the sides of the valley are just like the other country. They have several thousands of acres under cultivation, and they are turning off each year large quantities of live-stock, and they are making as good farms as any one could wish to see. The intention, I believe, is later to dispose of these ready-made farms to settlers when there are sufficient of them to warrant forming settlement. Farther south from there, up the Tongariro Valley, is the Rangipo Prison Farm. There are 10,000 acres there that the Prisons Department are breaking in, and they are getting just as good results in grass and crops in that Tongariro Valley as they are getting in the Hautu Valley. How far settlement could be carried up the Tongariro Valley I do not know, but I cannot see why it should not be carried right up to Waiouru because that is the same class of land; and even there, although the extent of easy country is not so great as on the other end of Taupo, yet from that valley backwards there are a certain number of valleys capable of making good farms so long as they are properly worked. When you get farther to the south from Hautu you strike some swamp land on the shores of Lake Taupo. Whether that can be drained I cannot say, although I do not doubt that by pumping and banking you could drain a large proportion of that area. Anyhow, the Maori owners are deeply impressed with the value of those thousands of acres of swamp land on the south side of Lake Taupo.

3. Is there plenty of fall to the Waikato River?—Yes, plenty of fall. When you get down to the south of Lake Taupo you open up big plains that lead out to the National Park. There is a lot of easy country on each side, and the comparatively level country runs towards Waimarino. That, of course, will have access from the Main Trunk line, when you get farther to the westward, and therefore we are less interested in that country. All out to the west of Lake Rotoaira there is a great extent of easy country, some of which is easily drained swamp land, draining into Lake Rotoaira, and capable of being made into good little farms. You might think that all this is rough, broken country on the west side of Lake Taupo, but it is only rough near the edges of the lake. As you go to the westward it is nice easy country, mostly in tussock, with plenty of totara forest, like park land. You can enter the forest and see big totara-trees 7 ft. or 8 ft. in diameter. This large sheet of water, Lake Taupo, will tap a large area of good country. The Maoris have a dairy-factory at Waihi, and most of the produce is brought from the west side of the lake. Apart from the land available for farming purposes, there are good forests of valuable timber—the most valuable timber left in the whole of New Zealand.

4. What area is there?—It is a big area. It is open land and forest land that runs into 200,000 or 300,000 acres, I do not know what area the Tongariro Company has options over, but it is sufficiently large to cause them to propose to build a costly railway to open up the timber area, and no company with common-sense would expend a large sum of money in putting in a railway from Kakahi to the shores of Lake Taupo, as is their proposal, unless they had very large resources to warrant it. This is a very important question. Farther up on the west side of Taupo, there I have not been, but I have climbed one of the peaks not very far from the lake, which gives you a commanding view of the country roundabout, and from which you can see the country going in easy waves back towards the Main Trunk line, it is hilly and undulating country, alternating with valuable forests and scrub country and tussock plains. You can ride through there to the Main Trunk line, but the products of the nearer lands will come into Lake Taupo or be brought to this proposed railway. I have only given you a bird's-eye view of this country according to my observation of it, having ridden and walked through it at different times during the last twenty-five years, and I think you could not get it more quickly or more readily from anybody who had not been through it so often. Before concluding I would like to say that my opinion, as I expressed it when introducing my evidence, was that I look upon practically all this country as a gift to the nation. It is in the power of the Government of this country

to create marvellous possibilities, if they will only handle the Crown and Native lands properly to help the Natives to become farmers, and assist any able-bodied man who wants to have land to take possession and work that land. The Government should give such men sufficient encouragement to enable them to make homes and a living. If that is done there will be provided immense possibilities for creating new wealth, and we will have a yeomanry of small-farm people firmly settled on the soil, keeping on improving the country year after year, and making it one of the most beautiful provinces. It is big enough to be a new province. There are 5,000,000 acres in the pumice area. It will not all be fed by this railway, but if you want to have the country settled you must build this railway, and that will enable settlers to make homes for themselves. The same thing will apply to all this other country; and there is no reason why, in a few years, you should not fill up these present empty spaces with prosperous farms and successful sawmills, and you will open up a wonderfully interesting tourist country. It is one of the most beautiful parts of New Zealand, although it looks so desolate under certain conditions.

5. *The Chairman.*] You have described a lot of the country on the railway on the east side?—Yes.

6. Is there much private plantation within the influence of the railway, in addition to the Government property?—Yes, a considerable amount. There is one block that belongs to an Australian company.

7. Is it planted?—Large areas are planted. The manager is Mr. Fail, and he showed me through this country. There is a private estate which has not been planted yet—Macklow brothers'. Here [indicated] is also the New Zealand Timberland property. They are beginning to plant there; they have nurseries and stock; they have some 2,000 acres under forest operations. There is a considerable amount planted. I do not think they have started on the Tauharo Block. There is bush land to the eastward in the Urewera country at the headwaters of the Whirinaki and some of the best land in the Urewera.

8. Is it good milling-timber?—Some of it is good milling-timber. I must express my surprise and indignation that the State has allowed so much of this nice easy country on the route of the Rotorua–Taupo line which could be turned into 70-acre and 80-acre farms—to be locked up in planted forests for a great number of years.

9. You admit that there is a vast area of land that is locked up in exotic forests, which you think was an unwise policy?—Yes, I do.

10. It is there, within the areas you have described to us?—Yes.

11. Well, now, is it your opinion, with all your experience of that district, that if a railway were put through as proposed, this land, which you have said is wonderful land for cutting up, could be closely settled? How could it be closely settled when this vast area of it has been put under forestry?—I do not see how you could do the two things, and if you put arable land into forests you will waste your money, or let it remain in forests.

12. My main point is that on the eastern side it is very largely already planted or being planted with forest-trees?—Yes.

13. And therefore it would not be available for use by the railway for twenty or thirty years, relying on the timber?—But if there is anything that will make that railway really necessary, it must be to work those timber forests.

14. You are relying, then, almost entirely, in that particular area, on the working of the timber?—I certainly say that the greater part of that land is in timber, owned either by the State or private individuals, and held for afforestation purposes.

15. Therefore there would be little or no land available there for closer settlement, without disturbing that timber?—When you say "little or no land," what do you mean? There are still large areas not planted in trees.

16. Well, I mean that a large area would not be available for closer settlement. Would not a vast area of that land be made unusable for cutting up?—If it is locked up in timber, a vast area would, undoubtedly.

17. Now, how far away is that land which you described south and west of Lake Taupo, from the nearest point of the railway-line?—I take it that that would come within the sphere of navigation of Lake Taupo—about ten or twelve miles from the lake.

18. How far is this land from the nearest point of the railway?—The lake is twelve miles across and twenty-five miles long.

19. Do you think it would be necessary to make subsidiary tram-lines to bring that timber in, if it were to be brought within the influence of the railway?—I think that is so; that is the usual procedure.

20. You said that the timber was some of the finest timber in New Zealand?—Yes.

21. On what do you base that judgment?—On the appearance of the trees—their height and their size, and on the fact that a large number of them are totara.

22. From your casual observation?—Yes, and trained observation—not the casual observation of a man who does not know timber when he sees it.

23. Did you ride through it?—I rode through it, but I did not measure it at all.

24. What point do you consider is the southernmost point of the railway?—There you raise a big question.

25. Where do you consider it would be?—Although it is called the Rotorua–Taupo Railway, and I take it that it is intended to terminate for the time at Taupo, but its first objective would be Reporoa.

26. You contend that the railway as approved is to Reporoa only: is that your view?—The construction of the railway was authorized to Reporoa, but the route of the line as approved by Parliament was from Rotorua to Taupo.

27. Parliament has approved that, you say?—Yes, and the line is described as the Rotorua–Taupo Railway; it was evidently not intended to stop at Reporoa.

28. The railway has been authorized to somewhere—to where?—When it comes to a question of authorization you are up against something that is definite. I say that as far as I know the railway was authorized as far as Reporoa—that is, in the technical language of Parliament.

29. That is the only language we can look at, because no railway can be constructed unless it is authorized. We have to consider what is the sphere of influence of that railway. We cannot take Taupo if it were only authorized to Reporoa. If we have to go back to Reporoa, that carries us back twenty-five or thirty miles farther away?—Undoubtedly. Will you allow me to say that two Royal Commissions were appointed, and I attended both, and in each case not only was the railway described as the Rotorua–Taupo Railway, but evidence was taken from all classes of people to show the class of country not only as far as Taupo Township but round the lake, and still farther afield; and I say that I am following a very good precedent when I am describing the line already described by the Royal Commissions.

30. I just wanted to get quite clearly what was in your mind as to the railway which had been authorized. Now, I understand that Parliament's authorization of the railway is from Rotorua to Reporoa, and that people are looking upon it as to be ultimately carried on to Taupo, but there is no authorization for that section?—As far as I know there is no authorization for the construction of the railway beyond Reporoa.

31. Therefore we should speak of it as the Rotorua–Reporoa Railway?—I think you should speak of the Rotorua–Taupo Railway, with authorization to Reporoa.

32. Have you any interest in any land along that line?—Yes, I have a very big interest in it.

33. I mean any personal interest?—I do not hold an acre of land on the route of that railway. I have not any interest that will personally benefit myself, but I am interested in the development of that country from a national point of view, because I am convinced that that country offers the greatest possibilities of any part of New Zealand for further development and settlement. If a New-Zealander cannot be firmly convinced that he is doing a big thing, I say he is not worthy to be called a citizen.

34. Is there a high range of hills running from the north of Taupo in a northerly direction? You pointed out some hills over to the left on the map?—Yes, they are in the Mokai country. The country there is not so much a range of hills as isolated groups of hills, with passages between them.

35. About water: are you satisfied that all that area could be well watered?—Yes, it is naturally a very finely watered country. All through this pumice area there are permanent creeks containing the finest drinking-water on earth. There are areas on the Kaingaroa Plains where you might have to go some distance to get running water, but I am convinced that by boring to no great depth you would get a permanent supply almost anywhere in that country, and the same would apply in the pumice area generally, where water at present is not near the surface. It is wonderfully well watered all through by creeks and rivulets.

36. *Hon. Mr. Ransom.*] When you were giving your evidence yesterday you said that the bulk of this country belongs to the Crown. Have you any maps showing the amount of land that could be used for settlement, eliminating Native land, forest reserves, and privately owned land? It would be interesting to know how much Crown land there is suitable for settlement. Some people say that the Crown does not own anything like the area of land which forms the bulk of the land?—Probably you are right, but still they own a large area of land. I have not a map. It should be the duty of the State to provide such a map, so that a Committee like this—which is dealing with a very important question—should know all about the ownership of the land. But personally I can say that you will find in the reports of the Lands Department a statement that the land held by the Crown between Rotorua and Taupo represents an area of 700,000 acres. That is in print, and that area has been added to since that date by purchases, and by the obtaining of options over Native land, and by Maori sales. But what those areas amount to I could not tell you. It would require a considerable amount of searching of sources which I have not at my disposal.

37. Do you not consider that good roads would open up this country for settlement equally as well as a railway?—Roads would open it up for settlement, but they cannot open it up as well as a railway would. If you were raising fat lambs, for instance, you would find that the cost of sending fat lambs by motor-lorry would be much greater than the cost of railing them. The average freight on fat lambs per motor-lorry would be about 1s. 6d. per head for from forty to fifty miles. It is a good way of carrying them, I admit, but it is a very expensive way. I want you to ask the Railway officers what it costs to send fat lambs or sheep by rail; I think it costs about 7d. per head per hundred miles to send lambs or sheep by rail, as against 1s. 6d. for forty miles by motor-lorry; and you have only to realize that on a train, with the attention of two or three men, there can be carried 500 tons of stock, whereas to carry 500 tons by motor-lorry it would take one hundred trucks and one hundred men. So I do not see how it is possible to convey heavy traffic over country by motors as against State-owned railways.

38. You said that 50 acres could carry a family in comfort: do you not think that that would be a low standard?—If I were asked how much land I would allow to each settler there I would say 100 acres or more; but ultimately, when that settler has improved his 100 acres, he could put his married son on to 50 or 60 acres of it, and by top-dressing he could make that land produce enough to carry their children in comfort with 50 or 60 acres, provided it is well worked and kept up to the standard of the same class of land in other parts. You will have to use fertilizers, but then a 50- or 60-acre farm would be capable of carrying a family in a high state of comfort.

39. But in your point made yesterday you suggested that all that country affected by the Tarawera eruption had been improved by the ash deposits. I have been informed by people in the district

that that ash has been a detriment, and the cause of bush sickness ?—First of all we will take Te Ngae that is a well-known place near Rotorua, which was covered with a superficial deposit of Tarawera mud. That is carrying now some of the finest pasture in the district. South of Tarawera the same class of mud was deposited over 50,000 acres of undulating country. Mr. Falloona, of Rotorua, has 3,000 acres there. Then, Mr. Mair, of the Gilbert Mair family, has a holding there also, and Mr. Wood has farms there. They have been shipping some of the best-type fat lambs from that district. In fact, Mr. Falloona told me that they had been raising fat lambs on that country for nearly twenty years. I would like to know how there can be stock-sickness there. If there is one test of stock-sickness it is in connection with the raising of fat lambs. Most of this 50,000 acres is also well suited for dairy farming.

40. You have already stated that the land is suitably watered. I would like to know your opinion as to how that country is affected by a drought period—as to whether the natural moisture of the soil will maintain the grass, or whether grass will fade away during a dry season ?—I have had a good many years' experience of that. As a matter of fact, I am a very keen fisherman, and for years I try to get into pumice country to do my fishing. As you know, the best fishing is obtained in pumice country; and one of the most astonishing things is that when you come up the line in February or March you leave your parched lands behind, but as you come up into the pumice country you see the country certainly showing signs of dryness, but the signs of drought are nothing like as bad as they were further back. I have asked many people the reason for that. Some say it is owing to the wonderful capillary action of the soil, which is capable of drawing up moisture from considerable depths. I had a very striking example of that two years ago on Mr. Vaile's property, in company with Professor Easterfield, of the Cawthron Institute, Nelson, and Mr. Mahon, of the Auckland Grammar School. It was in February two years ago, when we had a very dry season, and one of the things that impressed me when driving across that property was to see in the distance an oasis of beautiful green. Much of the country there was scrub country, but in the distance, under the shadow of the escarpment of the Kaingaroa Plains, there was a big green patch, and when we got there we found it was clover which had been sown down. I think that was spring-sown clover, and they were cutting adjacent to it as fine a crop of clover, cocksfoot, and rye, for hay, as you could wish to see. That is an instance of how that country will stand dry conditions. The stock were all looking well. The rivers there do not shrink to any extent after months of drought, nor do they rise very suddenly when in flood. They rise very little, owing to the porosity of the country, and it is because of that porosity you get your underground waterflow.

41. *Mr. Makitanara.*] You are aware that at present there is a company negotiating for the constructing of a railway-line from Kakahi through to the lake ?—Yes.

42. And that railway, when completed, is going to be the outlet for all that timber country to the Main Trunk line ?—Of all the country which lies to the west of Taupo—a lot of that timber will drain into there.

43. That will also affect the Hautu land ?—No, I do not think so. You would have to come down on to the lake from Hautu, and then tranship your produce, whereas you can run a motor-lorry from Hautu to the Main Trunk line at Waimarino.

44. Are you aware that in 1912 a special Committee investigated the question of whether that would be the best outlet for the timber and other produce from this country, and that Committee decided that the Taupo–Rotorua line would be of no benefit to the country on this side of the lake ?—It depends upon what you call "this side of the lake." If you get away to the vicinity of the Main Trunk line, it is perfectly reasonable that that country would be served by a connection to the Main Trunk line.

45. That Committee received the same argument as you are raising now, but it decided that that district cannot be immediately served by the Rotorua–Taupo line ?—I quite agree—that will go down to the Main Trunk line.

46. Now, the Royal Commission confirmed that ?—I have not seen their findings, but I take it that they would hold the view that no trade, whether in timber or agriculture, should be taken away from its natural trend by artificial means.

47. *Mr. Kyle.*] If the whole of the produce from this western area would go to the Main Trunk line, do you still consider that there would be sufficient warrant for the development of this area ?—I do, undoubtedly—and greater development than I have indicated. I have only spoken in general terms.

48. The Chairman pointed out to you that Parliament had sanctioned the construction of the railway only from Rotorua to Reporoa, but you take it that the objective is Taupo ?—Yes.

49. The same argument might have been used against the Wellington–Auckland Railway, when the objective was only Taihape, for instance ?—Yes.

50. The idea is not to go only to Reporoa, but eventually to Taupo ?—That has undoubtedly been the finding of the Committees and the Royal Commissions that have inquired into the railway.

51. Granted that a good deal of this country is in plantations, do you consider that the present open spaces warrant the railway for developmental purposes ?—I certainly do, because, although when you speak of the vast areas, I estimate that there were on each side of the line between Rotorua and Taupo an area of 500,000 acres which was arable, I included the Kaingaroa Plains and the valley of the Waikato. There are vast areas of ploughable country which you do not see when travelling along the road.

52. That area would be suitable for the Government to go on with its Land Bill and its settlement policy for the expenditure of £5,000,000, to develop the undeveloped land of New Zealand. Do you know of any other portion of land in this Dominion more suitable for development ?—I can only suggest that in certain portions of North Auckland there are areas well suited for development, but there is no better area than this for dealing with settlement on a large scale.

53. You consider that the railway would be for developmental purposes mainly?—That is the idea I have had in my mind, but I have been disappointed that so much of the arable land should be cut up and put into forests, but that stroke of the pen which gave the State Department 300,000 acres for State forests cannot cut it up and turn it into farms.

54. *Mr. Massey.*] Have you any idea of the cost of bringing this land into grass?—Well, there are various estimates, but I have talked to a large number of settlers on the subject, and from what they say it depends upon how it is done. I have seen country there where the tractor has been used and they have ploughed the small scrub under. There they have put the land into first rough pasture for between £3 and £4 an acre; but I should say that to put the land into decent pasture with a fair amount of manure, and to make the land worthy of your labour, it would cost you from £4 10s. to £6 10s. per acre, and then it would be cheap pasture, providing you have not to pay too much for the land.

55. What is the carrying-capacity of it?—It is generally estimated that that class of land will carry a dairy cow well to 3 acres—that is, roughly speaking, £15 or £20 per cow.

56. But this £6 10s. per acre does not include the cost of fencing?—No, I should say that £1 10s. per acre would have to be added for fencing. They used to reckon £1 an acre for fencing, but I should estimate it at from £1 10s. to £2 for fencing—and you would get your value even then.

57. What about buildings?—When you come to buildings you cannot give a comparative value, because it depends upon the class of buildings you put there. You might put up a palatial house and a small milking-shed, or a poor house and a big milk-shed. It means a variation in the cost, but you know that a house costs as much as the owner desires to spend upon it. If he is short of money and willing to live simply he can put up a shanty for £100 or £150, and many good farmers and their wives have lived in shanties costing less than that. Of course, you could put up a house costing £1,000, and that would affect the capital value of your holding; but if the State were going to take a hand, as it should do, in helping a settler to establish himself on the land, £250 or £300 or £400 per house would not be too much. The family would start in moderate comfort, and the capital cost would be more than represented in the satisfaction of the wife and the family in living under decent conditions "from the jump."

58. Can you give any idea of the production per cow on that land?—I have seen records of herds going up to 300 lb. butterfat in the Rotorua district. In the Reporoa district they have pretty good herds; though they have not been there long enough to fine down their herds to the best quality, there are certainly good herds there. At Wharepaina there are good herds; the Hancocks have good herds there. If you had that land worked up to a good condition it would compare in butterfat-production with most of the land in the Waikato. Good cows, good grass, and a proper system of rotation is all that is required.

59. And you think it would be necessary to build the railway before the district could be served profitably?—I think so, if you are going to do it on a large scale. When you say that it is absolutely essential, it depends on how you are going to settle the country. If the State did take a hand in settling, under this new scheme, a large number of small farmers on a particular block of land, it could, by the use of motor-lorries and getting a full load down every time, send manure and other materials down there at a much lower cost than the individual could; but you might have to take a quarter-load one day and half a load another under ordinary conditions. It depends upon how it is done. It would be a factor in the use of motor-lorries instead of State railways. But theoretically, to my mind, there is no comparison between the work of the railway and the work of the motor, as a means of opening up the district. You cannot carry timber by road. That railway has got to be built for carrying timber. You cannot possibly settle the country without a railway. The railway has got to be built. If you figure out the capital value of that area of State land over on the Kaingaroa Plains when put under forest—300,000 acres—capitalized until the forests are mature, it amounts to over £20,000,000. There will be £20,000,000 locked up in that country, and you will not get anything out of it unless you have a railway there. Are you going to waste £20,000,000? You have the evidence of an expert timberman who told you in this room that unless these oldest planted areas are worked and the thinnings used, the forests will be hampered. He said that these thinnings could not be used unless you had a railway. He said also that if you had a railway, or even if the State consented to build a railway, there would not be any difficulty in raising capital to put up a pulping plant for the purpose of using the thinnings. That was the evidence of the timber authorities. But you can see what vast interests the State already has in this country, and to hesitate about putting in a railway is to raise a great national question when everybody should say, "Let us get it through."

60. You know the Tokoroa country: how does this land compare with the Tokoroa land?—This land is better than the land from Putaruru onwards. I have visited it because I have relatives there. I say that the virgin country between Rotorua and Taupo is better than the land between Putaruru and Ongaroto.

61. And how about the Matamata land?—If you take the superior country about Matamata it is a better class of country than is to be found except in some of the regions of the Rotorua–Taupo district. I would compare the two and say that Matamata, in its original state when I saw it thirty years ago, was not so good as a great part of the Taupo country through which I have taken you with my description. That 50,000 acres about Rerewhakaitu, a few miles away from the route of this railway, is better than any land there was in Matamata before the farmer improved the Matamata land. I am glad you mentioned Matamata, because if there is any example which can show what can be made of this land by this railway, it is what has been done at Matamata. They have taken up the poor scrub land there, and by intelligent farming they have made it into some of the finest dairy country in the world; and I say you could do exactly the same thing with 2,000,000 or 3,000,000

acres of this district where the railway would pass. Matamata land is producing £20 an acre per annum, and you can imagine what 100,000, or a million acres would do at £20 per annum per acre. There is no reason why you should not lift that country up to the level of the Matamata land.

62. You know also the country between Pukekohe and Drury ?—I do. I was invited to visit the Karaka Block just after Mr. T. C. Williams bought it, and I spent some days with Mr. Flanagan, the manager of the block. At that time Mr. T. C. Williams thought so little of that block that he was putting it down in gorse as the only plant which he thought would carry stock there. He put hundreds of acres down in gorse. But what is the position there to-day ? A lot of that land is beautiful dairy country. They grubbed out the gorse, and they have crack herds upon it now. They are turning out large quantities of butterfat. They have sent away from there some of the finest fat lambs that were ever put into the London market, and that Karaka Block is high-class farming land to-day.

63. In handling that Matamata country the haulage-costs come largely into the matter ?—Yes.

64. Have you any idea of the haulage-costs ?—The haulage-costs to Matamata by railway are possibly only a little less than 50 per cent. of the cost to Rotorua per ton-mile, which is the terminus ; but when you leave Rotorua and have to open up the country between Rotorua and Taupo, haulage-costs from £1 a ton up to £4 10s. a ton. Now, I know that Mr. Macklow was farming land there a few years ago, and it cost £4 to £4 10s. a ton to get his stuff delivered from Rotorua by road to a point opposite his place. Then he had to use a Maori trail and sledge his manures four miles through Maori territory, lower it down a cliff and take it across in a boat, and haul it from the boat to his land. It must have cost him £7 a ton from Rotorua to his place. How could land be profitably farmed under those conditions ?

65. What would it cost per mile by motor ?—£4 10s. per ton. for forty miles.

66. Yes, but on an average road ?—That is an average road between Rotorua and what they call the 40-mile peg.

Mr. Vaile : It has been very much reduced now ; that is the old figure.

Mr. Massey : That is about 1s. 2d. per mile ?

Mr. Vaile : Yes.

67. *Mr. Lye.*] Are you a practical and experienced farmer ?—Well, I have handled land ; I have handled gum land, which is very difficult to handle.

68. You have not had any farming experience on pumice land ?—I have had the experience of hundreds of different settlers.

69. But you have had no actual personal experience ?—I have not actually ploughed or harrowed the land, but I have been in intimate touch with men who have, and with scores of them.

70. You are really not a farmer by occupation ?—No, I happen to be an agricultural editor. I happen to hold an agricultural editorship on the *Weekly News*, where I have been for twenty-five years, which is a pretty good test of my knowledge of agriculture.

71. You say that you consider that 50 acres of this pumice land fully improved would keep a family in a state of comfort ?—I do.

72. Do you consider that pumice land is better than the average land in the Waikato ?—It is as good as the average land in the Waikato was.

73. Do you seriously consider that a high standard of comfort could be obtained off 50 acres of this land ?—I have said so and I believe so. Let me explain that when I say "comfort" I mean that when you put a man on a small area of land it has to be intelligently worked and highly cultivated, and it depends upon the individual to give of his best in working it. But it would not run to luxuries, and he could not own a car, but he could live in health and bring up his family in health and comfort, but they would have to work and live to some extent upon the produce of the land.

74. In your experience have you found that there is a certain amount of cattle-sickness on much of that land ?—In some parts. But, there again, they call it sickness. I have seen sickness amongst stock in all parts of New Zealand. When stock is badly fed it will go sick, because hunger is sickness. All through the history of this country you have had stock-sickness.

75. Have you found it is difficult to obtain finance for the working of the land in that area ?—I think that has been one of the most pathetic aspects of the settlers there.

76. How does that square with your idea of the land : if institutions are very diffident about lending on the security of that land, are they incompetent to judge it ?—To some extent they are. I say frankly that the people who are responsible for these opinions are, but I think it is extreme conservatism and caution, and it is due to the fact that only recently has that class of land been brought up to a high state of productivity ; but I know that there has been what I would call a very strong prejudice against that class of land.

77. Has that been brought about by the lending institutions losing much money on the advances that have been made to the settlers there ?—Undoubtedly it has ; I think, more particularly with the large runholders than with any one else. You, being a Waikato man, will know the history of Matamata, and that as a large estate it did not make money. The bank looked upon it as so-much lost capital ; but when it got into the hands of small settlers it became a prosperous and productive country.

78. The area in question is very sparsely settled ?—Well, the census tells you that the centre of the Island is populated with one person to 50 square miles.

79. It is held in large areas right throughout the territory, a lot of it being privately owned ?—Yes ; you have only got to look at the map to see that. There are 20,000- and 50,000-acre blocks of Crown land, and until recently you could not get possession of an acre of that land unless you took a large run under a bad form of lease.

80. Is it right to suggest that the private landowners have been largely responsible for this demand for this railway ?—Well, it would be only natural if they were : there is nobody else there. If we

had in this country a Department that was specially trained to examine and report upon land that would give a good return for investment, land that could be cheaply settled, I say that they would have pointed out that land fifteen or twenty years ago. But I have examined this vast extent of country, and you cannot find that during the past twenty years there was any little block of land there available for settlement anywhere. There was one block that was open for lease for some years, and it has been settled by men who were desperately hungry for land.

81. Are you in any way specially interested? Are you the holder of any land that would be served by the railway?—To be frank, I have an area of some 6 acres some little distance out of Rotorua, and I would be glad to sell it.

82. I want to see all the cards placed on the table, Mr. Rollett; I do not want to keep anything in the back of my mind. It has been suggested to me that certain relatives of yours are holding large areas of land where the proposed railway would run—two brothers-in-law?—It is absolutely correct to say that this block of land [indicated]—Macklow brothers', 6,500 acres—is owned at the present time by a nephew of mine—my wife's people. I would like to explain that when that railway was started my nephew and his father, who is seventy years of age, set forth from Auckland with a motor-lorry, farm implements, and a motor-car, carrying their household goods and hundreds of pounds' worth of material. They set forth to break in that block of land. But since the railway was stopped they have taken everything away, and they are leaving it; they have abandoned it. It is hopeless to try to work that area without a railway.

83. Then it is quite correct to say that apart from that 6,000 acres neither you nor any members of your family are interested in any other areas of land there?—Absolutely.

84. Then why are you a specially strong advocate of this railway?—I do not mind telling you that I am in charge of the agricultural section of the largest paper in New Zealand, the *Weekly News*, and as agricultural editor of that paper I am in constant demand everywhere to find land for settlement. If we get one letter we get several hundreds per year from all parts of the world asking, "Where can we get land for settlement in New Zealand?" and you can see that for a paper like the *Weekly News* a man must get to know something about that question; and that is why I have travelled through New Zealand at the expense of the paper for many years.

85. What method of settlement, do you think, would be the best—group settlement of some kind?—Group settlement, strongly supported by the State. I have been strongly in favour of that. There is the difficulty of the individual farmer struggling upon his land to improve it. In this class of land the biggest expense comes during the first year, and if a man has not the capital to do it he is hampered from the start.

86. *Mr. Semple.*] You said that 50 acres of this pumice land would produce sufficient to maintain a family in an ordinary standard of comfort?—Yes.

87. How many acres of that class of land would be opened up by this railway? There are two classes of pumice land—inferior land, and land which it is possible to farm with success. Roughly, what area of land is there to be opened up through this railway?—I should certainly think that there are 700,000 or 800,000 acres. Land, much of what I have always regarded as small-farm country, is at present handed over to the Forestry Department and forestry companies, which have used some of this country. That is a great mistake—that should have been made available for farmers.

88. I understand you to say that it would be necessary that a farmer who took up 50 acres there should be given the opportunity to start producing "from the jump," instead of struggling on desperately?—Yes.

89. How would you suggest a start should be made to put that land in order—to put teams of unemployed on, to put it in order, so that the farmer would have a chance?—I think that would be an excellent idea. I know from my travels through this country that there are a very large number of men in various forms of occupation—navvying, digging trenches for tram-rails, &c.—who would be very glad to get out of town on to the land, and if the Government made a call, "We are going to offer 50-acre sections for close settlement, and we are going to improve that land, and we call upon any men who want to become settlers, and we will employ these men in bringing this land to a wage-earning point," I say you would get a very good class of men; and that is one of the best ways I know of giving employment to men who would begin to improve the land, and they would have a chance to become farmers. I would support it with money, if necessary. If the Government asked me to provide so-much capital as a loan I would willingly put as much as I could into any system that would give a worker a chance to get on to the land under those conditions. It is for the Government to employ men to improve the land, so that when a farmer takes up the land he can pay his way "from the jump." He should have a decent home, and I hold that from a humanitarian point of view it would pay the State to put a little more money into the homes of these men, and let people be comfortable.

90. We have heard the idea that the best way to handle the area would be to cut it up and put teams of men on it, and then give them the opportunity to get on to it and farm it?—I think that is a thoroughly sensible idea.

91. Do you know anything about the Matamata country before it was settled?—Yes; I was on Matamata before it was cut up for small settlement.

92. Do you know anything about the Waihi Plains?—Yes.

93. Would you say that this pumice country is as good or better than the Waihi Plains country was before it was settled?—It is infinitely better than the Waihi Plains.

94. Do you know that the men who have made a success of the settlement of the Waihi Plains were miners?—Yes, I have had the pleasure of talking with them. When Lord Lovatt was in New Zealand, and was making a plea for our miner friends in the Old Country to come and settle here, and to be helped by the Imperial Government, some Auckland city men pooh-poohed the idea, and wanted

three years' training for these men before they should be permitted to come here. On that occasion I quoted the case of the Waihi miners who had taken up farming on the Waihi Plains successfully.

95. Before the miners went there people laughed at the idea ?—I know, and they laughed at me when I said it could be farmed.

96. Do you attribute a good deal of that cattle-sickness to the poor condition of the land, and that the cattle get a certain amount of pumice ?—I do not see how they can help it. What I would say in regard to cattle-sickness is that there is more disease due to bad feed or want of food than to anything else in New Zealand.

97. You think that the cultivation of this land would minimize or wipe out the sickness amongst stock ?—Yes, I am sure it would. If you go among farmers in certain districts you will see a certain amount of disease in stock : it is due to the lack of something that the animal wants.

98. Have you been on to the prison farms ?—I have been on both of them, and have stayed for days on them, and have examined them thoroughly.

99. Do you think it is possible to do on the rest of the land what has been done on the prison farms ?—Yes, I do.

100. Do you think that the cost of putting this land into a state to produce commodities would not be too high ?—I think it would not. The manager of the prison farm informed me that he could put that land into grass at £6 per acre, and that it would carry a dairy cow to 2½ acres.

101. *Mr. Samuel.*] You said that in your opinion some of this Taupo land is as good as the Waihi Plains—taking them both in their rough state ?—I say it is a good deal better.

102. You do not mean the whole of the Taupo lands ?—No, but the great proportion of them.

103. Do you know that the Waihi Plains, since they have been brought under cultivation, have exceeded in output some of the best lands in the Waikato ?—Yes, they have ; that is quite true. It is due to good farming and enterprise.

104. And in your opinion, with scientific working, and the application of fertilizers, the great majority of the Taupo lands could be made as good as the Waihi Plains land ?—Yes, and better.

105. And you think that once we got the whole of the country settled, 50 acres would keep a family ?—I do.

106. How many acres do you think are ready for settlement in that area that could be served by the railway within a reasonable distance ?—Well, including each side of the railway within twenty-five miles, there is an area of between 2,000,000 and 3,000,000 acres.

107. Would you say that 1,000,000 acres could be settled ?—I am sure that they could.

108. But not in 50-acre blocks ?—No.

109. Well, say 600,000 acres could be settled in, say, twenty years' time, for people to own 50-acre blocks and make a living from them ?—Yes.

110. I suppose we can take a family of five, and with 600,000 acres, that would provide for 60,000 people ; and if 60,000 people were settled there, that would mean, for every one, two in the city. That would mean 180,000 men settled on the land that would be kept from the produce of the land, and the effect of their labour would be to keep two people in the city ?—Yes, approximately.

111. That would be 180,000 souls who would be kept on the produce of that land ?—That is so.

112. And you consider that you are quite capable of making this statement owing to your lifetime's knowledge of agriculture, most of it gleaned through editorial work ; and your theory editorially must be sound, or you would not have been in your position so long ?—Yes.

113. The mere fact that you have distant relatives there would not preclude you from coming here as a public-spirited man and giving this evidence ?—No.

114. And I suppose your relatives would be quite satisfied to get out of the land the way they got in ?—They would be very pleased to do so.

115. In your opinion, with a railway from Rotorua to Taupo, it would practically mean a new South Auckland Province ?—Yes. I have already taken the bull by the horns and described it as a new province.

116. And you think that this land is at present practically worthless owing to its isolation ?—Yes, sir, owing to its isolation, and now owing to that fact there is no demand made for it.

117. I suppose that financial institutions are shy of that land because it is isolated, and there has been no scientific attempt to work it because they cannot get fertilizers there ?—That is so.

118. Now, I feel inclined to put in an observation of my own here as evidence—by way of cross-examination. Reference has been made by Mr. Lye to the Waikato land and the Taupo land, and there has been a comparison suggested. Now, in your opinion the Taupo lands, or portion of them, are equal, in their present native state, to what the Waikato lands were in their original state, before settlement ?—Undoubtedly.

119. I am of the same opinion. You have had experience of both, so have I. I own property in both places, but I am not interested in the railway, because I have but half an acre in the pumice country. But I have seen what can be done there. In your opinion the Taupo country, or the great majority of it, is the same class of land as that at Rotorua ?—Yes, sir.

120. Have you any knowledge of the Hamurana country ?—Yes.

121. You have been there lately ?—Less than two years ago.

122. You will agree with me if I say that that block of land at Hamurana—which is the same as the pumice country—was disked and turned over and sown with hardly any manure, and that it is as good as any Waikato country to-day ?—Yes, I can quite believe it.

123. *Mr. Hanson.*] Did I understand you to say that the same class of soil extended right through to the foothills of the Urewera country ?—No, there is a good deal of swamp area in the valleys of the Waiotapu and the Waikato.

124. But apart from the swamp soil it is the same type of country ?—Yes, it is part of the great pumiceous area, and although it may vary in texture I do not think it varies much in composition.

125. Are you aware that the Department of Agriculture made a soil survey, from which it was learned that there is one distinct type of pumice land at Tarawera, and another slightly inferior soil down to the Reporoa Settlement, and that there is a third type of soil, the poorest, extending in a general way from Mamaku and skirting Lake Rotorua, and going into the plantations, and following the belt over to the Urewera country: that is the poorest type of pumice land on the belt?—Yes, I am prepared to admit that there are variations in the pumice land, but I would like to ask you how the trees are doing on that poor belt.

126. The trees are doing all right?—Then does not that show that there is something in the soil to produce growth?

127. Yes. I would like to ask you whether you are aware that we have drilled for water in this particular common belt, but we have not been able to locate any water except in one spot?—May I ask you to what depth you went?

128. I cannot say now, but I could let you know?—I would like to know, because water is a very important thing.

129. *Mr. Makitanara.*] Yesterday, in your evidence-in-chief, you mentioned that the distance from Hautu to Tokaanu was about fifteen miles?—Yes, and I said that the Hautu Valley ran about fourteen or fifteen miles back towards the Kaimanawa Ranges.

130. But the fact is that the distance between Hautu and Taupo Township is about forty miles?—About thirty-five miles.

131. The soil at Hautu and the place where the Government has its experimental farm is a kind of swamp?—In the floor of the valley close to the lake there is a considerable area of swamp, and in the floor of the valley near the old homestead there was a small swamp and very good land indeed, but on the fringe of the lake there is a large area of swamp.

132. Are you comparing this land at Hautu with those other portions where you could get a 50-acre farm to carry a family?—I say that in the Hautu Valley, 50 acres there of the land that has been worked would carry a family. If I were a working-man I would sooner take up 50 acres of this land than land in many other places. This has an important bearing upon the subject as to whether this Hautu Valley would carry a family to 50 acres. If I were out of work and a young man, I would be glad to try to make a living in the Hautu Valley.

133. In reply to Mr. Semple you mentioned 700,000 or 800,000 acres where you could settle one family to each 50 acres. Can you point out that area on the map?—Let me explain. When I said 50 acres, I said that ultimately, when this land is worked up to its best condition, it would carry a family in comfort on 50 acres. That applies generally to all the lands.

134. *Mr. Semple.*] In view of the fact that the great bulk of this country is Crown land, do you think it would be better for the Government to take up the land and settle men on this land rather than pay a high price for other lands for settlement purposes?—Undoubtedly I do. I am convinced that it would pay them better to take up this land.

135. *Mr. Vaile.*] Whereabouts is the 6-acre property you own?—In what is known as the Kohuta Block.

136. Do the proprietors of the *New Zealand Herald* and the *Auckland Weekly News* own any land which will be benefited by this railway?—No. I know their position, and I have their absolute authority to state that they do not own a single acre in the district.

137. Does the editor, or do any of the senior members of the staffs of the *Herald* and *Auckland Weekly News* own any land there?—No.

138. Have you any knowledge of the growth of tobacco in the pumice area?—Yes. On this particular block of pumice land that I am interested in there was grown last year a very fine crop of tobacco. In conversation with Mr. Lowe, a tobacco expert, he informed me that the tobacco grown in the pumice country was some of the finest leaf he had seen in New Zealand, and that he believed it would produce the highest class of cigarette-tobacco, which, as you know, is in great demand.

139. *Mr. Semple.*] What would you consider this land most suitable for?—The pumice land is suitable for many purposes. Its purposes have to be governed to a certain extent by the market for its products. At the present time its chief product is butterfat, but I have seen at the Auckland and Waikato exhibitions and the Palmerston North Show a great variety of products—vegetables, roots, grass-seed, clover-seed, a little tobacco, strawberries, gooseberries, red currants, black currants, and other fruits. I am an old orchardist, having grown fruit for nearly thirty years. I have seen some of the best fruit on the pumice land that I have seen in any part of New Zealand.

140. Would there not be a great market for strawberries, raspberries, and gooseberries?—Yes. With regard to fruit-pulp, Messrs. Thomson and Hills, of Auckland, tell me that they are importing from Nelson and from Australia large quantities of what they call berry-pulp. That could be produced on the pumice land.

William Atherton Parnham examined. (No. 6.)

1. *The Chairman.*] What is your occupation?—I am manager of a farm at Wharepaina. I have broken in about 1,250 acres of pumice country in about five years.

2. The question before the Committee is the construction or otherwise of the railway from Rotorua to Taupo. We will be glad to receive any information you can give us on that subject?—I have found the Taupo land is very easily cultivated and easily broken in. It cost me about £5 an acre to break it in.

3. *Mr. Vaile.*] Will you tell the Committee where you were farming before you went to the pumice area?—In North Canterbury. I have had about thirty years' experience in farming.

4. How long have you been farming in the pumice area?—Five years.

5. Have you any personal interest in the district, or do you own any land there ?—None whatever.

6. In your opinion is this land more suitable for holding in large areas, or in small areas ?—I should say, small areas every time.

7. Do you think the bulk of this country, as compared with other country, could be broken in profitably ?—Yes.

8. What do you estimate to be the cost of putting the land into good pasture, including the cost of fencing ?—From £6 to £7 an acre.

9. What number of dairy cows do you consider the land, when brought into that condition, will carry ?—About 2½ acres to the cow.

10. Then the capital cost of the land to carry that stock would be £17 or £18 an acre ?—Yes.

11. Do you know of any other country in New Zealand that will carry a dairy cow so cheaply ?—No.

12. Can you give the Committee any information as to the returns per cow ?—I am not a dairying man—I am grazing.

13. How soon do you think you can get a return from the pumice area ? Say you put the plough in in June of one year: by what time would you get some return ?—You would not get it till the autumn.

14. Would it be within a year ?—Yes, well within a year.

15. Have you noticed whether the country will grow turnips well ?—I have grown them as fine as any that you could show.

16. As well grown as in Canterbury ?—Yes.

17. At what would you value a crop of ordinary swedes on the first furrow ?—Roughly, £3 an acre.

18. Do you know any other area that will grow swedes in the first furrow ?—No.

19. Did you do more cultivation to grow your crop than in Canterbury, or less ?—Less cultivation than was needed in Canterbury.

20. Within easy reach of the railway, what area do you think is suitable for cutting up into small farms ?—I should say, half a million acres.

21. As to climate, how do you think the district compares with Canterbury ?—It is very similar to that of Canterbury, but we are subject to odd frosts in the summer months. That is the only difference, I think.

22. Have you known frosts in the summer months in Canterbury ?—Yes.

23. Is there anything in the pumice area similar to the nor'westers in Canterbury ?—No.

24. Do you estimate that there is a larger rainfall ?—Yes. We can reckon on from 40 in. to 50 in. of rainfall.

25. As regards snow—have you seen as much snow in the pumice area as in Ashburton ?—No. We are free from snow.

26. How about the growth of clovers and grasses: will they grow on the first furrow ?—Yes, straight out of the scrub. You can grow turnips or clover to perfection.

27. Have you noticed the effect of manures on the land ?—Yes.

28. How do you think it compares with the effect of manures in Canterbury ?—Manure has more effect on the pumice land than in Canterbury, to my thinking.

29. Do you consider that the country is well suited for feeding-off turnips ?—Yes; indeed, it is ideal country for feeding-off.

30. Will the roots keep well in the ground ?—Very well. I have swedes now that we are feeding-off.

31. Do you consider that the tramping of the stock on the soil does it good ?—Yes; the consolidation is what it wants.

32. About fruit: have you grown any kind of fruit there ?—Yes, all sorts of small and large fruits.

33. Have you grown any apples ?—Yes.

34. Had you good results ?—Yes.

35. Do you consider they were equal in flavour to fruit grown elsewhere ?—Quite. I had some in the Waikato Show this year. I did not do anything with them, but they were good enough to be shown.

36. What do you say about small fruits ?—Raspberries and gooseberries do exceptionally well.

37. And what about vegetables ?—I have good vegetables growing.

38. Do you find the land difficult to work ?—No.

39. Do you not find that in all your operations the work is comparatively easy ?—Yes. Another thing is that you can get at it at any time.

40. Do you not consider it an advantage that you can work your ground at any time, and not merely when the weather likes ?—I have no waste time.

41. Have you observed the growth of shelter-trees ?—Yes. All trees grow exceptionally well out there.

42. Is the country, generally speaking, of an easy character, or are considerable areas inaccessible ?—It is mostly very easy land—rolling country. There is very little inaccessible land on the area at all.

43. What proportion of the area you are acquainted with would be easily ploughable—I do not mean with the hillside plough, but easily ploughable ?—About two-thirds of it.

44. Whereabouts is your market ? Where do you buy your manures ?—I usually buy them from Westfield.

45. What about the marketing of your stock ?—I have been selling mostly locally, at Rotorua.

46. How do you find your road for taking your stock to the market ?—There is such a lot of motor traffic on the road that it is impossible to get the stock through in the busy season. I have had several losses of the stock through their being run down by motor-cars.

47. Could you give an estimate of the number of cars passing through ?—One day six weeks ago there were twenty-seven motor-lorries on the road, carrying posts from the bush.

48. Do you think that from the farmer's point of view it would be facilitated, or would it be made more difficult, if a bitumen road were put down ?—That would make it worse. The motors would travel faster on bitumen.

49. Are noxious weeds getting greater, or worse ?—They are gradually getting away, through want of settlement. There are a lot of areas in which the blackberry and ragwort are getting away.

50. Can you suggest any other means of dealing with this pest than closer settlement ?—No.

51. If the country remains unsettled for twenty years, do you think the blackberry will be in possession ?—I do.

52. What freight are you paying on your goods brought by road from Rotorua ?—£1 per ton for manures, and £1 10s. for any other class of goods. The carrying-capacity of the road has been reduced to vehicles of 1½ tons, and I understand that the motor people are going to put up the rates.

53. Do you consider that the stock are damaged in appearance and condition by being driven into Rotorua ?—Certainly.

54. Can you estimate the loss on fat cattle beasts ?—I reckon it will work out at 10s. a day for every day on the road, and they would be three days *en route*.

55. So you reckon that the deterioration per fat beast at the present time will be £1 10s. for the journey ?—Yes, in addition to the cost of driving.

56. Will not lambs melt at the rate of anything up to 4 lb. in weight on the trip to Rotorua ?—Yes.

57. Do you think it would be practicable to convey hay or oaten chaff at a profit to Rotorua to be marketed ?—Not by road.

58. Do you think that on the whole question this area can be developed by means of a road ?—Certainly not, to develop it properly.

59. Have you any confidence that with a railway provided this country could be closely settled ?—Yes.

60. *Mr. Kyle.*] As an old Canterbury man, what part of Canterbury would you say would make a comparison with this area ?—The country near Culverden. This is better country for development than that part of Canterbury, but you have the scrub to contend with just the same.

61. Have you not a bigger rainfall to contend with than we have in Canterbury ?—Yes, considerably more.

62. Is that why you think manure has more effect than in Canterbury ?—Yes. You are almost sure of a strike with anything you sow on the area.

63. You say that the first crop of turnips grown there is equal to practically any crop in Canterbury ?—Yes.

64. What would be the price of land in Canterbury for the class of land you speak of, brought into cultivation within twenty-five miles of Christchurch ?—I should say it would run from £12 10s. to £13 an acre.

65. *Mr. Semple.*] What is the area of the farm you broke in ?—I have broken in 1,250 acres.

66. Was it your own land when you broke it in ?—No. It was a Maori lease, and the owner purchased it.

67. And you were his manager ?—Yes.

68. Had you had any previous experience with pumice land ?—None whatever. I had been farming in Canterbury.

69. Did you find any difficulty in adapting yourself to the work ?—No. It was considerably easier than farming in Canterbury. I have greater confidence in the land now than I had when I started. I had my doubts at the start.

70. From your experience you thought it was quite possible to bring the land into cultivation ?—Yes.

71. And that without a burden of costs that would make it impossible ?—Yes.

72. About how much manure did you use per acre ?—I was using 1½ cwt. to the acre.

73. That is the amount a person farming in the area should use ?—Yes.

74. How does that compare with the other land you have handled ?—We did not use manure in Canterbury at all in my time.

75. Have you had anything to do with other land where you used manure ?—No; this is my first experience with manure country.

76. What sort of sheep-land would it make ?—I think it will be all right eventually, but it is new country. I reckon there is always a certain amount of stock-sickness till you get the sourness out of the ground.

77. Do you attribute a lot of the sickness to the fact that the land is not cultivated ?—Yes. I think that when land of this kind is cultivated it will lose the sickness, as has happened in every other area.

78. A certain amount is due to the uncultivated land ?—That is my impression.

79. And that will disappear as the land is well cultivated ?—Yes.

80. What difficulty is there, if any, in finding water there ?—None whatever. It is the finest watered country I have been in.

81. You have heard the statement made that water is going to be a difficulty in some parts of the pumice country ?—Well, I am just taking the area from Waiotapu through to the Waikato River, and there is beautiful water wherever you go.

82. Do you think, then, that in the upper parts of the country water would be found by boring deep enough ?—That I do not know anything about, but I know that all the valley is beautifully watered.

83. How would you suggest that this land should be handled in order that the settlers would get a return with the least possible delay ?—I should suggest that you take a piece of land and have group settlement upon it.

84. What would be the system of putting the land in order ?—I should plough it, and take a crop of turnips off it first.

85. Instead of putting the farmer on it to struggle with a limited amount of capital, and wait a long time for a return : how would you avoid that ?—I would put the settler on wages.

86. You probably heard me ask the previous witness for his opinion as to putting teams of men on to work the land and get it in order, and then putting, probably, some of the men who have done that job on the land. Do you think that would be the most speedy way of doing it ?—The most speedy way of doing the business, and have a supervisor over them ; and let the supervisor pick the men he considers fit for the job.

87. Do you think it would be advisable, in each of these cases where you have men assembled on such a job, to carry on educational work in order to fit them for farming from the scientific point of view ? Do you think that would be profitable to the State ?—Yes.

88. In that way they would be studying the scientific side as well as the practical side ?—Yes, but there is more in the practical side.

89. But side by side with their experience, is it not necessary that they should have some scientific knowledge ? Do you not think it would be profitable to the State to have groups of men put to work on the land in order to have a well-informed overseer over them, who could deliver lectures in the evenings on questions of science ?—I do not know that after a man has done eight hours' work, especially in that country, he will want to take on study.

90. You think that in that case he would not be fit for study ?—I do not think he would be able to swallow it. I think the men would learn more by practice.

91. But you do think that putting men to work on certain areas of this land would be the best and most profitable way of bringing it into cultivation ?—Yes, and that system would be helping to do away with unemployment.

92. *Mr. Massey.*] Can you tell us what it costs to bring an acre of land into cultivation in Canterbury ?—I could work it out.

93. What does it cost to plough an acre of land in Canterbury ?—About 11s.

94. What does it cost to plough an acre of land at Taupo ?—It is about a horse lighter, I consider, than in the case of land in Canterbury. The Taupo land is very much more easily worked. If you get on clay country in Canterbury you probably have to disk it three times, whereas you disk it only once at Taupo.

95. Then you could work the Taupo land for about half the Canterbury cost ?—I do not say half, but you could reduce it a lot.

96. If you got transport facilities you could use more fertilizer ?—Yes. It is prohibitive now to put too much on.

97. Having been a Canterbury man, you realize the value of handling clover-seeds ?—Yes.

98. Could the Taupo land be developed for that purpose ?—Yes. It is the finest clover-growing country I have seen.

99. *Mr. Samuel.*] You are of opinion that there is a very large area of land in the district capable of immediate settlement ?—Yes.

100. Do you agree substantially with Mr. Rollett's evidence ?—I do.

101. Is this land, in your opinion, of the same value without a railway as it would be with a railway ?—Certainly not.

102. You think it could not be profitably settled without being opened up by a railway ?—It could not.

103. You bought your property from the Maoris ?—Yes.

104. I suppose there is a lot more Maori-owned land in the Taupo district ?—Yes.

105. Would not the railway be of immense benefit to the Maoris ?—Yes.

106. And I suppose their land is not very valuable without a railway ?—It is not.

107. *Mr. Lye.*] Do you consider that it is absolutely essential that there should be a railway before settlement can take place ?—I do think so.

108. And that a road would not suit as well ?—I do not see how a road is going to cope with the position. I should say it would cost as much to put in a road as a railway is going to cost.

109. *Mr. Makitanara.*] How long have you had your place ?—Six years.

110. What is the distance to the nearest railway ?—About twenty-five miles.

111. And you are doing well ?—Not particularly well ; we could do better.

112. But you are doing quite comfortably ?—No ; we are not satisfied.

113. Is it because there is a railway project in view that you are not satisfied ?—No.

114. Have you not good roads ?—No ; they are not good for stock.

115. What do you mean by their being no good for stock ?—Well, they are fair roads.

116. Do you get bogged on them ?—No.

117. Others with the same experience as yourself as practical farmers could do just as well as you, could they not ?—No.

118. Not men with the same experience as yourself ?—No.

119. You are in a fool's paradise, then ?—Yes.

120. *Mr. Semple.*] You say a road would not be sufficient to develop the pumice area as it should be developed: do you mean that it would not create the same amount of settlement?—I do not think it would.

121. Do you mean that ultimately we would be compelled to build the railway as well as the road?—I think it would have to come sooner or later.

122. And you think the sooner the better?—I should say, the sooner the better.

123. *Mr. Kyle.*] Speaking of the noxious weeds, is there much evidence of the Californian thistle taking possession of the area?—There are patches of it here and there, but it is mostly on Native land that I have seen it.

124. Is there any piripiri?—There is none. There is a little ragwort getting about.

WILLIAM GEORGE BUTCHER examined. (No. 7.)

1. *The Chairman.*] What is your position?—I am farm-manager at "Strathmore," Reporoa.

2. *Mr. Vaile.*] When did you come to the pumice area?—About thirty-five years ago.

3. Were you not the first settler there?—Yes.

4. I think you were there for about twelve or thirteen years before I came there?—Yes.

5. How far away were you from any other white man?—Thirty miles.

6. Was there any road to the district?—We had to use packhorses.

7. Prior to coming to the district where did you live?—In Canterbury.

8. You were manager for your father on the Strathmore Estate?—Yes.

9. You were not on your own?—I have about 2,000 acres of pumice land.

10. You are the local Justice of the Peace, and president and vice-president of innumerable local activities?—Yes.

11. You are well acquainted with the whole pumice area, right down to Tokaanu?—Yes.

12. What is your estimate of the proportion of the land that would be readily ploughable?—About three-fourths of the total area.

13. What do you consider is the cost of bringing this land into such a condition that it will carry a cow to 3 acres?—You can bring it into fair pasture for about £5 an acre, sowing swedes and grass.

14. You believe in sowing the turnips with the grass on the first furrow?—Yes; that is the cheapest way.

15. They are sown at the same time?—Yes, in one hit.

16. Do you think the Taupo country will grow as good swede turnips as Canterbury?—It will grow the best swedes I have seen anywhere—better than in Canterbury.

17. And as to turnips?—I would say the same.

18. What area do you think would be within reach of the railway, and could be settled in small areas of, say, 200 acres?—The area between the Rotorua–Taupo–Atiamuri Road and the Rotorua–Waiotapu–Taupo Road—that is, about ten miles by fifty miles, making 500 square miles. Three-quarters of that would be suitable.

19. That is on the west side of the railway?—Yes.

20. And what on the east side of the railway?—There is the Waiotapu Valley, and a certain amount of Native land. There are over 1,000,000 acres in the whole area that would be served by the railway.

21. As to the climate of the area: have you ever experienced snow there?—About twice in thirty years.

22. How deep did it lie upon the ground?—You had to scrape it up under the window to get any.

23. And as regards rain?—We have a very even rainfall.

24. Heavier than in Canterbury?—I have not seen a real drought all the time I have been there.

25. How do you find the country for animals?—The only thing we have had trouble with is lamb-sickness. All the other stock does well.

26. With regard to the human race, I suppose you have not noticed that the men there fade away to shadows?—I am a pretty good illustration of the condition of the men on the land.

27. Have you ever noticed that boys coming there refuse their food, or anything of that kind?—It is a very good country for the human being. That is the only thing the soldier settlers are satisfied about—the way their children come on.

28. Joking apart, do you consider that it is an area which will raise a vigorous type of men?—Certainly.

29. Do you not find that the climate is one which induces work—that it is an invigorating climate?—Very invigorating.

30. Do you think that a change from the sea-coast to this area would be a good form of recreation and holiday for people in the coastal portions of New Zealand?—It improves every one.

31. What has been your experience with ploughing: have you to wait for the weather, or can you plough at any time?—On the pumice soil, if it rains to-day you can plough to-morrow. You can plough all the time, practically.

32. Do you know any useless land in the area?—Practically none.

33. Land that cannot be worked as a farm can be put under trees?—Yes.

34. What is the quality of the water you find?—There is plenty of water everywhere, except on the Kaingaroa Plains.

35. But as to its quality?—It is first class.

36. Do you find that the streams flood, or are they regular?—There are practically no floods at all.

37. Have you any knowledge of the effect of the area on tuberculosis?—There is no one sick there.

38. Have you known people to come there to recover from tuberculosis?—Taupo is supposed to be the best place in New Zealand for that.

39. Have you frequently passed the work already done on the railway?—Yes.

40. Will you tell us what modern machinery was used there?—The shovel.

41. All the earth shifted in the cuttings was shifted with the shovel?—Yes.

42. Do you think a saving could have been made by using a horse-scoop?—Certainly, and a lot of saving.

43. With regard to the Reporoa settlers, do you find now that the same people are still hanging on to the same areas, or do they prefer the pumice areas?—When they first went there they growled if they had pumice areas; but now they find that they have not enough of it.

44. Some land has recently been balloted for: were there many applicants?—For the last three or four sections balloted for there were any amount of applicants. The soldier settlers there are asking for more.

45. Have some of those who were asking for a reduction in value put in for new areas?—Yes.

46. Have you any knowledge of how the Reporoa settlers are getting on?—Well, a good many of them have motor-cars and wireless, and that sort of thing. That looks as if they have got money from somewhere.

47. *Mr. Makitanara.*] You live at Reporoa?—Next to Reporoa. We used to have Reporoa.

48. You did all right there?—I did a lot of work.

49. But you made a lot of money?—I spent twenty years of the best part of my life there before we got interest on our money.

50. You are well provided with roads?—They are not bad now. You could not call them good roads, but they are not bad.

51. Are not all the farmers in Reporoa doing well?—They do not say so; they say very much the other way.

52. Why do they not get off.—They say the Government put them there, and they have got to stay; but, as I have said, a few of them have motor-cars, wireless, and so forth.

53. What is your distance from Rotorua?—Thirty miles.

54. *Mr. Kyle.*] You say that many of those who have sections have put in for others that have been abandoned?—Yes.

55. Is that attributable to the fact that their holdings were too small?—I do not think so. Most of them have plenty.

56. What sized areas have they?—I do not think there is anything as low as 50 acres. About 80 acres is the usual thing.

57. *Mr. Semple.*] Do you confirm the statement made by another witness that 50 acres of this land, well cultivated, would be a sufficient holding?—I would not put a man on 50 acres. I would put him on 150 acres to start with. Perhaps 200 acres would be better. As his family grew up he would probably cut it down, and put some of his family on part.

58. You have also made a statement that this land is capable of settling thousands of people: do you confirm that?—I go a good deal further: I say that it would settle all the unemployed if properly handled.

59. You heard my question to other witnesses about the unemployed being put on the land to get it in order?—That is the only sensible way of doing the thing.

60. You think it is a good idea?—A very good idea.

61. How about water on the plain?—There is water on the plain, but in some parts there is no water.

62. In the parts where there is no water, would there be difficulty in getting it?—No. On the highest point of the plain there is a spring which you could run each way by irrigation. The Forestry Department sank and did not get water, but I do not know whether they tried in the right place, or how deep they sank.

63. Had you any previous experience with pumice land before you settled on the area?—I have been there twenty-five years.

64. You are satisfied now, with your experience of the pumice country, that it can be utilized in the interests of the community?—Certainly. It is the easiest country to break in in New Zealand, and the best country to settle.

65. And it is useful for fruitgrowing purposes?—Yes, for everything.

66. What do you grow?—All kinds of fruits. I have taken the first prize in the Waikato Show twice for apples.

67. How about small fruits?—They do well. Currants do especially well.

68. You are satisfied, then, that it would be a good thing for the State to continue that railway, with a view to closer settlement, for the purpose of settling the unemployed?—That is what I consider a railway is for—to settle the country.

69. Do you suggest that it would be better for the State to settle this land rather than pay big prices for other land?—There is no comparison, in my opinion, between the two. You can settle the land more cheaply, and put a man on it and give him a better chance than he would have on improved land.

70. You mean that there would not be a repetition of our soldier-settlement trouble?—Certainly, if it is properly supervised.

71. You heard my question about lectures: would it be wise to carry on study circles, and teach the men the scientific side of the business?—Yes; the more they learn the better.

72. You think it was a great mistake for this railway to be stopped?—I do.

73. Your confidence in the pumice land is based upon your actual experience?—Yes; I have settled dairying-people on it myself.

74. And have they done all right ?—Yes. My experience is that it costs about £1,000 to start a man and give him all he requires—cows, plant, and everything. One man has been paying me £300 a year, and he has done well himself.

75. After you have used fertilizers in the first place, do you repeat using them ?—The more you use the better.

76. Does the land demand that you use a lot of fertilizer ?—The more the better. The more you put in, the more you get out. The main thing for the pumice area is cheap manure.

77. And the railway-line would give you that opportunity ?—Yes.

78. Have you seen the prison farm ?—I saw it before it was broken in.

79. Do you believe that the cultivation of the land would in time get rid of the stock-sickness ?—I do. It is just a matter of time.

80. You think the real cause of the sickness is the low state of the country ?—The only sickness we have had is with the lambs. There has been none with the cattle or the grown-up sheep.

81. Where do you get your fertilizers ?—From Auckland—by rail to Rotorua, and carted out by lorries.

82. Do you think that by getting it by rail it would be more economical than in the way you get it now ?—Certainly.

83. It would reduce the cost considerably ?—It would.

84. What do you pay for bringing it in ?—I pay £1 a ton for the carriage of manure, and £1 10s. for other goods. It has never been as cheap before. It used to cost £4 for the thirty miles. It has dropped materially in the last year or two.

85. You think it would drop considerably more if you had the railway-line ?—Yes.

86. In view of the fact that you could pay as much as £4 a ton for carrying out your manure, you are convinced that other people, who would get their manure cheaper by a railway-line, could not miss making good ?—Cheap manure is the main thing towards success.

87. My point is that you were able to pay £4 a ton on your manure ?—Yes ; we managed to exist, and we are still there.

88. The point is that you paid that £4 when you were struggling on your farm—isolated, away from everywhere—practically segregated from civilization, and burdened with that cost. Now, if you got a railway-line, the cost of your manures would come down to the lowest possible cost, and with the opening-up of the country through the railway you affirm that it would be impossible for a man who wanted to make good to fail ?—Yes, certainly.

89. If you made good under the circumstances you had, you say that with all the facilities of the railway-line other men could not miss ?—That is so.

90. *Mr. Lye.*] What are the prime factors that have kept back the settlement of this undoubtedly large area of land ?—Prejudice, and lack of access. It was the case of the dog with a bad name.

91. Do you think that in the past they did not appreciate the value of fertilizing the land ?—That is so. I always reckoned, from my Canterbury experience, that it was waste to use manure, but it is the other way about.

92. The valuers of the past have not had a full understanding of the value of fertilizers ?—That is so.

93. And that is reflected in their difficulties in recent figures ?—Yes.

94. Would you go so far as to say that this land cannot be brought into settlement without the railway ?—I would not say that ; but it could not be brought in as economically as with a railway.

95. Would a first-class road through the area promote settlement ?—Certainly it would help, but the railway would help more.

96. *Mr. Makitanara.*] You say that to make settlement a success the land should be broken up by the Government before closer settlement ?—That is my idea. The land should be broken up before putting the settlers on it, under proper supervision. So few men know how to break in new land.

97. If such a course were adopted, could it not be done with the present road ?—It could be done, but it could not be done economically. I went there when there was no road and managed to exist.

98. *Mr. Samuel.*] What is the cost of sending goods by rail from Auckland to Rotorua ?—I cannot say.

The Chairman : Perhaps Mr. Roussell can give us that information.

Mr. Roussell : Taking the average general merchandise, the rate from Auckland to Rotorua is £3 7s. 9d. per ton.

Mr. Samuel : Supposing the railway went through from Rotorua to Reporoa, what would be the extra cost from Rotorua to Reporoa ?

Mr. Roussell : The actual cost would be 7s. 4d. per ton.

Mr. Samuel : As against £1 10s. by road ?

Mr. Roussell : Yes. I could quote the comparative rates on manure. I propose to do so when giving my evidence.

99. *The Chairman* [to witness] You told us that about 1,000,000 acres would be served by the railway. Roughly, how far on each side of the railway did you take in ?—I was taking the area between Rotorua, Waiotapu, and Taupo and the Atiamuri Road as one area—about two-thirds of that. Then, there is the Waiotapu Valley.

100. In that area of about 1,000,000 acres have you any idea of the area that is planted in Government or privately-owned forests, or company-planted ?—I do not know the exact areas, but there is a good deal of it.

101. Would you say half of it ?—Nothing like that.

102. Well, one-third of it ?—I would not say there is that. A good deal of it.

103. When did the balloting you referred to take place ?—Within the last month or two there were one or two sections.

104. You said that some already on the land were going in for more ?—Every ballot in the last three or four months has been all the same.

105. When was that ?—About a month or so ago—the last section.

106. What do you consider it would cost per acre to bring in the land by employing men in the way suggested by Mr. Semple ?—The same as in any other way—about £5 an acre for the first breaking in. I have had it done by contract and by day labour, and the result has always been about the same.

107. It has been stated that it would cost between £6 and £7 an acre to bring in the land ?—That is the permanent second pasture.

108. Do you think it would be brought in for that ?—I think so. I have used largely Native labour.

109. Leaving out the question of development, do you think the railway, as a railway, would pay working-expenses and 4 per cent. interest ?—I do not say it would pay immediately it was put through. It would certainly be a paying proposition from the settlement it would induce and from the service it would give for the forests.

110. You say you have put some men on the land on the closer-settlement principle ?—I have a man working now on the land, and he is doing well.

111. How far are you from the railway ?—Thirty miles.

112. If that man can do well without a railway, why cannot others ?—Perhaps he had extra good terms. Any one can do better with a railway.

113. Is he not thirty miles from the railway ?—I do not say it is impossible for one to do without the railway. One man can make good where another will make a failure.

114. Could you get your fertilizers any cheaper from Rotorua by rail than now ? Is it possible to get them better than you are now getting them ?—We get them as cheap as we can.

115. Suppose you purchased them in Rotorua ?—But they would have to come from Auckland, anyhow.

116. My point is that a railway already exists : you get the benefit of the railway from Auckland to Rotorua ?—Certainly.

117. You have told us that you were doing very well when you were paying £4 a ton on your fertilizer ?—I have said that we managed to keep going.

118. Kept going all right ?—Well, I have kept going all right.

119. My point is that the fertilizer is there—that you have got what you expected ?—I have only started to use fertilizers.

120. Is the fertilizer factor a very big one, seeing that you did all right when you were paying £4 upon it, and now it is costing you £1 ?—I do not know about it being all right. We kept going, anyhow.

121. *Mr. Semple.*] As to the question of the railway paying, I suppose you know that very few railways pay at the start. The question is whether the railway will pay the nation later on, by settling a multiplicity of people on the land ?—It would pay the country in that respect. We want the country settled.

122. Do you not think it would reduce the cost of preparing the land if you employed teams of men on certain areas, and gave them the modern equipment for doing the job, such as tractors, and that sort of thing ?—Certainly it would cut down the cost. It would depend upon the management.

123. Would not mass action, well organized and well equipped, bring down the cost, as against men struggling on their own ?—Certainly it would. Mass settlement would make it cheaper, of course.

124. How much did you say your land cost you per acre to prepare ?—£5 an acre, first furrow.

125. And you agree that the methods I am suggesting would bring down that cost ?—Yes.

126. As to the road, I understand that one of the main difficulties of the farmer is getting his stock to the market. Would the establishment of a bitumen road increase his difficulties ?—Very much so. It would be necessary to have a stock-road as well as the bitumen road, I reckon.

127. Is not that going to interfere with the value of the stock, and add to the difficulties of getting it to market ?—Yes ; it will be very dangerous.

128. And the farmer would be the loser all the time ?—Yes.

129. Is it not desirable to put the railway in so that not only one farmer will make good, but that every farmer will be assured of success ?—Yes, from the start.

130. If, then, farmers in general make good from the start, will not that have a corresponding influence and benefit to the nation ?—Yes.

131. Because the farmer will be producing to his full capacity "from the jump" ?—That is so.

132. *The Chairman.*] Are there any farmers who have been in the district for a considerable number of years ?—Only Mr. Vaile and about half a dozen others.

133. Have many gone off because they have failed ?—Only one or two soldier settlers.

134. It has been a case of every one doing well ?—Yes ; and when they do go away they come back again.

135. *Mr. Semple.*] If the majority of the men who have gone on the pumice land have done well under difficult circumstances, surely that argues in favour of giving facilities for many thousands to make good ?—Certainly. They will get their land cheap in the first instance.

136. Even if they pay more for the land than you did when you went on, with the increased facilities they can afford to pay more ?—Yes. I do not see how mass settlement on pumice land can be a failure, if it is properly managed.

137. *The Chairman.*] Irrespective of the railway, it would be a success under good management ?—I should say so.

H. M. MARTIN further examined. (No. 8.)

1. *The Chairman.*] I understand that you are now prepared to give the Committee a more detailed statement of the expenses and receipts from your farm?—Yes. I have in my hand the returns from the New Zealand Co-operative Dairy Co., which I supply from one of my farms, for the last two seasons. The area of this dairy-farm is 224 acres, and the returns are for the season 1927–28, which, I may say, was a rather dry season. The total butterfat I supplied was 27,156 lb., which returned me for butterfat £1,936 14s. 8d. For pigs fattened off the skim-milk I received £205 3s. 5d. I also reared eleven heifer calves, which should be worth £4 or £5 each. The herd comprised about one hundred cows. Of these ninety-nine were tested, and the Herd-testing Association's returns were 298 lb. of butterfat. This was from ordinary country in the Rotorua district which has been broken in for eight years. I bring these figures forward because there is a general impression that Rotorua land is almost worthless. I am glad to say that that impression is being broken down. The figures that I submit prove that in 1928–29 I supplied 25,000 lb. of butterfat from the same farm. I can give the costs of running the farm. I have had considerable experience in taking out costs. These 224 acres cost me £4 an acre, unimproved. The improvements upon it are valued at £3,584, making the capital value £4,480. I have one hundred cows, which gave me in 1927–28 27,000 lb. of butterfat. The receipts from that butterfat were £1,936 14s. 8d. For pigs sold I got £205, making the total receipts £2,141 14s. 8d. I value the cows of the herd at £1,200; three bulls (£20 a head) at £60; four horses (£25 each) at £100; five sows and one boar at £30; and implements and machinery at £400. That gives a total of £1,790 as the costs of the stock, implements, and machinery. I put down 5 per cent. interest on the capital value of the land at £224; stock and implements, £98 10s.; rates and insurance, £30 16s.; manure, £250; seeds, £30; cartage on butterfat, £94 7s.; replacements (ten cows), £120 (eleven heifers were placed in the herd, and these I have not allowed for); incidental, £10; depreciation, £144 10s.; power, £30; labour, £400; value in labour of growing hay and turnips consumed, £173: that makes a total of £1,586 3s.; and I had a profit of £555 11s. 8d. after allowing for those expenses. There are thousand of acres round about the district that could be treated in just the same way. No special knowledge would be required—just ordinary farm practice—to produce the same result.

2. *Mr. Samuel.*] Having done this at Rotorua, and having knowledge of the land of the Taupo country, you say that in your opinion that country would give similar results?—Yes, if they had facilities for working it.

3. Supposing that a block of 200,000 acres of Taupo land were taken in hand by the Government for experimental purposes, and that on that block a gang of men were put to road, clear, plough, disk, and fence it, and erect necessary buildings, and that the block was divided into sections of, say, 100 acres, that these men were paid wages while at work, and that they were given the opportunity of taking up the sections, charging to those sections the expenses that had been incurred, would not those men be ready to start in and make a living for themselves and their families?—Yes, under good supervision; but we must have supervision. I am quite sure that if one were allowed to select an area in the district, that could be done quite easily.

4. What kind of an area?—I should want it to be all ploughable.

5. My idea is that on such a scheme, the Government in the first instance paying all expenses, those farms would be ready for immediate occupation and an immediate return, and that the capital cost of the land would be so reasonable that every one who had the necessary knowledge would be able to start straight away?—That was my idea—to do the work by mass production, and have the land in such a state that men would be able to go on it and make a return straight away.

6. *Mr. Semple.*] I think you will agree that the question of supervision matters most?—Yes, it is very important.

7. Would you favour supervision by men who have had previous experience on pumice land, or by some one who may be sent by the Lands Department?—I think a man who has had experience would be preferable—a man who has had experience on pumice country. I have nothing to say against the officers of the Lands Department—they would be of great assistance; but if you come to "tin tacks" a man who has had to make his living on the country would be more suitable than a man who has only theory.

8. No one could supervise the work effectively except one who has been through the mill?—I do not say that altogether. A good practical farmer, I should say, would be 75 per cent. as good as the man working on that land.

9. But a practical farmer with other experience on the land at Taupo on top of that would be preferable?—Yes.

10. A man who has gone through the mill, and understands pumice land, would give more effective supervision than a man who had had greater experience, making mistakes which could be avoided?—Yes. You would save an immense amount of money through that system.

11. You are satisfied that applying mass action on this land, with modern methods of doing things, would bring down the cost?—Absolutely, under good supervision.

12. How long have you been on the land?—About thirty years.

13. You have made good under adverse circumstances?—I started with nothing. I had just been working in the bush and on stations.

14. In view of the fact that you and others have made good under those circumstances, would there not be very few failures under favourable conditions?—I can say conscientiously that I know of no experienced man going back on that land. They have gone ahead every time.

15. Do you think the development of the portion of the pumice area where there is sickness among stock would minimize the sickness, and eventually wipe it out altogether?—I think it would very largely wipe it out altogether. In the early stages of the breaking-in of Matamata the managers had

to contend with very great difficulties in handling sheep. Sheep did not thrive there. But when closer settlement took place, with cultivation and fertilizing, that disappeared altogether. There is now no trouble there at all.

16. You feel that the same results would come at Taupo ?—I think so.

17. What is your opinion about the land from the sheep-farming point of view ?—I think it is essentially cattle country, but there are portions of it quite good for sheep.

18. You know that the prison farm has taken prizes for lambs ?—I understand so. I am not acquainted with any of the land south of Taupo.

19. If it was confined to cattle country it would pay to develop it ?—Yes. It is absolutely dairying country for small settlers. Dairy cows would be the chief occupation of farmers there.

20. You are absolutely convinced that a mistake has been made in stopping the Taupo Railway ?—I think the railway should have gone on in the interests of settlement. I do not think that area will be successfully settled without a railway. The settlers will be handicapped with motor-lorry freights, even though a good road is put in; and I feel certain in saying that even if a road is put in, a railway will go in, because motor-lorry traffic as we know it to-day cannot carry fertilizers and other materials for breaking in country as cheaply as a railway can. Further, motor-lorries cannot shift timber as cheaply as a railway can; and the timber in the area will have to be shifted in the near future—I think that is unquestionable.

21. Do you think it would be more profitable from the State point of view for the Government to tackle a problem of that kind, which has proved profitable to those who are settled in the district, than it would be to pay large sums of money for land ?—I think it is a mistake to buy improved farms. I have never done it, and never encouraged my boys to do it. It is far better to take up raw country and break it in; far better still if you can induce people to settle on land by getting it ready for them, so as to give them a good start.

22. *The Chairman.*] You have been in the district for thirty years, and you say that what the settlers need is the railway ?—Yes.

23. If a road were put in, would they not be in a benefited position ?—Yes, to a degree.

THURSDAY, 19TH SEPTEMBER, 1929.

EDWARD EARLE VAILE further examined. (No. 9.)

1. *The Chairman.*] Mr. Vaile, do you wish now, before the Committee hears any other evidence, to tender the balance of your evidence ?—Yes, subject to your approval.

2. We want to meet you on the point; if you prefer to do so, we have no objection. Will you therefore proceed ?—I would like, first of all, to repeat the invitation which I gave to you briefly last night, to visit the district, because we want every one to have as complete a knowledge as possible, and we want to dispel any prejudice that may exist against our district, and to let you see the country for yourselves. Unfortunately, this is one of the worst months in the year for visiting the district. However, the country is there and we cannot bring it to you, but if you will come to it we will make you welcome. We cannot do you perhaps as well as the Grand Hotel, but we will make you welcome, and we will see that you do not perish from cold or hunger, so that if you will honour us with your company we shall be most delighted.

3. Thank you for the invitation, Mr. Vaile. It is a matter upon which I will have to confer, to see whether we have the power to visit the district; and then the matter will have to go before the Committee. The invitation will have our careful consideration.—I thought that perhaps if the matter were treated as an individual invitation some of you might care to leave to-morrow evening, which would give you Saturday and Sunday there.

4. Unfortunately that would not suit me, as I have another engagement in the Wairarapa at the week-end.—Then, anyhow, I hope you will not regard it as a formal matter, but as a cordial invitation. Now, may I ask if there could be obtained from the Railway Department a return of the manures received at Matamata last year, and at Rotorua.

The Chairman: Yes, you may ask that, and I will submit the request to the Railway Department. As I stated before, it is not for any Department to put in any evidence unless the Committee resolves that it wants evidence of the kind, but it will be submitted to the Minister, and I will put it before the Committee.

Mr. Samuel: It is a matter for the Committee, and not for the Minister.

The Chairman: But in all cases, even in the House, the Minister has the right to refuse to lay a paper on the table.

Mr. Samuel: If it is a departmental paper that is so, but if it is information required by a Committee, you will notice that the constitution of every Committee gives its power to call for persons and papers.

The Chairman: That is so; we have absolutely unfettered power in that respect.

Witness: Sir, upon the last occasion I offered to give a written offer of my property to the Government at its present value. This is it [produced and handed in—Exhibit 2]. Then, this [produced] is a map taken out of the ordinary Railway Guide, and I want to draw your attention to the fact that in the whole of the centre of the North Island there is no adequate means of communication, either by land or by sea. If that land is worthless it is useless putting communication into it, but if we show you that it is valuable country, then I say it is so great a national loss if it is not opened up that it amounts to a crime. First of all, I would like to say that the State forests approximate to this railway comprise 210,000 acres. They join the railway at many points, and extend roughly to

the Rangitaiki River, about fifteen miles east of the railway. I understand that of the State forest area about 140,000 acres are planted, but the departmental officers will be able to say exactly what is the area.

Mr. Hanson: Make it 130,000 acres.

Witness: Well, the whole of the balance is to be planted within about two years. Private companies: The Afforestation Proprietary, Ltd., on the route of the railway, 25,000 acres: that is on both sides of the railway. They have 10,000 acres planted. They are prosecuting their planting very rapidly, but I cannot say when it will be finished. The New Zealand Timberlands, 5,000 acres, of which 3,000 acres have been planted. Kaingaroa Syndicate, Ltd., 8,450 acres: this is largely planted, but I cannot give you the acreage planted. Timberlands, Ltd.: This is a company distinct from the New Zealand Timberlands. It holds 41,240 acres; it is an Australian company. Its holding is about fifteen miles east of the railway. It is largely planted, but I cannot give you the exact area. Then there are two other companies holding areas further away. There is Matahina, 19,000 acres, and Edgecumbe, 24,000 acres. These lie about twenty-five miles east of the railway. Of course, there are smaller areas of private plantations, such as my own. I have about 300 acres which I have planted myself. My experience of the growth of timber there is that it is very rapid. I have myself built an out-building from timber milled out of trees grown in fourteen years from the seed. The ground-plates are from *Eucalyptus globulus*—that is, ordinary blue-gum; the boarding is 12 in. by 1 in. *Pinus insignis*, grown in fourteen years. But that is not possible in a plantation where the trees are planted only 8 ft. apart, because the roots are soon in competition. These were planted out in a paddock by themselves. With regard to the immature timber in the Government plantations about which we have heard, I want to suggest that that timber is very useful for fruit-cases, small-size timber battens, scaffolding, telephone-poles, fencing-rails, and fencing-droppers. There is a large market for that. It can be used also for mine-props and firewood, besides the use of it for pulping. I may say that my neighbours have used the larch poles for their telephones and for their stock-yards with great success, and those poles strapped on to totara posts in the ground have outlasted the Australian hardwood poles imported at great expense. Some years ago—on the 16th November, 1921—I inspected a plantation at Matamata planted by the late Mr. Firth, and then being milled by Messrs. Cashmore Bros. From an area of between 20 and 24 acres they had then cut 2,250,000 sup. ft., and they estimated that 250,000 ft. were left. The trees were of great height, straight, and remarkably free from knots. They had cut trees with up to 140 ft. of milling length, and 4,000 ft. from one tree. I went through their books and took out the average of nineteen trees, and the average content was 1,332 ft. Those were trees just as they occurred in the book. Eighteen selected trees which I took out averaged 2,191 sup. ft. to the trees. I measured the distance between the stumps and found they had been planted 15 by 10, 12 by 12, and 10 by 6. The age-rings showed them to be between forty and forty-seven years old.

5. *Mr. Jenkins.*] What sort of trees were they?—Half the plantation was *Pinus insignis* and the other half was *Pinus maritima*. The timber was beautifully straight. I have never seen a finer sample than the flitches cut out of this bush. In Mrs. Storey's bush, near to Hamilton, the trees were planted about 1870 by Captain Claude. The area is 7 acres. The quantity of timber was 600,000 sup. ft. Besides that, there was 200,000 ft. taken for firewood. Some of those trees yielded 5,000 sup. ft. per tree. I may say, further, that this timber was cut for the inside decoration of the Farmers' Auctioneering building; it was polished, and it has a remarkably handsome appearance. Now, this is a telegram from Christchurch, published in the *N.Z. Herald*, dealing with *Pinus insignis*: "*Pinus insignis*, in spite of the many criticisms made of it, has some strong supporters among members of the Christchurch committee of the New Zealand Forestry League. At a meeting of that body instances were quoted to show that *Pinus insignis* is a valuable timber. Some which had been grown at Pigeon Bay gave a return of £700 an acre, less cost of milling and marketing. One member said he had found the timber grown under proper conditions quite durable and satisfactory. Houses built in St. Leonard's district twenty years ago were in better condition at present than buildings of the same age constructed of rimu." With regard to the other timber available in the district, at the present time timber is being brought down to the Rotorua Station from the Waikare Bush, both sawn timber and posts and sleepers. I may say there is a traffic of twenty-seven motor-lorries on the Rotorua–Taupo Road at the present time.

6. How many of them are carrying passengers?—None. These are motor-lorries bringing native totara from the Waikare Bush.

7. Are they 3-ton trucks?—No; the authorities will not let them run on that road. These trucks take a 1½ tons load. They can operate with nothing but the best heart totara; all the secondary timber is being left in the bush.

8. *Mr. Semple.*] Is that because it will not pay them to bring it out?—Yes, and because of the restriction on the load; that is a great trouble. The distance to Waikare Bush from Rotorua Station is between fifty and sixty miles: that is the distance the timber is being hauled.

9. What is the estimated quantity of timber in the bush?—The Natives do not know, and I am sure I do not know. Another bush being worked is at Te Whaiti, in the Urewera; that is about fifty miles from Rotorua Station. I have here a letter from the New Zealand Co-operative Dairy Co., Hamilton, dated 16th September, 1929, which reads—

DEAR SIR,—

In reply to your letter of the 12th instant, it is estimated that there is about 70,000,000 sup. ft. of white-pine timber in the block at Te Whaiti from which we have recently commenced to draw supplies. In addition to the white-pine there is 30,000,000 sup. ft. of building-timber—viz., rimu, matai, and a sprinkling of totara.

At the present time we have over 300,000 sup. ft. of sawn white-pine stacked and filleted at the Te Whaiti Mill awaiting delivery. The whole of this timber is required for the manufacture of containers for butter and other dairy-produce.

Owing to the authorities declaring the Te Whaiti – Galatea – Rotorua Road a fourth-class road with a maximum load of 4 tons including weight of vehicle, we have not been able to obtain delivery of this timber. Owing to the long road haul the contractor finds it impossible to cart profitably, as the load restrictions preclude him from carrying a load of 1,200 sup. ft. white-pine.

Our annual requirements of white-pine, used exclusively in our own organization, are 6,000,000 sup. ft. This timber is becoming increasingly scarce. The writer has spent considerable time and made numerous inquiries during the last two years with a view to securing adequate bush for future requirements, but outside the present holding at Te Whaiti he has been unsuccessful.

Unless the Government is prepared to assist us by making the roading conditions easier it will mean that in the very near future we shall be compelled to seriously consider the question of the use of imported shooks—viz., American spruce and Baltic pine. This will have very far-reaching effects on industry, and will aggravate the question of unemployment. It will mean that a great number of wage-earners will have to be dispensed with. The imported shooks would come to hand ready for nailing.

A very considerable sum which is now circulated in this country in the way of timber royalties, sawmill wages, cartage charges, railway freights, stacking charges (at our Frankton yard), and box-factory wages would be lost to the Dominion, and a huge sum would go to foreign countries annually for the purchase of the boxes in shook form. The latter, of course, will be an irreparable loss.

Our present contract for timber from Te Whaiti is for 1,000,000 super. ft. per annum. This timber will be railed from Rotorua Station to Frankton Junction. The railway freight is 4s. 2d. per 100 ft., which on 1,000,000 ft. amounts to £2,083 6s. 7d. In all probability we shall be drawing 4,000,000 to 5,000,000 ft. per annum from this source within the next two years, providing obstacles are not put in our way.

We trust that if these figures do not enable you to succeed in your efforts, that they may at least be the means of persuading the Hon. the Prime Minister and the Minister of Industries and Commerce to use their endeavours in persuading the Main Highways Board and the Public Works Department to ease the prohibitive restrictions they have placed on the use of the roads for the carting of timber.

That letter is from the New Zealand Co-operative Dairy Co. at Hamilton.

10. *Hon. Mr. Ransom.*] What road is that to which they refer?—The Rotorua – Galatea – Te Whaiti Road. Now, sir, the yield of planted timber has been variously estimated. The Department has made different estimates exceeding 100,000 ft. to the acre; on occasions it substantially exceeded 100,000 ft. to the acre. But between the private plantations and the Government plantations there will be, within easy reach of this railway, 300,000 acres of planted timber. Now, with a thirty-year rotation, and an average yield as low as 50,000 ft. to the acre, that would give an annual cut of 500,000,000 ft., besides the thinnings. At 75,000 ft. to the acre it would give 750,000,000 ft. per annum. Or, if we take it at a forty-year rotation (which would be my own idea of it), at 100,000 ft. to the acre that would give 750,000,000 ft. per annum, or double the cutting of all the mills in New Zealand to-day. If that does not justify the railway, I do not know what will.

11. *The Chairman.*] 750,000,000 ft. per annum—is that from now on?—Oh, no.

12. Eventually?—Eventually, yes.

13. *Hon. Mr. Ransom.*] When do you estimate this will come in?—In my opinion, in about thirty years from the planting. Of course, the planting has been done at all sorts of odd times. They began from about 1900, and at first they planted small areas, gradually increasing their planting, until last year, I understand, that something like 40,000 acres were planted in one hit. The Government plantations contain not a great deal of *Pinus insignis*. The more recent plantations consist of Oregon pine, which is supposed to be the most valuable timber in the world. Tens of thousands of acres of Oregon pine are growing on the Kaingaroa Plains. The growth is very rapid. It has been estimated that the growth of timber on the pumice area is greater and better than in any other part of the world. It has been well established that the growth of the tree depends not so much upon the richness of the soil as upon the range of the roots; and the pumice is so free that they can travel where they like. Now, it is estimated that the native forest of New Zealand, for all practical purposes, will be exhausted in twenty-five years, and of course the exhaustion is beginning now. In this letter from the New Zealand Dairy Co. you can see what difficulty they had in locating white-pine at all. We are already beginning to feel that our timber is done. The kauri is done and the kahikatea is nearly done, and in twenty-five years the native timber will have disappeared. This pumice country, as any one may observe, naturally clothes itself with timber. Our great enemy is fire. Some person may light a fire under a billy, or for the sake of seeing a blaze will set fire to the scrub, and the fire is carried over thousands of acres in the summer-time, and kills all the native bush coming up. But if you come up to Waiotapu I will show you a portion of the country which has escaped the fire, and is now coming into native bush. All over the Kaingaroa Plains, and around Wairakei, the land is being naturally covered with pine-trees without the expenditure of one penny. There are many savings with regard to planted timber. Bush is being worked in New Zealand yielding only two or three trees to the acre; but in planted bush the trees are all properly spaced, and in that way you get the maximum yield, which will go up to 150,000 ft. to the acre, and your trees are a uniform size. Your machinery need not be adapted to cut a log of 7 ft. and then another 1 ft. Your logs come in uniformly. There is an immense amount of timber within reach of your hauler. Then again, the permanence of the traffic is assured. Even if there is no further planting, the natural regeneration of pine-trees in that country will give a continual supply for all time. It is not to be supposed that this country which is going under forestry is a loss to the railway—far from it. That forest, properly looked after, will support nearly as much population as farming. As a farmer I regret to see so much available land go under trees, but it is by no means a waste, and the population supported by a properly worked forest is not very far short of that supported by farming the same area. When once they get to the milling stage the population will be greater, and if it is desired to resume the land for farming after it has been under forest it will be found that the land has been vastly improved by the presence of the trees. When I was up there lately there was a depth of soil accumulated on top from the detritus of the leaves as great as 9 in. or 10 in. And one great beauty of this country when planted in forest is its great availability: there is no difficulty in getting the timber out. The Afforestation Proprietary, Ltd., estimate the cost of the formation of their roads 22 ft. wide at £12 per mile. That is the cost of formation apart

from the cost of clearing. Now, the Royal Commission which inquired into this question in 1921 was given evidence by the Forestry Department to the effect that tributary to this railway were 161,769 acres of native forest, all Crown-owned except 34,064 acres. The Department's estimate of the yield of these bushes was 4,000,000,000 ft. — it is quickly said, but it is the largest block of timber in New Zealand to-day. The Forestry Department has stated repeatedly that the centre of afforestation exploitation is moving towards the heart of the Island. In the Forestry Department's report for 1921 they say that the spread of fire, due in a great measure to the occupied land, is a great danger. That is quite true, but if the land is occupied and put into grass the risk of fire is vastly reduced. That is all I propose to say on the forestry question. With regard to my own efforts in that country, I took up my land there in June, 1907, and immediately proceeded to work it. At first I attempted to work it with "mismanagers," but I soon found that would not do, and I had to go up myself, and I have been there ever since. I cannot profess to have made a fortune there, but I have fought a very good battle against all sorts of difficulties, and almost opposition. I can honestly say that I have never received one farthing of assistance or encouragement from the Government. When I wanted to put in a telephone there, the opposition I had from the Public Works Department would make a man cry. I carried on a great deal of experimental work, and I think that the knowledge I have acquired is very valuable. I can say with a fair amount of certainty in what manner the various classes of soil should be treated. I have ploughed 1,700 acres of land: all that land has been ploughed at least twice and put into grass. I have built fences which would extend from Auckland to Mercer, enclosing 15,000 acres. I have sold 5,000 acres, and I have now 10,000 acres, fenced into forty subdivisions—nearly all eight-wire fences. I have found that the grass in this area naturally thickens. Of course, if you over-stock it with sheep and do not top-dress, they have a tendency to eat out the better grass and leave the less valuable grass. Cattle are very much better for bringing in that country. But the land can be quickly brought in. We put in turnips and got good crops every time. Scrub country, of course, looks uninviting. The natural condition of scrub country does not encourage a man to tackle it, but I can remember a good deal of the Waikato before it was touched. I remember the Pukerimu district—that was covered with fern 1 ft. high. The first ploughing turned up practically nothing but sand—some white and some yellow. But owing to good farming and manuring that is now one of the richest districts in the Waikato. The bulk of the Waikato is not rich soil. The great bulk of the Waikato soil is derived from the pumice area farther up the Waikato River. I want to confirm the evidence given by the previous witnesses as to the suitability of this country for close settlement and small holdings. It is a great mistake to have this land in large areas. The Government has cut the country into areas of from 10,000 to 60,000 acres, and attempted to let it for twenty-one years, but subject to resumption at a year's notice without compensation. Will any one take up such country under those conditions? There are no small areas to be obtained there. There are some large blocks of private land, although the total area of privately-owned land is comparatively small. Perhaps it would interest the Committee to have some actual figures of the cost of breaking in this country, and I have here, from my books, the figures for two paddocks. One was on heavier land, and was the roughest piece of land I have broken in. This was broken in in August, 1922. The clearing of the land of scrub cost me 8s. 9d. an acre, ploughing down banks 6s. 11d. an acre, burning and stumping 4s. 2d. an acre: that is, 19s. 10d. an acre for preliminary preparation. The ploughing cost 8s. 1¼d., double discing 3s. 11¼d., harrowing, 1s. 3¼d., rolling, 1s. 6d., or a total of 14s. 10d.

14. Was that done by contract or with your own teams?—With my own teams. For manure it cost £1 11s. 3d., seed 2s. 3d., drilling 2s., rolling 1s. 1d.: that is, £3 11s. 3d. for my crop of swedes. Now, here is another paddock, put down in March, 1922. This is a paddock of very light pumice land, consisting of 53 acres ploughed after turnips. The ploughing cost 5s. 3d., discing 1s. 10d., harrowing twice 1s. 10d., rolling twice 2s. 2d., mixing seed and manure 2s. 6d.; total, 13s. 7d. Manure at two hundredweight to the acre cost £1 1s. 4d.; the seed, including a bushel of rye-corn, £1 18s. 6d.: total cost, £3 13s. 5d. per acre for the new grass. This last year my crop of swedes, 81 acres with 3 cwt. manure—two thirds superphosphate and one-third blood-and-bone—cost me £2 15s. an acre. That land was ploughed out of grass. This is the most cheaply worked land in New Zealand, and you can work it when you like. It is an enormous economy to a farmer if he knows he can work his land whenever he wishes to. If you have country which gets too hard or too sticky for ploughing it is a serious drawback. I would like to instance my experience of other despised areas. I was for twenty-two years in the land-agency business. It was in 1887 that I entered my father's business, and at that time and for long after the Waikato was considered to be quite worthless, and if you offered Waikato land to a southern buyer he would eat you alive. You could not induce a man to take it. But take the land upon which the great Matangi Factory stands: I sold it, fenced and in grass, but without grass, at £2 an acre. The Brierley Estate—541 acres, with a house that cost £1,000 to build, and 270 acres fenced and in grass—I sold at £2 10s., 5s. down and the rest at 5 per cent.; and another area alongside comprising 340 acres partly improved at £2 5s. per acre. That was about twenty-seven years ago. There was also the Karaka district. I have sold land there for 1s. an acre, and Mr. Williams bought land there for 10s. per acre. He spent about £1 an acre on it and sold it to the Friedlanders for £4. It was thought that they were "caught," but they spent about £2 an acre on it and sold the bulk of it for £20 an acre. That shows that simply because land is not esteemed it is not proved that it is not worth anything. At Karaka there was a man who had 3,300 acres valued at 10s. He wanted a loan of £3,000, and everybody turned him down. He came to me for a loan, and personally I had not much respect for the Government valuations. I think I know more about it than they do. I went up and looked at the country and lent him the money. He asked for another £300, and I gave it to him. Shortly afterwards I sold the land for him for £9,000. Gentlemen, we court inquiry in regard to this district. We want you to come to see it. We have

everything to gain and nothing to lose by the fullest inquiry into this matter. But we do object to people coming from totally different country and condemning it. We want experienced men from the Waikato—some of the men who had the task of breaking in the Waikato country. I had a gentleman up there from the blue-papa country, and he compared everything I showed him to his blue-papa country. I said, "You are too aristocratic, with your blue papa." This is a working-man's country. I want to say that 1,000 acres of the Waikato or this class of country supports a larger and more vigorous population, and yields more wealth, than 10,000 acres of your blue-papa country, carrying, as it does, only a boy and a shepherd and ten thousand sheep. Now I want to quote some figures to you. The Ngongotaha Butter-factory began operations in 1912 with an output of 45 tons; in 1913 their output was 42 tons; 1914, 62 tons; 1915, 93 tons; 1916, 127 tons; 1917, 130 tons; 1918, 97 tons; 1919, no return that year; 1920, 116 tons (there was competition from another factory then); 1921, 145 tons; 1922, 212 tons; 1923, 280 tons; 1924, 284 tons; 1925, 355 tons; 1926, 350 tons; 1927, 351 tons. Now, from the Reporoa Settlement, about which you have heard so much, 270,655 lb. of butterfat were sent in last year, and the cash return to the settlers was £20,299.

15. How many settlers?—Thirty-three. I have these figures from the dairy companies: there is no question about them. Besides that, they have their pigs and their crops, and they are living upon the land. This is country upon which a man can practically provide food for his family from the land.

16. What is the size of the farms there?—About 150 acres. Now, I have returns from individual herds. Here is a herd of thirty-five cows: it yields 8,500 lb. of butterfat; average per cow, 243 lb. Another herd, eighty cows, 19,000 lb. of butterfat; average per cow, 237 lb. Another herd, sixty cows, 14,000 lb. of butterfat; average per cow, 233 lb. Another herd, 130 cows, 29,000 lb. of butterfat; average per cow, 223 lb. Now, this is new and untried country, and most of the cattle are not of the highest order. Besides those that I have noted in the pamphlet, I have taken the following prizes—1922: Rotorua Show, first for clover hay, first for cocksfoot-seed, first for turnips, second for carrots, and second for beet. Auckland Winter Show: First for sugar-beet, first for clover hay, first for parsnips, second for main crop potatoes, second for carrots. 1923 Auckland Winter Show: First for yellow turnips, second for cocksfoot-seed, first for clover hay, second for carrots, first for beetroot, and first for parsnips. In 1924 the Rotorua district court took first prize at the Auckland Winter Show against great competition. This [produced] is the report of the prizes at the Auckland Winter Show in 1924, and I have underlined in red those exhibits which came from the Rotorua-Taupo district. You will see that a large proportion of them came from there. Several times at the Westfield Market in Auckland I have topped the market with my fat cattle, and on one occasion I topped the market on the same day both for cows and bullocks. The statements and returns which I have given you with regard to butterfat and so forth are not my figures: I have obtained them from the New Zealand Dairy Co. and the Waikato Valley Dairy Co.—they supplied them to me. These letters [produced] are from Mr. Parlane, the general manager of the New Zealand Dairy Co. I have given you the substance of them. While I was in England my attorney wrote me on several occasions after visiting the property, and, writing to me under date 31st March, 1928, he says: "75 acres of new paddock is waist-deep in clover, and so are plenty of the other paddocks. There are seven hundred cattle on the place, all in splendid condition, but there is no hope of their keeping the feed down, although 300 tons of hay is to be saved. The place will easily carry one thousand head. The neighbours are agreed that you should go in for dairying." With regard to the climate of the district, you have heard that partly described. I may say that our enemy, and in some ways our friend, is the frost. It has a very ameliorating influence upon the soil and upon pests, but of course when the frost comes we do not like it. But our climate is not materially different from the Waikato climate—perhaps a little more severe, but nothing to speak of. This winter I have clipped from the newspapers one or two of the weather reports in the Waikato: 3rd August, "Intensely cold weather was experienced in Hamilton yesterday morning, when 16·4 points of frost were registered." 5th July, "A severe frost was again experienced in Hamilton yesterday morning, when 14·2 points were recorded." The previous morning showed 13·6 points. 8th July, "Serious and severe frosts experienced in Hamilton. Thermometer, 13·6°, 13·2 Friday, 13·4 on Saturday." Those may be records in Hamilton, and so they would be in our district. As regards snow, since I have been there snow has fallen twice to a depth of 1 in. The growth there never actually ceases, but it is very slow in June, July, and August, and, in a late spring, such as the present, also in September. It is a wonderfully good climate for nine months in the year: there is no healthier climate in the world. Boys who come to me from Auckland eat and grow wonderfully. One boy put on 5 in. in height in the year. It is certainly a most invigorating climate. It has been stated that our air is like champagne, but it is a good deal cheaper. It is extremely good for consumptives. I have known consumptives come up there, and after living there for a year or two they have been entirely free from the disease. The doctor at Taupo reckons that the slopes of Tauhara would be one of the finest places in the world for a sanatorium. The rainfall upon the plains is shown by the Forestry Department records to be an average of 45½ in. per annum, and at Waiotapu station 47 in. per annum. In regard to the tourist aspect, I want to say that Taupo is the natural holiday place for people who live on the coast. It is better for them to go and take their holidays where they can have the benefit of a change to inland air than on the seaboard, where they get similar air to that on the coast. We have the freshest air and the tourist sights and waters. The soil is always dry underfoot, and there we have one of the healthiest areas you can imagine. At Taupo there is an abundance of mineral waters undeveloped, and hot baths, boating, sights, and fishing which is said to be the best in the world. I have never had time to fish there myself, but I understand that those who do think it is the best sport in the world which they get there. The country abounds in rivers, and there is good fish in them all. If we want to attract and keep the tourist, we must show them

a variety of attractions. It is useless to develop Rotorua by itself: you must have other things to show the tourists. When you come from the great centres of civilization and get as far as Australia you think you are on the outer edge of things, and there are 1,200 miles to be traversed to reach New Zealand. It is useless to say, "There is Rotorua and nothing else"; but if you can say that they can easily go to Rotorua, to Waiotapu—where there is a different range of sights—and from there to Huka Falls and the Aratiatia Rapids, to Rotokawa, and then on to Taupo, to the mountains, and on down the Wanganui River, there is a tourist route without rival in the world. The railway which we are advocating will enable the tourist to make that trip easily and comfortably. The railway has many advantages over the motor for this trip. As a rule the average overseas tourist has a good deal of luggage, and he can take it on the railway but not on the motor. Again, in bad weather the railway is the more convenient and comfortable for travelling on, and from the point of view of invalids there is no comparison. Again, for those who are not over-blessed with this world's goods, it would be far cheaper to go to Taupo in the train than by motor. There are some exceptional features about this country: at Waiotapu and Rotokawa there are great deposits of sulphur. These have been bought from the Maoris, and it has been suggested that they should be worked. Questions have been asked in the House of Representatives about them, and on one occasion the Minister replied that the Crown had bought 1,400 acres at Taupo containing sulphur deposits, but that until there were better means of communication these could not be developed. That was in 1921. In regard to oil, Professor Park made a report in 1924, reporting favourably, and concluded his report by saying that the association of volcanic conditions and oil was well known in some important oilfields. Then there is the question of the use of natural steam. It has been utilized in the United States and in Italy. In Italy there are extensive works, and also in California there are works using natural steam from the earth. In England it has been said that it would pay to sink so far into the earth as to get heat, but in New Zealand we have this vast quantity of power going to waste on the very surface. I want also to draw your attention to the fact that if this railway goes through to Taupo it will tap a great lake with 150 miles of deep water frontage, and from that it would draw immense traffic. I want to say also that a railway to a large extent creates its own traffic, and that is one of the greatest tests of the usefulness of a railway. I can well remember the agitation in Auckland to have the Wellington–Auckland Railway built not down the centre of the Island, but down through Taranaki. There was a cry, "Stratford or nothing." But the Auckland–Wellington Railway has been the great success of railway-construction in New Zealand. People said it would not be a success because it would go through deserts. But those deserts have been created into farms and many prosperous townships—Te Kuiti, Te Awamutu, Otorohanga, Ohakune, Taihape, and so on. These are prosperous towns where nothing existed before, where half-a-crown-an-acre land is now selling for £20 a foot. The measure of the success of a railway is very largely the amount of traffic it creates, and I say that a railway through the centre of the Island to the east of Taupo will develop as great traffic as that railway to the west of Lake Taupo. I have here a few figures giving returns of visitors to Wairakei: In 1927 the total resident visitors to Wairakei was 13,274, but this figure could be increased to quite 30,000 if the day trippers were added. [Exhibit 3.] The people who stay at Wairakei Hotel are only a fraction of the people who go to Taupo. The business is there, and if the railway fails to get the business it is the fault of the railway and not of the country. Also, in connection with the new road which is going through to Waikaremoana, this railway will bring the live-stock from the Hawke's Bay District by that route. It is only about eighty miles from Waiotapu to Wairoa, in Hawke's Bay. At the present time East Coast stock has to travel about 250 miles to reach the Waikato, but this route would enable farmers to truck their stuff and bring it to any part of the Auckland Province very quickly. As to the business already being done, Murupara is forty-two miles from Rotorua Station, and the traffic from that country is coming out by Reporoa. If the railway is brought twenty miles nearer, that will be an added facility, and the railway will get all the traffic, and the traffic for another twenty miles further back. The traffic from Taharua and Loch Inver comes to Rotorua, a distance of about eighty miles. If the railway is taken to Taupo, that will reduce their distance to twenty or twenty-five miles. Their traffic will come to the railway. This railway, in some respects, may be said to be capable of being built without cost. The Crown Lands Department gave evidence that there were 700,000 acres of Crown lands between Rotorua and Taupo, and any settler would give £1 an acre for land with a railway there rather than take it for nothing without a railway. There is no reason why the land should not bear an assessment to pay for the railway, and also the timber. The saving on the freight on the timber from the Mokai Bush alone would pay for this railway and leave £300,000 to the good. That bush alone, apart from the Government plantations, and other native bushes, would pay for it. I may say in this connection that some years ago I went to a good deal of trouble in getting the signature of every white owner of land in the district, and nearly every Native, agreeing to an assessment on the land for the railway, but it was turned down. I think I remarked before that Governments think that the expenditure of £700,000 where there are no votes is a waste of public funds. With regard to the alternative suggestion of a road, I respectfully submit that for the development of an area like this a road is useless, and many respects worse than useless. As far as I am concerned, I would sooner have the road we have at present than have a bitumen-surfaced road. It is a tourist road upon which motors are flying along every five minutes, and it is impossible to move stock on such a road. It is not like an ordinary farmers' road—it is on a tourist route. I would like to see a ditch put across it every 50 yards so that motors could not make their fifty miles an hour on it. The traffic through there is such that before many years not only one railway will be required but several railways. I am informed that the capital cost of this road is going to be as much as the railway, and I say it will be a public crime to spend that money upon a useless road when the same amount will provide you with a first-class railway.

17. *Mr. Semple.*] What is the distance ?—At the last Royal Commission Captain Ellis said there would be a continuous flight of trucks loaded to 10 tons. Mr. Dyson, of the Public Works Department, was asked what it would cost to build a road 12 ft. wide fit to carry that traffic, and he said it would cost as much or more than a railway. Now, imagine yourself with a mob of bullocks meeting on a 12 ft. road a continuous stream of trucks loaded with timber to 10 tons. The Public Works Department now has a fresh estimate made of the cost of the road, and I submit most respectfully that this Committee cannot give a proper decision in the matter until we have that estimate produced, with a reasonable specification to show how wide the road is to be, and what loads are to be permitted on it. It is all nonsense to call it a main road if you are going to restrict loads to 2½ tons. It is all right for the tourist traffic, but it is useless for the settler. The upkeep of our roads is supposed to be small, but it is very heavy. The upkeep of main roads in three years has increased from £51 7s. per mile to £119 9s. per mile: those are main highways, metalled, and surfaced with bitumen.

18. *Mr. Kyle.*] But that includes reconstruction ?—Those are the figures published by the Main Highways Board—I do not know how they arrived at them. In those figures there is not supposed to be construction work, but only maintenance. Now, the average charge per ton per mile on goods all classes and all distances carried on our railways is 2·41d. per mile. As to the charge on the roads, there is no such definite figure available, but the Government Statistician places it at over 1s. per ton per mile. Now, there is one factor which is often not taken into account in this question of competition between roads and railways. As compared with other countries, benzine in this country costs three times what it does in the United States. The truck itself costs twice as much. Spares and repairs cost four times as much. Notwithstanding this competition on the roads, on page 372 of the Year-book you will find a return showing that in 1928 our railways carried 7,360,000 tons of goods. Turning to page 405 of the Year-book we find that during the same year the motor-lorries carried 85,500 tons—or about 1 per cent. of the goods carried by the railways. That was in 1928. In the same year the railways carried 586,000 tons of manure, while the lorries carried 7,500 tons—about 1½ per cent. of what the railways carried. The motor-lorry looks to be a very important thing, but it takes fifty or sixty lorries to carry as much as one train, so that the substance of its load is not much as compared with that of the train. Now let us look at the passenger traffic. When I am in Auckland I generally stay with my sisters at Remuera, and if I am waiting for a tram between 8.30 a.m. and 9.30 a.m. I may see perhaps a hundred motors pass, most of them carrying only one man, but when a tram-car passes it is carrying seventy or eighty people, and you do not notice it. I think that the time has arrived when one man in a motor-car is not entitled to use so much of the road. If all the traffic now carried upon the railways were transferred on to the roads the traffic on the roads would become impossible. If we were to shift on to the roads about a hundred times the present traffic nobody would be able to get along. Mr. Barnes, the Commercial Agent of the Railway Department, addressing the Otago Farmers' Union, said that the whole of the railway freight charges amounted to less than £5,000,000; if the same goods had been carried by road the freight charges would have been £23,000,000; and he claimed that even if the railways do lose £1,000,000 they are a far better proposition than the motor-lorries. As these things affect our own district I would like to draw your attention to this. Taking Reporoa as the objective, manures brought by rail to Rotorua and thence by lorry cost 30s. 6d. per ton, whereas if carried all the way by railway they would cost 12s. Every ton of manure that we bring costs us 18s. 6d. more than it does to bring it to other lands similarly situated. The railway class comprising fencing-wire and clover-seed—to bring that by rail to Rotorua and thence to Reporoa by lorry costs 67s. 7d., but all the way by rail it would cost only 51s. 1d. Grass-seed by railway to Rotorua and thence by lorry costs 46s. 4d., but by rail all the way it would cost only 29s. Flour, grains, onions, potatoes, and the like, by rail and lorry, cost 38s., but all the way by rail the charge would be 19s. 4d. Hay, chaff, posts, road-metal, &c., by rail and motor 35s. 6d., but all the way by rail only 16s. 11d. If it is desired to develop the pumice area we must have the benefit of these cheap freights, and it is useless to ask us to pay the present huge freights by road.

19. *The Chairman.*] You said that in the past the timber interests had been very much against the construction of the railway because it happens to be the greatest timber area in the Dominion ?—Yes.

20. When you said that, did you mean all the timber all round the railway-line from Rotorua to Taupo, or only the timber within a reasonable distance of the line ?—All the timber that the Forestry Department had stated.

21. That that is the greatest timber area in the world ?—No, the greatest area in New Zealand.

22. Have you any evidence to support that ?—No.

23. You have not produced any so far ?—I merely take the Forestry Department's figures for that.

24. You said that this question has been before two parliamentary Committees and two Royal Commissions, and they have all brought down unanimous recommendations in favour of the railway from Rotorua to Reporoa: are you sure of that ?—Yes.

25. In 1922 ?—Yes, certainly.

26. Do you say that that Commission reported in favour of the railway ?—Yes.

27. I must take your statement, but the report does not show that. I want to know whether you endorse that ?—Yes. If you are referring to Mr. Munro's report, that only affects the railway from Rotorua to Taupo.

28. I am referring to the Commission's report. Perhaps I should read it for the information of the Committee. There was a certain order of reference given to this Royal Commission by the Government, and it was as follows: "To inquire into and report upon the following matters: (1) The extent of the traffic which may reasonably be expected to be conveyed over a railway between Rotorua and Taupo or the vicinity thereof (connecting with the present Government railway at Rotorua) if such first-mentioned railway be constructed. (2) The probability of such railway (if

constructed) returning sufficient revenue from the working thereof to meet the expenditure incurred in and by such working, together with interest on the cost of the construction of such railway, assuming such interest to be charged on such cost at the rate of 4 per centum per annum." The answers of the Commission to these questions are summarized. They say: "Summarized, we respectfully beg to return the following answers to the questions addressed to us in Your Excellency's Commission: (1) The extent of the traffic which may reasonably be expected to be conveyed over a railway between Rotorua and Taupo, or the vicinity thereof (connecting with the present Government railway at Rotorua) if such mentioned railway be constructed, we estimate as sufficient to produce a revenue of £61,492 per annum provided the railway is completed and opened for traffic within the next ten years. If not then completed the available traffic would require to be again reviewed. (2) We consider that there is under present or probable conditions no likelihood of such railway (if constructed) returning sufficient revenue from the working thereof to meet the expenditure incurred in and by such working, together with interest on the cost of construction of such railway, assuming such interest to be charged at the rate of 4 per centum per annum." That is the question asked, and that is the reply—"there is no likelihood either now or in the future." Then, as to the extent of the country which would be served by such a railway, you gave evidence that it would be five million acres?—No, sir. I said that the total area of the pumice country is five million acres. I contend that the area to be served by the railway to Taupo would be two million acres. That report finds that it would be one and a quarter million acres.

29. This report says 1,250,000 acres of land: that includes all the forestry land and everything else. The report says: "Of this area the quantity proved to be suitable for settlement is very limited. In our opinion further investigation is necessary to determine the suitability for purposes of settlement of the great bulk of this country. (4) The route (generally) which should be adopted for the construction of such a railway (if such construction should be decided upon) is from Rotorua by way of Hemo Gorge to Waiotapu, and thence keeping to the right bank of the Waikato River to Taupo Township generally, as shown on a plan forwarded herewith. (The route has not been surveyed in detail.) (5) The various matters which we considered relative to the question as to whether it is desirable and warranted in and by the public interest that a railway should be constructed between Rotorua and Taupo as aforesaid have been set forth in a foregoing portion of our report, and it is not necessary to recapitulate them here." That is the whole of it, so that there is nothing in the findings of the report which recommends this railway at all. Added to that is a note from Mr. Munro, one of the Commissioners, which reads as follows: "The Commission's report reached me yesterday under cover of your memorandum of the 26th inst. Referring to 'Order of Reference No. 1, Probable Traffic,' as stated in my memorandum to you of the 27th instant and again during my conversation by telephone to-day, I disagree with the statement contained in the last sentence of the reply to this question. I am still of opinion that the main purpose of the extension of the railway from Waiotapu to Taupo would be to serve the indigenous forests, which would provide traffic for a period of fifteen to twenty years, after which this section of line would have to be abandoned or operated at a heavy loss. I am convinced that the increase of traffic during the fifteen to twenty years which would be required to cut out the indigenous forests would not be anything like sufficient to make good the loss of traffic which would result from exhaustion of such forests. I am signing the report subject to my signature being accepted with the above reservations, and conditional on a copy of this memorandum either being attached to the report or otherwise forwarded to the Hon. the Minister with the report." Upon that point I contend that your evidence that these two Commissions have reported in favour of this railway is not borne out by fact. You will be able to reply to that later, if you wish?—I want to reply at once. Your question was whether the Commission recommended the railway, not whether the railway would pay 4 per cent. I submit that is an imbecile question, because the railways of New Zealand do not return 4 per cent. The railways do not pay——

The Chairman: My point——

Witness: Allow me to reply——

The Chairman: I will give you full opportunity to make any reply you think necessary, but you are not in a position to examine this Committee. You have——

Witness: I am not examining the Committee. I want to read parts of the report.

The Chairman: I intend to cross-examine you as fully as I can.

Witness: Have I no right to reply?

The Chairman: You have given your evidence.

Witness: Quite correctly.

The Chairman: Whether you have given it correctly is a matter for this Committee to draw its own conclusions. I must ask you, if you wish for justice to be done, to give me a fair and reasonable chance to cross-examine you. I cannot be interrupted when I am cross-examining. I say that your actual evidence is this: "the subject has been before two parliamentary Committees and two Royal Commissions, and a unanimous verdict has been given in favour of a railway from Rotorua to Reporoa.

Witness: My answer is that that is absolutely true.

30. *The Chairman:* You have a right to contend that your evidence is true?—I will prove it.

31. Well, then, it is not proved by the Commission?—I will prove it from the Commission.

32. My next question is: your evidence is that the area contains five million acres of land?—Quite correct.

33. You also said it is by far the largest area in New Zealand of cultivable and habitable land yet to be settled?—True.

34. Are there five million acres of unsettled land within the influence of the proposed railway, and, if so, where are they?—There are not—I never said there were.

35. Will you kindly tell the Committee what you meant? Will you tell the Committee where those five million acres are which you say are there?—I cannot, because I did not say it.

36. I took this down in the most careful way, word for word, and you will be given a chance of seeing your evidence, and if this is not correct what I am saying you can make another statement. Do you deny that there are five million acres there?—Certainly.

37. Then another statement you made was this: "In connection with this matter we have never had anything to offer—we have no votes, no money; we have no influence; and I am afraid that Governments have looked at the matter from that point of view—that here was £700,000 to be spent and no vote to be gained by that expenditure." Can you tell the Committee what you meant by all that?—I think the meaning of that is perfectly plain: that is what I meant.

38. What do you mean by "no votes"?—The whole of the population between Rotorua and Taupo is about one hundred votes.

39. But you said "no votes"?—Let it go at that.

40. And "no money"?—And no money.

41. I took it that the people of Reporoa were disfranchised. Did you mean that there were not enough votes to influence the Government? Then you said, "I have a confession to make in connection with this matter. I am the owner of 10,000 acres of land, not on the route of the railway from Rotorua to Reporoa, but on the extension to Taupo." I tried to get from you whether you were dealing with the railway to Taupo or to Reporoa, but I think I understand that you were considering the railway from Rotorua to Taupo?—Our petition is to carry out the vote of Parliament to carry the railway to Reporoa, but I consider the extension to Taupo to be inevitable.

42. My point is this: you say that you have no interest there, and that "I have a confession to make—I am the owner of 10,000 acres but not on the route of the railway." I ask you whether your big interest is on that route?—It is.

43. You have stated that it is not?—But I say, "on the extension that I say is inevitable."

44. Do you deny that you said "I have a confession to make—I am the owner of 10,000 acres, but not on the route of the railway but on the extension to Taupo"?—Perfectly true.

45. When it is convenient it appears that the evidence is on a railway from Rotorua to Reporoa, but when it suits better the evidence is given as if dealing with a railway from Rotorua to Taupo. Now, is this 10,000 acres all the possessions you have there?—Yes.

46. But since you have been agitating for this railway have you not had considerably more?—I purchased there originally 53,000 acres.

47. How long have you been agitating for this railway?—About twenty years.

48. Now, you have 10,000 acres: what is the value of it?—About £3 10s. an acre.

49. So that you have somewhere in the vicinity of £40,000 worth of property on the proposed railway?—£35,000.

50. You stated, "I will hand to you an offer in writing to sell to the Government my land at its present value, and not the value after the railway is constructed." Now, you have handed in that offer, and I just want to cross-examine you upon it. It is as follows:—

DEAR SIR,—

Should the prayer of the Rotorua-Taupo Railway League Commission be granted, I am prepared, at any time within six months of this date, to sell to the Government my estate at Waiotapu, known as "Broadlands," and comprising 10,000 acres, at its present value. The value to be fixed, if we cannot otherwise agree, by an Assessment Court, as if the land were taken compulsorily. Improvements effected after this date, and manuring done, also crops growing and harvested, are to be added to the price. The terms of sale are: 20 per cent. deposit, and the balance in three months when possession is given and taken. This offer is not to interfere with my right to sell to any other buyer until such time as the Government has actually bought and paid the deposit.

Now, I want you to listen to what I have to say, that this is a worthless thing. You admit this is an offer?—Yes, it is an offer to sell.

51. Do you admit that it is an offer conditional upon the railway being put through?—Yes.

52. Yet you say that you do not want to get anything out of it, but that you will sell the land at this offer, but you must know that the railway is going through?—Otherwise there is no call upon me.

53. But I submit that this is an attempt on your part to induce the Government to construct this railway, because you will sell your property to them if they do, at its present valuation?—Yes.

54. Or, if they do not construct it, you will not sell the property?—Yes.

55. I want to get out of you what the meaning of this offer is?—The meaning is that if the Government, within six months of this date, agrees to take my land, they get it at the present value. You say this railway is going to increase the value of my land in the ratio of from 2s. 6d. to £2—I would get the 2s. 6d., and the Government would get £1 17s. 6d.; but if Smith comes to me before the Government buys, and says, "I will give you so-much," I am not going to turn that down.

56. Coming to my question of price to be asked, the price to be asked is not the Government valuation, but it is your valuation?—Not at all. The price to be asked is mine, but the price to be paid is to be fixed by an Assessment Court.

57. But that is your price and not the Government valuation, and you are willing to have an Assessment Court to fix the price. If I tell you that the Government has had hundreds of similar offers, not connected with railways at all, on such terms without any consideration of a railway, would you consider that means anything?—I certainly think it means everything. If the railway is not put through I do not care whether the Government buys my country, but if the Government considers that to be a valuable concession I am prepared to stand the loss for the benefit of the district.

58. Your statement is that it will be a benefit to this Government if they take the land ?—Certainly.

59. My contention is that you are asking for every advantage of the fullest value for the land ?

Mr. Kyle: A point of order, Mr. Chairman. I do not see why you should give your opinion at the present time.

The Chairman: I am only giving my opinion.

Witness: If you think that the offer is not couched in binding terms, give it to the Crown Solicitor to draft, and I will sign it.

60. *The Chairman.*] But I am giving the purport and effect of it ?—But it is quite clear.

61. Now, you said in your evidence, "I think I can claim that if anybody in this Dominion deserves the construction of a railway I do" ?—Quite so.

62. Can you tell this Committee why you as an individual should deserve the construction of a railway ?—I went into that country in 1907 when there was only one other white man in it. To get on to the country we had to swim the river. I brought that land from a state of nature, and proved the possibilities for 5,000,000 acres of country. I think I have deserved well of my country. When my teams are turning over two furrows of good land which from the dawn of time has yielded nothing, I think I am deserving well of my country. I have spent large sums of money there, and if I am despoiled of the value of that there is no encouragement.

63. You do admit that you look upon this railway as something which should be provided by the State for what you have done for the country ?—No. I have said that my interests must not be considered for a moment. If I have not proved that the interests of the district warrant, and the interests of the Dominion warrant it, I have failed in my appeal.

64. But you have asked that this be done for you ?—Not for a minute.

65. Now, you said in your evidence, "I have fought for over twenty years, and there are people who have owned much larger tracts of land in New Zealand who have never contributed anything to a railway ?—I said "in the district."

66. What I want to know is whether you have contributed something in money or to the development of the district ?—In money.

67. Then you said, "As you know, you can get as many signatures as you want by the expenditure of money." Does that mean paying for signatures ?—Paying for canvassers. In the street you will often see people standing about getting signatures to a petition.

68. Then you said, "We are not petitioning for a new railway: we are asking you to recommend the resumption of the construction of a railway which has been authorized by Parliament and for which money has been voted by Parliament." Well, now, how much money has been voted by Parliament for this railway ?—£75,000.

69. Has that been voted for the Rotorua–Reporoa line ?—Yes, on account: it would not make the railway.

70. Did the 1922 Royal Commission fully consider the alternative of a road instead of a railway ?—No, I cannot remember that. I do not think so.

71. I was not sure what you meant, but you say you do not know ?—I do not think it considered a road.

72. You say, "We claim that the only way in which our railway can be opposed is by misrepresentation or ignorance" ?—Yes.

73. You think there has been misrepresentation ?—Yes, by a good many people in influential positions. Sir Joseph Ward came to Rotorua and said that upon this railway the traffic would amount to one train a week, or perhaps one train a fortnight. The finding of the Commission was that three trains a day would be required.

74. There will be some one to deal with the railway business later on. I want to find out what you meant. You said, "We can show that the whole of the land is useful, and that such of the land as may not be available for cultivation, amounting to perhaps 25 per cent., is the finest timber-growing country in the world." You say that the land which is not available for cultivation is the finest timber-growing country in the world ?—Yes.

75. Have you anything to support that ? Is that your own opinion ?—Yes, and it has been stated in the Forestry Department's reports. I have seen the growth of trees there myself, and I have seen the reports of the Forestry Department.

76. That is your opinion given in evidence, but I wanted to know whether you have any document to put in to show that ?—I could look through the Forestry Reports for you.

77. The State forests comprise 210,000 acres, you said ?—Yes.

78. Within fifteen miles of the railway ?—Yes.

79. And 140,000 acres are planted ?—Yes.

80. Any you gave us all the other information about a number of private plantations, which goes to show that there is a vast area of plantations in close vicinity to the railway, a total of 300,000 acres ?—Yes.

81. My point is that if there is 300,000 acres already planted along the railway, that would take away a considerable area of land which you would otherwise estimate as land available for close settlement: is that so ?—That must be taken. The Commission found that 1,250,000 acres were affected by the railway. We had produced evidence to show it was 2,000,000 acres, but this area of 300,000 acres must be deducted.

82. You say that fourteen years' growth of timber will produce boards 14 by 1 ?—No, I said that the ground-plates and framing were out of *Eucalyptus globulus*—that is 4 by 2—and that the pine boards were 12 by 1. I also showed that that was not practicable in a plantation—those were trees grown outside in free growth.

83. You said that timber was being brought from Waikari to Rotorua by road: that is about sixty miles, is it not?—Between fifty and sixty miles.

84. Do you consider that if timber can be brought fifty miles satisfactorily by road there would be any great necessity for a railway to carry it?—You have put in one word "satisfactorily." I say it is done: how much better will it be brought by rail?

85. There are twenty-seven lorries already running on the road: does not that suggest that road traffic may be suitable if the roads were improved?—No, sir, it will be too expensive; and also, the railway would be convenient to get goods away. There will be a loss on everything produced, in getting it out by road.

86. You stated that the Government had put it out that there was 100,000 ft. per acre of timber grown on certain land: do you consider that is anything like an average estimate for the timber in that district?—It depends upon the age of the timber.

87. I mean fully grown timber?—I think that is quite reasonable—that is, on a forty-year rotation, as I said. I do not subscribe to the statement that you can cut £500 worth of *Pinus insignis* off an acre in twenty years.

88. Do you know the percentage of waste from the tree in the log to the sawn timber?—No, I am not an expert.

89. I take it that there is between 25 and 30 per cent. waste—over a quarter: would you agree with that?—I should think it is probable, but my figures were from Cashmore's royalty-book. I took the figures from that book, and the figures worked out at 123,000 ft. to the acre.

90. Do you know Mr. Seeley, who is engineer to the Taupo Totara Timber Co., and in the past a member of the staff of the Government service?—I have never met him, but I have heard of him.

91. He made an estimate of the timber at Maroa sold to the Government?—That was native bush.

92. It is reckoned to be good?—It is quite a different thing.

93. If he estimates that on that land, which is supposed to contain the very best bush, the amount of the timber would be something in the vicinity of 30,000 ft. per acre, what would you say?—But native bush is worked with as little as 10,000 ft. to the acre.

94. But this is four times greater than Maroa?—The figures have proved it—123,000 ft. to the acre out of that pine bush.

95. You consider there will be about 750,000,000 ft. of timber in about thirty years?—Some of it will come in before that time.

96. Have you any idea as to the quantity of timber now in the area, to be served by the railway?—Do you mean planted timber or native timber?

97. Timber now anywhere that could be sold—native timber as well?—The Commission reports that in the Mokai Valley there was 570,000,000 ft. The Department gave evidence that altogether there was 4,000,000,000 ft., and they produced a map, marked off in squares, showing the quantity of timber in the various sections.

98. The great enemy, you said, was fire, which destroys thousands of acres in the summer-time: is not that a very serious menace? May we not have a vast area of timber to-day and have millions of feet of it missing to-morrow, in the summer-time?—It is quite true. It is a serious menace, and must be guarded against by having the country settled, and by having the inflammable areas of scrub ploughed under.

99. You say you do not respect Government valuations?—No. I would not give you threepence for a Government valuation.

100. You said that 1,000 acres in the Waikato or in the Reporoa district would produce more than 10,000 acres of blue-papa land?—Yes, sir. It would maintain a larger and more vigorous population and produce more wealth than 10,000 acres of blue papa, carrying a man, a shepherd, and ten thousand sheep.

101. If blue-papa country would carry one cow to the acre this country would carry ten to the acre?—I say there is very little blue-papa country that will carry cows at all.

102. Well, take it in sheep?—No, but a good deal of Waikato country carries seven sheep to the acre.

103. You still maintain it would carry ten times as much as blue-papa country?—Yes, certainly.

104. *Mr. Makitanara.*] You referred to the Mokai country?—Yes.

105. Is it a fact that there is a company there and a railway operating there?—Yes, they are getting their own timber out, but they refuse to carry timber for anybody else.

106. There is a tram-line there [indicated on map]?—Yes, a superior tramway.

TUESDAY, 24TH SEPTEMBER, 1929.

EDWARD EARLE VAILE further examined. (No. 9.)

1. *Mr. Makitanara.*] I think I commenced with the Mokai district in cross-examining you ?—Yes. I have been over there at times, but I have not been through the bushes there.

2. Then, the Wharepuhunga Block contains, say, 133,000 acres ?—I believe that is about it.

3. And the Pouakani Block 122,000 acres ?—Yes.

4. And the Tihoi Block 90,000 acres ?—Somewhere about that.

5. And the Waihaha Block 80,000 acres ?—Yes, that comes down to the lake.

6. At present there is a tramway owned by the Taupo Totara Timber Co., which runs within twelve miles of the lake ?—Yes.

7. So, roughly speaking, there are at present 425,000 acres in that locality—close on to half a million acres ?—Well, it all depends upon how far you go back. It depends upon how big you make the locality which you take in.

8. Do you suggest that that area of country would be better served by this railway than by that tram-line ?—That matter has been fully gone into, and I have endeavoured to show that the reports were that it was impossible to make the Taupo Totara Timber Co.'s line carry the heavy traffic at a less cost, and at present their concession is at such rates of freight that their railway is practically useless.

9. But supposing that that line was improved, would it suit better than this proposed line ?—I do not know that it would suit quite as well.

10. Would it not avoid the Mamaku ?—You would save that hill, but you would run into many others. The total climb is 3,600 ft., which is much more than the Mamaku Hill.

11. You are aware that the Commission has decided that that line would serve the purpose of that country better than this proposed railway ?—No, sir, I am not aware of that.

12. You know Mr. William Moon, of Taupo ?—Yes, I did know him. He is deceased now, but I did know him.

13. He was a farmer there ?—Yes.

14. This is what he said. He was asked by the Chairman, "If you owned all the timber in the area pointed out would you send it to Taupo and then to Rotorua by railway if constructed ?" And he replied, "Certainly not." What do you say to that ?—I say that Mr. Moon was a very interesting old gentleman, but he did not know anything about that. I can show to the Committee figures which will prove that the extra cost of taking timber over the Taupo Totara Timber Co.'s line would amount to nearly £1,000,000 sterling. It would pay for this railway and all the branches to it.

15. But they are using that line for the purpose at present ?—But only for small traffic. The cutting of the Taupo Totara Timber Co. is about 7 million feet a year.

16. Now we will take the land on the eastern side of the railway: that portion, I believe, covers quite a big area of timber country ?—The land reserved for afforestation is about 300,000 acres.

17. Any you have admitted that it will not come into profit for about twenty-five to thirty years ?—No, I have done nothing of the kind.

18. Well, as far as milling is concerned ?—I did not admit anything of the kind. The Forestry Department has previously given full evidence on that point, and their evidence is that by 1932, of sawn timber from that block there will be 7½ million feet and 2,600 trucks of posts per annum, and rapidly increasing to 32 million feet of sawn timber per annum. What I said was that the trees planted to-day, in my judgment, would not be fit for milling within thirty years time, that the final crop would be used then, but the thinnings would be used long before that. But a portion of these forests was planted as far back as 1898.

19. Then, to say that the forests would be of no value for twenty-five or thirty years would be quite wrong—Quite wrong.

20. About pulp: is not this pulping talk like Mohammed's coffin—floating in space ?—No.

21. But are you not basing this pulping question on assumption ?—No, not at all.

22. Where is your machinery for it ?—The Government has sent timber from these plantations all the way to the United States for actual treatment, and the reports are favourable as to the possibility of the use of the timber for newsprint and other papers.

23. But I am coming to the actual thing: never mind about dreaming ?—Very well; but this is not dreaming.

24. Now, coming to Tokaanu: do you seriously suggest that the economic way of getting out the produce from Tokaanu would be through the route of the proposed line, instead of to the Main Trunk line ?—Yes, certainly.

25. Have you been through this country, from Tokaanu along the coast ?—Just along the road. I do not profess to know the country there.

26. Have you been through this country, up the valley, and on the road from Tokaanu to Waimarino ?—I have, and all over the range.

27. Did you notice any difference in the levels, between the two routes ?—I respectfully suggest that any one in his sane senses would not dream of taking the heavy freight across the road; they would take it across the lake in a boat.

28. And bullocks ?—The bullocks would go on that road; it is not nearly so bad as the Motu Road, which thousands of cattle come over.

29. Is that road similar to the road you are using now, the Rotorua-Taupo Road ?—No, it is not so good a road, and the bridges are narrower.

30. This is a better road ?—Yes.

31. That road is dangerous ?—What I say is that the road from Taupo to Rotorua is practically useless for stock, with the motor traffic that is on it. The motors there are tearing along, as many as ninety a day. On this other road there are very few motors.

32. Of course you are aware that the Commission has reported that the proper outlet is out this other way ?—Not by any means.

33. Are you aware that witnesses gave evidence to that effect ?—No.

34. That does not include all the area on this portion of the railway ?—Before the last Royal Commission the Forestry Department produced a plan showing in sections its estimate of the timber, but I cannot remember whether it went to Tokaanu.

35. Now, you first went to that locality in 1908 ?—In 1907.

36. Before going there you were a land-agent ?—Yes.

37. In Auckland ?—Yes; for twenty-two years I was in that business.

38. And of course you bought your 50,000 acres for speculative purposes ?—Not at all.

Mr. Samuel: I rise to a point of order, Mr. Chairman. I do not think it is necessary to ask the witness why he bought his land.

Witness: I have no objection to it.

39. *Mr. Makitanara.*] However, you told the Committee that you were using no political influence in connection with this railway ?—None whatever.

40. And never have ?—I have used every honest means to get the railway put through. When Mr. Massey was in power I did my best to make him build the railway, and also when Mr. Coates and Sir Joseph Ward were in power. During the last twenty years I have done my best to get the railway built, and if any one suggests that I have used any dishonest or shady means to that end I am prepared to put him in his place. When I lived in Auckland I was vice-president of the Political Reform League, but when I left Auckland I resigned my position, and from that day to this I have not done a tap for the Reform party or any other party—I have not given a penny nor have I done any work for them.

41. In what year was that ?—1908. I bought this country in 1907, and left Auckland at the end of 1908. I had managers on it before that.

42. Did you not use political influence with the late Government ?—None whatever—I have not any to use. But some settlers from Reporoa, without my suggesting it, came to my place and said they were going to see Mr. Coates at Taupo. I was not aware of the fact that he was to be there. They asked me to go with them as spokesman. I did so, and he promised that as soon as the railway to Taneatua was completed the plant from there would be moved to this district to go on with this railway.

43. Did you not mourn over your loss when you found that they did not carry out the promise that had been made ?—When you see me shed tears you can reckon that this railway is "up the spout."

44. Have your views changed since you gave evidence before the Commission in 1922 ?—Not in the least.

45. On that occasion you gave very lengthy evidence ?—Very likely.

46. And most of it was on an assumption ?—Not at all. I cannot remember exactly what I said, but what I said was true, and what was true then will in all probability be true to-day.

47. You are aware that after all the Royal Commission found this: "There is, under present or probable conditions, no likelihood of such a railway returning sufficient revenue from the working thereof to meet the expenditure incurred" ?—I remember something to that effect.

48. That was in 1922 ?—Yes. Mr. Chairman, might I be allowed to give these few figures about the cost of taking out that timber over the Taupo Totara Co.'s tram-line ?

The Chairman: We can recall you later on in order to get that.

49. *Mr. Kyle.*] You are considering the railway purely from a developmental point of view, in the interests of the whole country ?—Yes.

50. And that the timber is a secondary consideration ?—No, I would not say that. I think that the timber will be a very valuable source of freight for the railway. I think that the Forestry Department officers will tell you that a forest maintains almost as much population as farming, and that anyhow, when it reaches the milling stage, they will have a very large population there.

51. Any way, in the meantime the railway would be justified from the developmental point of view ?—Yes, that is quite sufficient justification for its construction.

52. Your offer to sell your property to the Government was contingent on the railway being proceeded with ?—Yes, certainly.

53. And that being so, you say you are prepared to take the present value, without the railway ?—Yes. My idea was this: I hoped by that means to divest myself of any suggestion of personal interest swaying me in this way: that if the railway was put through I would be no gainer. But as my offer has been termed worthless and discreditable, I would like to withdraw it.

54. It was made so that there would be no question of personal interest on your part ?—That is so—no personal profit to me.

55. On the question of pulping, are you aware that there is a company on the west coast of the South Island prepared to develop the pulp industry if the Government will give them the option ?—No, I have not heard of it.

56. That goes to show that there is something in the pulping industry ?—Yes, demand creates the supply; and to some extent supply creates demand. When there is an immense quantity of timber offering, somebody is going to use it.

57. Reference has been made to the Commission of 1922, but the whole economic position of the country has changed since then ?—It may have done so; I have not given attention to that.

58. We had a slump period at that time ?—Yes.

59. The proposals of the Government are to develop the undeveloped portions of the Dominion at the present time ?—Yes.

60. Now, you made a comparison between the climate of your country and that of Canterbury ?—Yes.

61. Is not your climate very windy ?—No, our climate, for New Zealand, is a very calm climate. I have often been waiting for wind to have a burn.

62. Would you call it a colder climate than Canterbury ?—I am not familiar with the Canterbury climate. The minimum registered temperature is 12°—that is, 20° of frost. That is the lowest temperature recorded; and generally, about 9 o'clock, the sun comes out very brightly, and you have a beautiful day until 4 or 5 p.m., when it begins to get cold again. There is a great deal of sunshine in our district—I suppose a larger proportion of sunshine than any other place in New Zealand.

63. As regards hay and chaff, you said you could get £11 per ton for your hay ?—No; I wish it were so; but the price of good hay in Auckland is about £8, but the market is limited. I could grow on a portion of my farm easily all the hay that Auckland could consume. I have considered putting it on the Auckland market, but I am advised that to put that quantity on the market would knock the bottom out of the market.

64. You consider that you could produce it more cheaply than we can in Canterbury ?—Yes, than anywhere in New Zealand.

65. As regards noxious weeds and rabbits, do you consider that unless this country is settled and developed it will be overrun ?—I am very much alarmed at the spread of noxious weeds. When I went there there were only two blackberry-bushes between me and Rotorua, and one was on the roadside, and I cut that out. The other was on private land, the owner of which would not let me cut it because his children liked to eat the berries. With regard to rabbits, they have been increasing alarmingly on the back portions of the area, but on my own country there are very few, due to trapping there. The back country is very seriously threatened.

66. Granting that you assessed the value of the railway on to the timber, what timber is there to pay for it—do you remember ?—If we accept the evidence given by the Forestry Department that there are 4,000,000,000 ft. of timber, I think you will find that 4½d. per 100 ft. on that would pay for the railway. Of course, the saving on bringing it out would amount to many shillings. I have worked it out in regard to the Mokai bushes, and the saving in taking that timber out by this railway as compared with taking it out by the Taupo Totara Timber Co.'s tram-line would amount to £1,000,000 and would pay the whole of the cost of this railway to Taupo—that one bush. Then, there is the Paeroa bush, estimated to contain 110,000,000 ft., and the bushes round the lake, and the whole of the planted forest, to be taken into account. All round, about 3d. per 100 ft. of timber would pay for the railway and save on an average 3s. or 4s. per 100 ft. in getting it out.

67. You also said that the poles could be used for telephone-poles: do you know of any instance where they have been so used ?—Yes, they have been used in the district. My own line was put up about twenty years ago, and I used totara; but Mr. Butcher, my neighbour, has used these poles, footed on to totara in the ground, and those poles are perfectly good to-day.

68. And compare favourably with the Australian poles ?—I noticed in a Rotorua paper just the other day some reference to that. I cut it out—here it is: it is from the *Rotorua Chronicle* of the 18th of this month, and it says: "It is not necessary to be an expert to see that many of the imported so-called hardwood telegraph-poles are mere punk wood. They are costly, and the money expended on them is sent out of the country. Recently a great deal of replacement work has been done, and poles that, if ironbark lived up to its reputation, should last twenty-five years have been scrapped after seven years' service. If an imported pole has a life of only ten years it would be far more economical to use larch with a totara base. Such poles were erected seventeen years ago in this district by private persons, and stand absolutely sound to-day. Larch rails harden and toughen with the years—rails from the Government plantation, taken out when thinning was done thirteen years ago, are quite sound. If any need exists of proving this statement as to the condition of imported hardwood poles, the inquiring mind can find confirmation on Whaka Road any time he cares to walk along it."

69. We have had a similar experience in Canterbury, especially in the Waimairi County, where the imported poles have not lasted more than ten years. I wanted to make that comparison ?—All the farmers in our district now use these larch poles for rails for stockyards and for fences, and wherever they want rails, and they have stood well.

70. *Mr. Jenkins.*] It has been suggested that bias has been shown in this Committee. As a member of the Government I want to state that I treat the witness as one of the pioneers of this country—one who went out there and sacrificed what could have been a comfortable life and made the wilderness into a garden. I cannot be accepted as hostile towards the witness, because I take my hat off to the type of man which I believe the witness represents. I am not opposed to him, but I want to be convinced that this railway is right. You own something like 10,000 acres of land there ?—Yes.

71. Of which 1,700 acres have been ploughed ?—Yes.

72. How many years have you been there ?—About twenty; I went there in 1908 to live there.

73. Well, that is not a great amount of cultivation—that is not 100 acres per year It seems to me that if you had the confidence in the country which you express you would have brought in a greater area than 1,700 acres in twenty years, when you have 50,000 acres altogether. I wish to ask you why ?—My good uncle, the Bank of New Zealand, has not been unkind to me, but funds are limited. I have had to put up forty-two miles of fences—equal to the distance from Mercer to Auckland. When I went there there was no road to my place, and we had to swim the river. I had

to put up a bridge to get on to my country, and I had to make drains. I submit that to plough it twice and to put into pasture 1,700 acres is no mean achievement. But one has to be guided by one's finances. I have not done as much as I desired to do, but when I ride along through my country I consider that I have done something.

74. This Te Whaiti forest to which you referred — that is some distance from this proposed railway-line ?—Yes, about thirty miles.

75. Is it not near the Rangitaiki district ?—It is across the Rangitaiki—between eight and ten miles past the Rangitaiki River.

76. Could not that timber be rafted down the Rangitaiki, or floated down, like they do with timber in America ?—Most of our native timbers do not float—I do not know about kahikatea. I make reference to that because there are large quantities of kahikatea there. No doubt the dairy company has considered that. But when you get your timber to Whakatane you have got it nowhere. I am not an expert on that matter, though.

77. It could be taken down that river without any charge ?—But there are falls on the Rangitaiki River, though I do not know whether they are above the company's mill or below it.

78. You were advocating the planting of pine-trees, and stated how pine-trees improved the country; you mention that in one case there was as much as 9 in. of soil—that is, the ground covered with pine-needles ?—Yes, sir.

79. My experience has taught me that wherever pine-trees grow you cannot grow grass or fruit-trees, because of turpentine from the pines. What is your experience ?—Where there are pine-trees it is useless to grow anything in competition with them because they are too strong; but the leaves make good soil—I use them for manuring my own garden.

80. You stated that it cost something like £7 per acre to bring that ground in ?—Yes, including fencing, but not buildings.

81. Your turnip crop cost you £3 11s. 3d. per acre ?—That was on a first furrow. My last year's crop cost me £2 15s.: that I ploughed out of the grass.

82. That turnip crop would be worth how much ?—In any other district it would be worth £7 or £8, but up there it is worth what you can get out of it, because there are no neighbours to buy it.

83. But it should be worth the cost you put into it—£3 11s. 3d. ?—Oh, yes. I had 80 acres of swedes this year, and I have already sold over 115 head of beef off that. I have another thirty-five ready, and another forty nearly ready. They were in pretty good order when I put them on the swedes, but they must have something besides swedes.

84. In referring to the Reporoa Settlement, did you state that the production of butterfat was 20,299 lb. ?—Yes.

85. Are there thirty-three settlers there, and is all they do dairy-farming ?—No, some of them keep pigs, and some go in for cropping.

86. How many were dairy-farmers ?—Well, there were thirty-three suppliers. I think there were four who were not returned soldiers.

87. Their farms are small subdivisions, up to 150 acres ?—Yes, though some of them have of late been able to get two or three sections apiece.

88. With 20,000 lb. of butterfat between them it would mean only £46 per head: do you really suggest that is a good income ?—I think there is something wrong with the figures. It is over £600 a head.

89. Oh, I am sorry, I took it at pounds of butterfat instead of so many pounds sterling. Now, you made reference to topping the market for your beef ?—Yes.

90. I would suggest that that largely depends upon the amount of capital that a farmer has, and his desire to top off and show good stock. Then you instanced another farm of Friedlander's getting top stock from Surrey Hills farm. That is poor country ?—No, I instanced his Karaka purchase; that is different country altogether.

91. Reference was made to frosts at Hamilton, and you gave us the figures of the records: seeing that Taupo is 1,000 ft. higher than Hamilton, the frosts there would be correspondingly more severe ?—The records there have been kept, and can be got; they were put in by the Forestry Department.

92. I take it that as a natural conclusion the frosts would be higher at Taupo owing to its higher elevation ?—I would say that our climate is colder than the Waikato climate, but it is a calmer climate, and I do not think there is any material difference.

93. You were defending the construction of this railway and suggesting that it would increase the tourist traffic. You suggested an itinerary to continue on to the Main Trunk line and down the Wanganui River ?—They will have to break their journey to see the sights and to join the Main Trunk line.

94. But this railway runs on the opposite side of the river to most of the sights ?—No.

95. It is on the opposite side of the river to Wairakei ?—Yes, but the distance to Wairakei is quite small. It goes through all the principal sights.

96. How can you suggest that the railway would serve the tourist traffic better than the motor-car ? With the car the tourist can start from Rotorua and stop at Waiotapu, Huka Falls, Aratiatia Rapids, and finish up at Taupo in the evening. Would you suggest that a railway-train would stop for the convenience of tourists in order that they could go off and see the sights at these places and come back to the train again ?—No; I did not want to minimize the advantages of the motor, but the railway, on the other hand, has advantages. In bad weather it is a better means of travelling, and for the very wealthy class of tourist who carry a ton of luggage—some carry their wardrobes with them—and a railway suits that class of person. Motor charges are about as dear as first-class railway fares, but not so cheap as second class, and invalids would much prefer to go by train. Taupo is a most

valuable place for invalids. There is no finer air in the world than Taupo air, and there would be a large traffic of people going there for the air.

97. But that is the wealthy American tourist; do you not think they would pay for the cost of transporting their wardrobes by motor-lorry?—They like to have them with them. Many of them send their wardrobes in the train and travel in the car.

98. You gave figures in regard to the cost of freight: the price you quoted is the freight on goods delivered to the railway-station, but the motor would deliver the goods to the farm?—Yes, but it would make very little difference.

99. In making up these comparisons did you take into consideration the fact that the motor freight provides for the goods being taken from the warehouse on the motor-lorry—one handling; from motor-lorry to goods-shed—two handlings; from goods-shed to railway-truck—three handlings; from railway-truck at the other end—four handlings; on to the motor-lorry—five handlings; and off the lorry at its destination—six handlings?—These handlings cost a very small sum of money. I forget what they charge for shifting manure into the shed. The carrier handles it without charge. The Government makes a charge of about 6d. a ton. The difference in the 2·41d. would be very small; it might bring it up to 2·5d.

100. Did you not take into consideration the cost of motor carriage to the farm from the station?—I have not taken into consideration anything in connection with those figures, for they are the Government figures.

101. Then I suggest to you they are inaccurate?—I do not know.

102. If the motor freight is the freight from the warehouse to the farm, and the railway is not, do you not think the comparison is inaccurate?—Those figures are freights part by road and part by rail, as against all the way by the rail. They allow for £1 per ton on the lorries on the road.

103. *Mr. Semple.*] It has been stated that the influence behind the construction of this railway was purely political: you know that that statement has been made?—Yes, sir.

104. I want to ask you some questions in regard to that. Are there sufficient votes in the area of country which this railway will serve to warrant any Government spending £700,000 on the construction of this railway? I take it that political influence usually means the strength of the people in the area in question to determine the destinies of Governments?—I should judge that is right. Well, now, between Rotorua and Taupo, I should estimate there would be about one hundred votes.

105. Then, from the point of view of voting-power the political influence there is practically nil?—Absolutely nothing.

106. It has been said that you are a big supporter of the Reform party, and that you contribute very liberally to their funds. Have you been a constant contributor to the Reform party's funds during recent years?—Since I left Auckland in 1908 the sum total of my contributions has been nil; I have not given them a penny.

107. Then from the point of view of votes there is nothing in that statement, and from the point of view of your contributions they have been nil?—That is so.

108. Are there any other people, supporters of the Reform party, who might have contributed liberally to their funds?—There are no people there able to give.

109. I want to get at the facts; I want to take all the statements that have been made. It has been suggested that this is purely a political railway: you know that?—Yes.

110. I want to get at the fundamental rights of the thing, and ascertain whether there is any political influence at all behind this railway or not. There are two influences that sometimes prompt public men or Governments to shape their policy to suit certain ends: one is the numerical strength of voting-power, and the other is financial support to the party. I want to know whether there is any money coming from wealthy farmers there, or whether there might be a large number of votes at stake?—Well, in the area in question there are some supporters of the Reform party, and some supporters of the United party, and some supporters of the Labour party.

111. Have we got a stray soul up there?—Well, yes. I may say that on the last occasion, in the voting at Reporoa the Reform party was in the minority. Of course I do not know the people's private affairs, but I am sure that there is no one there who gives more than a nominal sum to any fund.

112. There are no wealthy people there to influence the Government?—There is no one who does not need to ask the bank-manager how he is to spend his money.

113. Then you say definitely that there is nothing in the statement that this railway is a political railway?—Absolutely nothing; it is a pure invention.

114. You offered to sell your farm to the Government for £30,000, approximately—between £30,000 and £40,000; you say you made that offer to the Government because you have been a long time advocating the railway—for twenty years—and you wanted to remove the impression that you were trying to get the railway put there for the purpose of enhancing the value of your property, and getting a rake-off?—That was my idea.

115. You thought it would prevent the construction of the railway if it were thought that you would get a big rake-off?—That was my idea. Of course, I have not fixed a price for it, but offered it on valuation: that is my estimate.

116. When you made that offer you had in mind this statement that has been made—you were making an offer to the Government as an inducement to the Government to build the railway?—Of course I would regard it as having no weight in that direction, but I want by every honest means to induce the Government to do so.

117. Are you aware that the statement has been made?—Yes, it has been made here.

118. Do you think it would be an inducement to offer to sell a farm—no matter whether the United party or the Reform party or the Labour party were in power—if it were offered for £30,000, would that be an inducement for them to spend £700,000?—I should not think so.

119. You do not think it would be a sound proposition ?—I do not think the influence would be anything but small.

120. You would not be prepared to spend £700,000 and to buy a £30,000 farm: you think there is nothing in that ?—No, nothing at all.

121. You say that you are one of the pioneers of this country ?—Yes, I was the second white man in that area.

122. When you went there the possibilities of failure were greater than the chances of success ?—Yes; all my friends said I would be in the Official Assignee's hands soon, or that two doctors would have me.

123. But you are still alive ?—Yes, I am still alive, and I am still out of the asylum, and I am not even bankrupt.

124. We are all convinced that you are quite a long way from the threshold of that place. So that the railway did not appeal to you as a means of making a fortune quickly. What was it that influenced you in going into the wilderness ?—When I took up that country, I must confess, I did not think it would be necessary for me to live there. I thought I would be able to work the place with managers; but I found that I had mismanagers; and having put my hand to the plough I did not want to turn back. What took me there was the same thing that brought my grandfather to Auckland in 1843—the same thing that brought him, a much braver man, to a country where he and his family did not know whether they were not going to be eaten alive.

125. That spirit has been responsible for the settlement of Australia and this country; men in those days left an assured livelihood to settle down in a strange country at great risk ?—That is so.

126. *Mr. Makitanara.*] He was a land-agent ?—If any one can show me that I have "done" anybody in business for a shilling I am quite prepared to give him back a pound. There are thieves in every business, but there are honest people available if you want to do honest business with them.

127. *Mr. Semple.*] Are you satisfied that the group-settlement system is the proper system to apply to most of that land ?—I think it would apply better there than in any other district. Of course, group settlement depends upon management. Like every other business, if you have the proper man it will be all right. But if you have a man who gets up against his men it will fail.

128. How would you break this land in—what system would you adopt ? Supposing the Government decided to settle several thousands of acres there—up to 100,000 acres—what system would you suggest to the Government for bringing it into cultivation at the quickest and cheapest possible rate ?—There is no doubt that if that country were first surveyed into reasonable farms, and then some development work done on each farm upon systematic lines, that might be done very economically. Of course, as soon as a man can struggle along I would be in favour of assigning a particular section to that man and letting him work it for himself.

129. But you would not put him there with a limited amount of capital and obsolete machinery ?—That would be highly undesirable; but I think that once access is provided this country will settle itself.

130. Do you not think it would be wise for the Government to adopt the principle that they have adopted on the prison farms ?—Yes, I think it would be, but I do not think that would be absolutely necessary, though that could be done.

131. Would not that be killing two birds with one stone—providing employment and putting land into cultivation—also training young men to do the job: it would have a threefold advantage ?—Yes.

132. To pay them a wage for bringing the land into cultivation—land which they would be called upon to take over later ?—Yes; and it would be well if some of their wages could be put aside for them as a nest-egg for the time when they go on a section of their own: that would be a good scheme.

133. I am looking at the report of the Agricultural Department which has been put into my hands, and which proves that the scientific use of fertilizers produces wonderful results. Do you not think that in those camps educational lectures should be given on the business and scientific sides of the job ?—Yes; as one witness said, it would be necessary to run work and instruction side by side, provided that a man should not go to lectures when he was exhausted.

134. But you admit that there is the scientific side to be learned ?—Yes.

135. Many soldier settlers have failed through lack of knowledge and guidance ?—Yes.

136. There is a scientific side of farming to be learned as well as the labour side ?—Yes, no doubt. Of course, there is some country that is fool-proof, but this country requires to be worked properly.

137. A good deal has been said about noxious weeds and rabbit pests: in your opinion is closer settlement the only real remedy for overcoming these pests ?—The only real remedy—especially for dealing with the noxious weeds.

138. In regard to the question of fertilizers, the extensive use of fertilizers is really the secret of success as far as this class of land is concerned ?—Quite true—the use of the right fertilizers.

139. And plenty of it ?—I think that within fairly wide limits the more you use the better.

140. You submit that failure upon the land is impossible if it is treated with sufficient and the right class of fertilizers ?—I do not know that I would go as far as to say "impossible," but I would say that success is highly probable.

141. Some farmers have made a success with a limited amount of fertilizer but at tremendous cost: would not the possibility of success be much greater if fertilizers were cheaper ?—Much greater.

142. One reason why you advocate the construction of this railway is because you believe it would bring down the cost of fertilizers to farmers in the district, and give the farmers a greater chance of success ?—That is my main idea, and my main object in advocating the construction of the railway is that the country may be settled. I think it is easily possible.

143. You think it would be possible to settle that land and to get the necessary results from it, to pay the nation and to pay the men who settle there, and that it would be absolutely impossible to get those results without a railway ?—That is my idea.

144. You are convinced of that, after all your years of experience ?—I am firmly convinced of it.

145. You think it would be a good thing for this country, and for the hundreds of men out of employment, if the Government constructed that railway, and settled people on the land there ?—Yes.

146. You think that it would be of great benefit to the nation ?—Certainly, a great benefit.

147. And you realize that if you made a statement of that nature, and tried to persuade the Government to spend £700,000 for a "white elephant," it would be committing a national crime ?—Yes, I feel that.

148. A man may get two years in gaol for forging a cheque for £3. You ask the Committee to recommend the Government to spend £700,000 to complete a railway: unless you were convinced in your own mind that you are right, you should get twenty-five years in gaol ?—Twenty-five years at my time of life ?

149. That would fix you for good ?—It is only the enthusiasm that I have in connection with this matter that has enabled me to carry on this battle for twenty years.

150. You are recognized as a prominent and good citizen and a pioneer of the country: it is not likely at your time of life that you would come here and try to do something for the Dominion unless you were convinced of the benefit that would accrue to the Dominion ?—That is my reason for advocating this railway, and that is why I am prepared to divest myself of any personal profit whatever.

151. Your advocacy of this railway is solely in the interests of New Zealand ?—Yes, to be my monument.

152. A good deal has been said during these Committee proceedings about sickness of stock, which is a very serious thing, and frightens many would-be settlers from coning to settle in that part of the country. Do you think that is so ?—Yes.

153. Do you think that close settlement resulting from the building of this railway would minimize that trouble, and eventually wipe it out ?—Cultivation is a remedy for it, although in that area the only class of animals affected by it is lambs.

154. To what do you attribute that ?—I have never been able to solve that. The top lambs are first class, but the tail of the mob suffers from it. Mr. Aston attributes it to the lack of iron in the soil, but the Fields Division attributes it to two small worms. I have followed the advice of the Department, but without result. A great deal of country in New Zealand will not breed lambs. In the early days, even in Hawke's Bay, lambs died by thousands.

155. But if we went in for close settlement on that pumice land the industry would be dairying, would it not ?—Yes. A few sheep would do fairly well there, but the country is best suited for dairying.

156. The principal value of the land is for dairying purposes ?—Absolutely.

157. You could not go in for sheep-farms on small areas ?—No.

158. After all, it is more suitable for dairying ?—Yes.

159. How would this land grow fruit in orchards ?—Some fruits, such as apricots and peaches, do not do well there, but apples, pears, and all bush fruits do very well. You could fill a wagon with cherries grown there. They grow wild there.

160. And strawberries grow well there ?—Yes. The land and the climate are most suitable for that class of fruit. Raspberries and gooseberries, and currants, do exceptionally well there too, though they do not do well in Auckland, so that there would be a great market for them.

161. How does timber grow there as compared with other parts of the country ?—The growth of timber is remarkable. I have myself erected a building of timber which I grew from the seed in fourteen years.

162. Were the figures you gave in connection with transport Government figures ?—Yes.

163. You are not relying upon your own figures ?—I allowed £1 a ton for the lorry from Rotorua to Reporoa, but I find they are paying £1 7s. 6d.

164. Questions have been asked you in connection with the progress you have made on your land, as to the area you have brought into cultivation during the twenty years you have been there. I suppose in common with other undertakings, the amount of progress made is determined by the amount of money you are prepared to spend ?—Yes, to a very large extent. Except during the war, when I loaded myself up with war bonds, I have gone on the principle of keeping out of deep debt. In my judgment the payment of interest will sink any man in the long-run.

165. *Mr. Massey.*] In view of the statement made in the report of the Commission of 1922, how can you make out that the Commission unanimously approved of the construction of the railway as far as Reporoa ?—I am very glad to have the opportunity of explaining that. Now, among the extracts from the report which the Chairman read was the minority report of Mr. Munro. There were five members on the Commission, and of course Mr. Munro composed one-fifth of it. He would not have made a minority report if the other members had not approved of the railway. If, as has been contended, the railway had been turned down, why should Mr. Munro write that minority report ? He wrote it well knowing that the Commission had approved of the railway. The report of the Commission is that the railway will not pay 4 per cent.; but, notwithstanding that, the Commission recommended its immediate construction. The Commission reported that the net revenue, after paying all working-expenses, would be £9,000 per annum, and that on the estimated cost of construction it would pay 1·2 per cent., a higher rate of interest than all the railways in the South Island. I would like to read this portion of the report: "Should it be decided to assist settlement in the district under the provisions of section 11 of the Land Laws Amendment Act, 1919, a railway would be necessary. In the report dated 15th December, 1920, of the Taupo Tramways and Timber Commission

(parliamentary paper C.–13, 1921) reference is made to these forest plantations, and a report by Mr. R. W. Holmes, late Engineer-in-Chief and Under-Secretary for Public Works, is quoted as follows: 'There is another point that must not be lost sight of in considering this question, and that is that the Forestry Department has very large plantations in the vicinity of Waiotapu, which is about eighteen miles along the route Rotorua to Taupo. Irrespective of what is done in the way of giving Taupo railway connection, it will be absolutely necessary that a railway be constructed before many years elapse to Waiotapu to deal with the output from the State forests. The land is cheap here, trees seem to do well, and it is only a matter of increasing the plantations until there will be as much timber coming out as the railway can comfortably handle, and this will continue in perpetuity.'" Commenting upon this the Commissioners add: "It would seem, therefore, that there is urgent necessity, in order to avoid great national waste, for an extension of the Rotorua Government railway to Waiotapu with as little delay as possible; and bearing this in mind, and having in view the probability that the Government will give effect sooner or later to the strong recommendations of the late Engineer-in-Chief and the Director of Forests, your Commissioners venture to express the opinion that the line to connect Taupo with a Government railway system should be an extension of the existing Government railway to Rotorua. We respectfully beg to endorse the opinion that in order to realize the value, both present and prospective, of these plantations means of transit by railway must be provided, and we may add that a railway from Rotorua terminating at a suitable point in the vicinity of the Waiotapu plantations would reasonably serve the present settlement in the Waiotapu Valley and would open up a further large area of land for development. There is also a possibility that the indigenous forests to the west of the Waikato River can be tapped by such a line." Well, now, I submit that that means, "We recommend the construction of the railway, but we cannot say that it will pay 4 per cent.," and that they could not absolutely recommend it because their order of reference was, "Will the railway pay 4 per cent.?" They say it will pay only 1·2 per cent. I do not wish to disguise the fact that this report minimizes the value of the land agriculturally, but the members of the Commission did not inspect a single farm in the area. I want to ask for the attendance of Mr. H. H. Sterling, General Manager of Railways, who was Secretary to this Commission, and who will be able to say whether the Commissioners saw a single farm. I would like to read an extract from the findings of the previous Royal Commission, which did inspect some of the farms, and spoke in no uncertain terms as to the value and possibilities of this country.

166. What were the findings of the previous Royal Commission?—That Commission was really set up to inquire into the question of the Taupo Totara Timber Co.'s tramway and railway. It had nothing to do with the Rotorua-Taupo country, but after viewing it the Commission was so impressed with the possibilities of that country that it recommended the construction of a railway from Rotorua to Taupo. With regard to the agricultural value of the land the Commission said: "Without cheap manures and transit at a moderate cost these lands can never be farmed profitably . . . Clovers and cow-grass grow exceedingly well, and there is ample feed during nine months of the year . . . It undoubtedly constitutes the largest area of undeveloped waste land in the Dominion, and calls loudly for some special action to be taken to bring it into productivity. The experiments already made with pumice soils clearly show that given proper tillage, and with the use of appropriate manures, the land is capable of satisfactory development." After citing some instances of the carrying-capacity of the land, the report proceeds: "With instances like these before us we are forced to the conclusion that the suitability of these pumice lands for farming purposes is beyond question, but the needs of the district will not be fully met until the Government railway is extended to Taupo." This Commission investigated a great number of farms, and was fully convinced that the pumice land would be brought into profitable use.

167. Do you know of any other reports made since 1922?—Yes. The gentleman of whom I have spoken, Mr. Napier, s coming to Wellington, and is anxious to give evidence. He sent me a report on this country by Mr. T. H. Paterson, who was Instructor in Agriculture, but is now away from New Zealand.

168. You know the light lands of the Waikato fairly well?—Yes, I have known the Waikato since 1877.

169. Has it not made remarkable strides since 1922?—Yes; since the institution of top-dressing the improvement in the Waikato has been marvellous. I saw some paddocks last week in which the growth was extraordinary. These paddocks were near Hamilton.

170. Have you any idea of the exports from the Port of Auckland since 1922?—They have increased at an astonishing rate. I cannot give the figures, but I know from the reports of the Department of Agriculture that the export of butter from the single Port of Auckland is rather more than half that from the whole of the Dominion, and probably the largest export of butter from any port in the world.

171. Is that due almost entirely to the knowledge acquired in the use of fertilizers?—That is the main factor. Of course, the improvement in the cows has been a great factor, but the main factor has been the use of fertilizers on the surface, without breaking the sod at all.

172. You consider that the development of this area is to be contrasted with what it was in 1920?—Yes.

173. Great advances have been made?—Yes. There were then only 27,000 acres planted in trees, there are now 130,000 acres of Government forest plantations, and 30,000 of private forest plantation. The advance in the methods of treating the land in recent year has been wonderful. I do not think any one in the district used manure until within the last three or four years, but with the use of manures I have paddocks on my place which will compare favourably with paddocks anywhere, and the most I have used is 3 cwt. to the acre.

173A. How does the pumice land compare with, say, that at Rotorua, Matamata, and Putaruru ?—The Rotorua country is very similar to it. The Matamata country has been farmed for so long and so heavily manured that at the present time it looks different, but in its essentials it is very much the same. I mean that at first the area at Matamata was very much the same as the Taupo pumice country. The country at the back of Putaruru can be brought in all right; but I do not consider it to be quite as good as the lands in the Rotorua–Taupo area. The natural growth upon it is not as good, or as vigorous. A great deal of the land in the Rotorua–Taupo area is covered with manuka 15 ft. or 20 ft. high. That on the Tokoroa country is not so high.

174. Then you think the pumice country is stronger country than the Tokoroa country ?—I am sure of it; and it is more easily worked.

175. You consider that with the knowledge of to-day the Rotorua area would be a better proposition than in 1922 ?—Quite a different proposition.

176. Have you any idea of the returns of the Tokoroa Cheese-factory since 1922 ?—I cannot say that I have, but I know the factory has been doing very well.

177. What do you say is the area of land that would be served by the railway ?—In my judgment it would be about 2,000,000 acres. The report of the Commission says 1,250,000 acres, but the Commission took no notice of the land in the Rangitaiki Valley.

178. *Mr. Makitanara.*] Does that include the Tihoi Block ?—No.

179. *Mr. Massey.*] The land could be handled more cheaply to-day ?—Yes; and community helps very much. If you have sale-yards, schools, and public halls in a district, and other conveniences of civilization, every new settler helps every other settler. I think that may be taken as an axiom.

180. The more you reduce the costs, the bigger the profits ?—Certainly.

181. Are you of opinion that a railway can be built cheaper than a road ?—There was some discussion on that point at the last Royal Commission, and I have here a transcript of the evidence. Mr. Dyson, Chief Government Engineer for the district, was giving evidence, and he was being examined by Mr. Mackintosh Ellis, Director of the State Forest Service, who stated the traffic from the Government plantations would amount to a continuous stream of trucks carrying 9 and 10 tons. Mr. Dyson was asked what such a road would cost, and the questions and answers were: "*Q.* Would it cost as much as your railway ? *A.* 24 ft. wide ? *Q.* No. What is your standard ? *A.* 12 ft. *Q.* Take a 12 ft. basis ? *A.* I consider it would cost as much as a railway-line, probably more." What is your own opinion about it ?—Well, I am not an engineer, but I do say the material to make the road will have mostly to be brought into the country, and of course the foundation for a road in a good deal of that pumice country is not very solid, and the road will have to carry heavy traffic. It is not like building on stone or solid clay foundation.

182. You have no metal in the Rotorua district ?—There is plenty of rhyolite; cannot say whether that would comply with the Government requirements; I am not an engineer. I am sure that the Public Works Department has an estimate, and I have several times asked that it should be produced. My opinion is that we have very little metal. Why the Public Works Department should hesitate to produce its estimate I cannot say.

183. How may miles are you away from the Rotorua line ?—Thirty-five miles.

184. I presume you have considerable trouble in handling stock ?—The difficulty has been the motor traffic on the road. Lambs, for instance, are shifted in January, and then the road is very dusty. You get a motor-car dashing into the front of your mob, and breaking it up, and as soon as you get the mob gathered up again another car dashes into it from behind.

185. *Mr. Makitanara.*] Have you suffered loss on that account ?—I personally have not, but some of my neighbours have. The damage is to the condition and appearance of your stock before you get it to market. If lambs are rushed about, broken up, and smothered in dust, they arrive at the yards with what is called their bloom off.

186. *Mr. Massey.*] Are you also of opinion that with an improved road the motorists would be inclined to drive much faster, therefore the difficulties would be considerably increased ?—Yes. I, as a settler, would advocate putting a good gutter across the road every 200 or 300 yards.

187. Have you any idea how much weight fat lambs lose between the time they leave their pastures and their delivery into the trucks ?—To make a general sort of estimate, I would say about 2 lb. per day, and they would lose about 5s. in appearance.

188. How many days does it take to drive your stock from the pasture to Rotorua ?—Lambs take four days, and bullocks three days.

189. How much do you consider you lose on fat bullocks ?—About £1 per head, besides the expense of the driving.

190. Can you give an opinion as to why this land has not been developed up to the present ?—One great reason is that no small sections are available. The Crown has only large blocks. There is a great area of Native country. As to the privately-owned blocks, Mr. Butcher and I have nearly all the privately-owned land, and there is very little available. I have applied for permission to subdivide my land, but the conditions imposed have been very onerous. There is no sense in spending more on roads than you will get for the sections.

191. *Mr. Samuel.*] Is there much Native land in your whole area ?—A very large area. I should say more than half is owned by Natives.

192. Have the Natives ever asked for this railway ?—Yes.

193. Have they ever suggested that they would be willing to have their land taxed for its construction ?—Yes. They were willing to pay 1s. per acre on the land to help the cost of the railway.

194. The whole of the Natives ?—Practically the whole.

195. This railway would benefit the district to a large extent ?—To a very great extent.

196. To come back to the question of a road: a good road would be of no benefit as regards driving stock?—No; in fact, it would be a drawback, because it would induce motorists to speed up more.

197. The road would be really no benefit to the settlers as far as stock are concerned?—No.

198. Have you any idea of the capital cost of the road?—Only what I have stated in answer to Mr. Massey.

199. Have there been conflicting opinions between Captain Ellis, of the Forestry Department, and the Engineer of the Public Works Department?—No. Captain Ellis did not express any opinion about the cost; he merely said the traffic would be in a continuous stream of trucks carrying 9 and 10 tons. Mr. Dyson was then asked what would be the cost, and he answered that it would be much more than that of a railway.

200. If a road alone were to be constructed, it would have to be of such strength as to carry 10-ton loads?—Yes.

201. What is the charge per mile of road for motor-lorry carriage of timber?—I obtained a report from the Government Statistician. He said he could not quote an absolutely definite figure as in the case of the railways, but it would not be less than 1s. per ton-mile. In our district we can get our stuff taken out, seeing that there is a return load, at about 9d. a ton per mile, but before the timber traffic began we were giving £3 10s. for the journey: that would be about 2s. 6d. per ton per mile.

202. Have you any idea of the cost of taking goods on the railway?—On stuff brought from Auckland, the additional cost of taking it from Rotorua to our district is from 1s. to 1s. 6d.

203. And how many miles is that?—From twenty-five to thirty-five miles.

204. Then it would cost you less than 2d. per ton per mile to carry it on the railway?—Yes, less than 1d.

205. It would be less than 2d. per ton per mile on the railway as against 1s. per mile on the road?—Yes.

206. It is almost needless to ask about the economic difference to the settler. In your opinion would it make the difference between success and failure?—It means a considerable margin. It has cost as much to use 2 cwt. of manure in the past as it cost in the Waikato to use about 3 cwt. That makes a very big difference.

207. I want to get at the difference it is going to cost the settler for fertilizer carriage as between motor-transport carriage and carriage by railway?—The difference is about 18s. per ton.

208. Of course, money spend on railway work remains in the country, while money spend for motor transport goes out of the country?—That is a very serious question, to my mind. The benzine we use here is imported, and costs about three times as much as in the United States. The motor-vehicles are imported, and cost about double what they cost in the United States. All spares are imported, and cost about four times as much. The material for the road itself is imported, and all these things are imported from a country which will not accept our produce in return. Everything is imported from a country which takes nothing from us.

209. Then the money spent on motor-transport is an absolute economic loss to the country?—In my judgment it is.

210. While the money spent on a railway remains in the country?—Yes.

211. You are the owner of 10,000 acres of land in the district?—Yes.

212. What value do you put on that land?—I think it is worth £3 10s. an acre, which is not very different from what it has cost me.

213. What is your object in offering to sell it to the Government at its present value?—To divest myself of any suggestion that I am advocating this railway for my own personal gain.

214. Then you are prompted by motives of public-spiritedness in advocating the railway; at the same time you consider that having been a pioneer of the district you are entitled to some consideration?—I think so, but I would put that on one side. I want to emphasize the fact that my personal interest in the matter should not weigh by so much as a farthing with anybody. If I cannot prove that it is in the public interest, well, gentlemen, bring in an adverse verdict.

215. You were one of the first settlers in the district?—I was the second to go there. Mr. Butcher was the only man there before me.

216. You went there to prove the possibilities of the district? You had faith in the district?—Yes.

217. How much of the 10,000 acres is broken in?—It is all fenced and divided into about forty-five subdivisions. I have formed twelve miles of drains, about the same length of roads, and numerous bridges, erected buildings, and built cattle-yards and sheep-yards, and have ploughed 1,700 acres at least twice, and put it down in permanent pasture.

218. That is, you have cultivated 1,700 acres?—Yes.

219. At least a quarter of your country has been brought into productivity?—Yes. There is stock running over the whole area. There is a little surface grass everywhere.

220. What would you estimate to be the value of this land that you have ploughed twice and cropped, and put into permanent pasture?—Of course it varies. Some of the best of my paddocks, if they were in any other district, would sell at from £30 to £40 an acre. In my district I could not say it is worth that. I should say the grass land, on the average, is worth more than it cost—say, £7 an acre.

221. If you were in an area where you could get your produce out or commodities in, you would value the land at anything up to £30 an acre?—Yes.

222. You consider the whole of the land in this district useful?—There is no useless land at all.

223. With respect to the risk of fire: we all know that with timber plantations there is great risk of fire—that is provided for by fire-breaks?—Yes.

224. In your opinion what is the best fire-preventive?—In the first place, to get rid of the enormous areas of highly inflammable scrub. In the summer it is liable to take fire and go off like a packet of crackers.

225. What would be your remedy? To settle the country, and get it ploughed. Then every settler would look after his own land.

226. You tell us that the timber is of such rapid growth that you have built an outhouse with timber from trees planted only fourteen years ago?—I do not pretend that that can be done in plantations.

227. The thinnings from the plantations are useful?—Yes, certainly.

228. They can be used for mining-props and many other purposes?—Yes.

229. As to the motor-lorries on the Rotorua-Taupo Road, do they carry the whole of the timber traffic?—Yes. The principal traffic is in sleepers for the railway, but there are also sawn timber and posts and battens.

230. Do they take all the timber?—No; they use only the first-class heart of totara.

231. If there were a railway other classes could be economically carried?—Yes.

232. Would the railway be of any use for the great sulphur deposits around Waiotapu and elsewhere?—The reply of the Minister when that question was raised in the House was that the Department had obtained very favourable reports, but that the deposits could not be developed owing to the lack of means of communication.

233. What is the amount of country in afforestation over the whole block?—Actually planted there will be about 180,000 acres. Assigned for planting there are altogether, public and private, 300,000 acres.

234. How long does it take from the time of planting for timber to become millable?—There is a difference of opinion on the point, but in my judgment it would take about thirty years.

235. Then trees planted to-day would not be millable for thirty years?—No.

236. Tree-planting was begun about thirty years ago?—It was begun in 1898, but they put in very small areas at first. About 1902 the Department got more into its stride, and the planting has been continuous ever since.

237. If the railway were built now it would take some considerable time to complete, and as soon as it was completed there would be millable timber to take out to the mills?—Yes.

238. And as the planting is continuous there would be an inexhaustible supply, provided that planting goes on?—That is so.

239. As to wood-pulp, how long would it take to set up a wood pulp plant?—I have no idea.

240. Supposing that a company wanted railway facilities to get stuff out for that purpose, would it take twenty years?—No. I know that a pulping plant on a sufficient scale is an expensive thing. Probably it would take a couple of years to get it going.

241. How long would it take to get the machinery?—I should say that two years would be quite an outside estimate.

242. Would the railway serve the land on the western side of Lake Taupo?—The whole of the lake is navigable, with deep water right to the shore.

243. Then the output could be water-borne to the railway at Taupo?—Yes.

244. Could telegraph-poles and power-poles be grown in New Zealand?—I know no reason why they should not.

245. Are you aware that the poles coming from Australia, of hardwood, are not as satisfactory as they might be?—Yes; but how much of that is due to want of skill in choosing the timber I do not know. There are two hundred varieties of Eucalyptus, and in the past the Department has merely said "Australian hardwoods" which is very vague.

246. Do you know that in some parts of New Zealand Power Boards are growing their own poles?—Yes.

247. If that is so, could you not grow them in your country?—Yes. The eucalypts grow better in New Zealand than in Australia.

248. Have you an idea of the estimated cost of the railway from Rotorua to Reporoa?—No. The Public Works Department's estimate was £11,000 per mile from Rotorua to Taupo. The report of the Commission put it at £12,000. There was a good deal of discussion on the point, and the Public Works Department said they could do it for £11,000 a mile on a grade of 1 in 50, but if taken at 1 in 100 it would cost £225,000 more. What grade they adopted I cannot say.

249. The Government has stated that the work already done cost £35,000, including houses and that sort of thing?—Most of the heavy cutting has been done for eight miles.

250. That has been completed?—No. The cuttings made have been done with the shovel—without any machinery.

251. In your opinion the most difficult part of the earthwork has been done?—A great deal of it.

252. It has been stated that if this railway is built it will not pay. Do you know of anywhere in the world where a new railway is paying?—No; and I do say that at the time the railway to Rotorua was built—and that is one of our most payable lines—there was not anything like the justification for it that there is for this one. The Rotorua land was then declared to be worth nothing, and the tourist traffic was inconsiderable. Now, the land is valuable, timber is valuable, and the tourist traffic amounts to 40,000 fares a year.

253. If this railway were built the additions from the settlement point of view would more than compensate for the loss sustained on the railway?—That is so; and there is no reason why the cost of the railway should not be assessed on the land; it would easily bear it.

254. You told us you had taken prizes at agricultural and pastoral shows?—Yes.

255. Have you not taken prizes for all classes of produce?—For fat lambs, apples, roots, hay and oats, grass-seed—in fact, for all classes of farm produce. I have never exhibited cattle, but I have taken prizes for fat lambs and fat sheep.

256. I think your prize-taking record stopped about 1923 ?—Yes.

257. Why was that ?—I have not exhibited anything since then. I found that so many people were of opinion that I grew my exhibits in the garden, and I did not like the idea. Of course, it is impossible to grow swedes except in suitable ground. I can honestly say that I have never given any special cultivation to an exhibit. They have been just pulled out of the ordinary crop, and I have never given them more than 2½ cwt. of manure to the acre.

258. How much land, in your opinion, would be opened up by this railway, within a reasonable radius ?—My estimate is 2,000,000 acres—that is, within fifteen miles in every direction.

259. If the railway were formed, it would add 2,000,000 acres to the Auckland Province ?—I consider that if you put a railway into new country, you are adding to the area of the Dominion.

260. In your opinion this 2,000,000 acres could be brought into an equal state of productivity with that of the Waikato country ?—The great bulk of it.

261. *Mr. Lye.*] Have you not had ample opportunity of giving exhaustive evidence on behalf of the project ?—Yes.

262. Every facility has been given you to give evidence and to call witnesses ?—Yes.

263. Have you any complaint to make of want of courtesy, or political bias ? On the other hand, have you not had every fairness shown to you before the Committee ?—Personally I have made no compl int. I want to acknowledge the courtesy shown to me. I think the Chairman was a little hard upon me in not allowing me to reply to points that he himself raised, but I have now had the opportunity of replying to them, and I have no feeling whatever in the matter.

264. You have no suggestion to make of political bias having been shown by the Committee ?—None.

265. I understand that there is a wide variation in the quality of the land in your district ?—Yes.

266. For instance, I understand that some of the best of your land is land which you say if placed in the Waikato would be equal to £20 or £30 an acre ?—When I took up my country it was not equal to the average of pumice land. The Maoris said to me that it was nothing but sand.

267. I am referring to the swampy portion. Although you have a little oasis in the desert, you have not to go very far to get to some of the poorest portions ?—I have broken in a good deal of the lightest of the pumice land with satisfactory results. On the average the pumice country, I am satisfied, will be as good as the average Waikato land.

268. Would it be correct to say that it would cost more and take longer to bring it into a state of productivity ?—The lightest of this land certainly cannot be made as good as the heavier portion of the Waikato land. It would need more manure, no doubt.

269. You estimate that there is some 2,000,000 acres within reasonable distance of the railway ?—Yes.

270. When you cut out the afforestation areas and the Native land, what amount will be available for settlement ?—I do not know why we should cut out the Native land.

271. Well, what is not planted with trees, and what is not Native land ?—I should say that the Native land will be about half the whole area, and what is assigned to forestry will be about 300,000 acres. That will leave 700,000 acres of settlement country besides the Maori-owned land.

272. Are you definitely of opinion that a good road through that district would not hasten settlement ?—Personally I do not want to see a road. It would only mean the speeding up of the driving. The present road is sufficient for settlement purposes.

273. You consider that the railway is absolutely necessary ?—The one thing that is absolutely necessary.

274. You have been recognized as a man who has never swerved from the desire for a railway. How do you account for the fact that you have so little support from others in the matter ?—There will be in Reporoa and the district immediately around it about thirty-three settlers. They are all poor people, and a good many of them are disheartened when the Government is against them. They have not the pluck of a mouse to stand up against that. Take Rotorua : there is a big party there who fear the competition of Taupo. Personally, I think the development of our district would help Rotorua. Another section say that Rotorua is now the railway terminus, and that if the railway goes on they will lose. That is absurd, but there is a great faction of people who believe it.

275. Are you of opinion that the difficulty of finance, in the past, together with the fact that people have not been able to arrange for the purchase of fertilizers, has been the main factor in preventing development ?—No. Those things have been factors, but the main factor has been the want of access. There are many people who have money, and do not need to go to the bank or to the Government.

276. Has the State Advances Department for a number of years practically had the pumice area on the black-list as regards finance ?—I could not say. I have not applied to the Department.

277. Did you hear that that matter was stressed when members visited the district ?—I heard that at Putaruru, but there is no section in that district more than fifteen miles from the railway.

278. How far is Tokoroa from the railway ?—About twelve miles from the Government railway.

FREDERICK GEORGE DALZIELL examined. (No. 10.)

1. *The Chairman.*] You are a barrister and solicitor ?—Yes.

2. We understand that you desire to give evidence on behalf of the Taupo Totara Timber Co. ?—Yes. I am Chairman of the Taupo Totara Timber Co., and have been so since 1900. I have with me a map which we have prepared with the view of putting it before the Prime Minister, showing our holdings in the district and those of other companies. There are seven different Government

Departments interested in the district. Our difficulty is that those Departments have no common policy for the pumice area. We wished to place before the Prime Minister the history of the district, and ask that the Government should come to a definite policy with regard to the whole area. [Features delineated on map explained.] We are not opposed to the construction of the Rotorua–Taupo Railway. We have only on one occasion opposed it. When the line was started by the Coates Government I was urged by the people of the Putaruru district to get up an agitation against it, but I told them that I would not do so—that it was not our business—and urged them not to oppose it, but to concentrate their attention on seeing that the Government came to a decision as to what it was going to do with its own timbers, which are adjacent to our line. Our tramway-lines are surveyed into two Government bushes adjoining our line, yet it is suggested that the timbers are going to be taken by a new line across to the proposed Rotorua–Taupo by a route which has never been surveyed, and down that way. That is what we are concerned about; but in our view the Rotorua–Taupo line should not be built upon evidence that the country served by our railway is going to be served by the Rotorua–Taupo line. Our evidence before the Committee will be directed entirely to that question. To show the interest we have in the country, and the justification we have for the full consideration of our interests by the Committee, I will give some figures. Since we started we have spent about £2,000,000 in the district. One million of that sum went in wages, and nearly a quarter of a million in traffic on the Government railway-line. In the last ten years we have paid £60,000 in taxes, and £600 a year in local rates. We are employing 186 men, who represent a population of 503, and as a result of our enterprise there are fifty-two settlers on our line. On the first few miles of our railway there are twenty settlers whom I do not include. There are seventy-three settlers served by our line. Of these, fifty, at any rate, have gone there as the result of my company's enterprise. In addition to these products of our work, a further £2,000,000 has been raised by the New Zealand Perpetual Forests Co., which has based its main activities upon our line. That company has acquired land on both sides of our railway, and planted it, to the extent of nearly 200,000 acres. So that we have brought to the district £2,000,000, in addition to our own expenditure and the farming that is going on at present. It has been a very big fight, in which we have been engaged for twenty-eight years. It has been my business personally to investigate this pumice country on all sides of the lake. I was employed to form the Tongariro Co. also, and I have been in touch with it in one way and another ever since. It began a few years after the Taupo Totara Timber Co. was formed. It has been my business to go all over this country, and to employ men to inspect it from both the settlement and the forestry points of view, so I am in a position to answer questions as to all parts of the country. Some evidence has been given as to the investigations that have been made. Shortly, I would say that there has been no public recommendation of the Rotorua–Taupo line. That is a statement that I make after having been through the whole process, and having had something to do with every investigation that has been made. I say definitely that in no case has a recommendation been made by any one who had authority to make one in favour of the construction of the Rotorua–Taupo line. The Auckland *Herald*, no doubt informed by some one, has repeatedly stated that two Commissions have reported in favour of its construction. It has also stated that we have been making endeavours to sell our railway to the Government. Neither of those statements can be supported by evidence. Mr. Vaile is a man with very valuable qualities. He has the qualities of eloquence, of hospitality, and of optimism. If, instead of opposing us, as he has been doing all this time, he had come along and said, "Let us do what is best for the pumice country," we would have had a great deal of settlement there to-day; but he is opposing all the efforts we have been making to settle that district. The first investigation that took place was made in these circumstances: Sir John Findlay, in 1911, entered into a written contract on behalf of my company with some London financiers, under which they were to take over the company's line at cost price, or whatever it was worth below the cost price, and extend it to Taupo, which extension was estimated to cost £50,000. A condition was that we should purchase 200,000 acres of land around the lake. That seemed to us a very fine opportunity. Another condition was that we should guarantee a certain amount of traffic, which we proposed to do with our timber. That would have provided them with the certainty of a small rate of interest on their capital. That, as I have said, was in 1911, and we petitioned Parliament in that year for permission to carry out the transaction—that is to say, to get this 200,000 acres from the Natives. That would have been only a portion of their lands. They would have had at least as much left to deal with, and the value of that land would have been increased by the settlement of the 200,000 acres. That appeal to Parliament was made in an election year, and the Committee which investigated the matter came to the conclusion that it was better to postpone the matter. At that time there was a good deal of opposition to any syndicate taking up a large area of country, and it was thought advisable to wait until after the election. The Prime Minister, who was in London, definitely said that he saw no difficulty in the proposal being carried through. On the contrary, he thought it was an excellent opportunity of outside capital being provided to take the risk of the pumice country.

3. *Mr. Vaile.*] That was Sir Joseph Ward?—Yes. Then the election took place, and a new Government came in. We petitioned Parliament again in 1912. I am not suggesting that there has been any political influence in the matter. I am not a politician. In 1912 the House set up a special Committee, consisting of Messrs. Anderson, Buchanan, Buick, Dickie, Hindmarsh, Laurenson, MacDonald, the Hon. Dr. Pomare, Messrs. Wilson, Young, Ngata, and the Hon. Mr. Fraser. Because of the opposition we had met with, including that of Mr. Vaile——

Mr. Vaile: No.

Witness: Well, I will read what the Committee said. Our proposal was—(*a*) That the Government should make a conditional contract for the purchase of the completed tramway to Taupo at its value, not exceeding the bare cost of construction, and should pay the purchase-money in instalments arising from the sale of the present unoccupied Crown lands and such Native lands as the Crown

should acquire at present values; (*b*) that, in consideration of the petitioning company extending their present line to Taupo, the Government should by legislation authorize the petitioners to purchase by private contract an area of Native land not exceeding 200,000 acres, on condition that such area is subdivided and sold in areas not exceeding those prescribed by the Native Land Act, 1909; (*c*) that if the last-mentioned alternatives were adopted by the Government the petitioners would enter into a valid undertaking, properly supported by security to the satisfaction of the Government, to refund any purchase-money paid to the petitioning company for the said tramway-line should the Government, at the end of fifteen years, decide not to affirm and carry out the purchase of the line on the terms above mentioned. As a practical matter, we did not expect the Government to find the money for this purpose. We realized that we would have to find it, and to make the railway, and be prepared to accept the result from the sale of the land. This is the finding of the Committee:—

"(*a*) Objections were received by your Committee to granting the prayer of the petitioning company from the Rotorua Chamber of Commerce; several hapus of Maoris interested in the land surrounding Lake Taupo; and from the Wellington Trades and Labour Council.

"(*b*) These objections your Committee carefully considered. As to that of the Rotorua Chamber of Commerce, your Committee does not think the proposed extension of the company's line, and the purchase by the Government of the portion already constructed, would affect Rotorua; nor does your Committee think that a railway from Rotorua to Taupo would, owing to the topography of the country, materially benefit the district served by the company's tramway. Your Committee does not agree that the extension of the company's line would injuriously affect the interests of the Natives. As to the objections of the Wellington Trades and Labour Council, these are generally on the grounds that the Council is opposed to the sale of the freehold of any Native land in the Taupo district which the Crown may acquire. As these objections to a large extent are matters of policy, your Committee makes no comment upon them."

The Committee did not recommend the Government to construct the line, and it did not recommend the purchase of the line. Its report also said—

"Your Committee are of opinion that it is desirable that inducements be offered to settlers to occupy land in the vicinity of the tram-line and of Lake Taupo. To this end facilities for the economical transit of manures and produce are necessary.

"Your Committee recommend that an Order in Council be granted to the company to extend their line to Taupo; that the Government guarantee the cost of such extension, not exceeding, in the opinion of your Committee, £50,000."

Nothing was done on the recommendation of that Committee. The next step was a deputation to the Right Hon. Mr. Massey, then Prime Minister, on the 15th October, 1918. On that occasion we urged the Government to buy the Native land, and arrive at a definite permanent policy. We made these proposals:—

"(1) That a commission of experts be appointed immediately, to go into the whole question of the development of this district.

"(2) That legislative power should be taken by the Government during the coming session enabling the Crown and Native lands, with the timbers thereon, to be put under the control of a Board or Boards, either European or Native and European, and dealt with in a comprehensive way, with power also to the Government to raise moneys upon the security of these lands both for European and Native settlement purposes.

"(3) That consideration should be given to the question of establishing a soldier settlement or settlements on European lines, in this district, under the supervision of settlers who are successfully farming this class of country, who would, my company is led to believe, be glad to undertake this work upon patriotic grounds. If some such plan is adopted my company is prepared to join with the Crown and the Natives, in proportion to its area of freehold land, in making, for the purpose of soldier settlements, a free gift of so-much land as may be deemed advisable. It is suggested that the moneys necessary for these settlements should be raised upon the security of the whole of the lands to be vested in the proposed Board, that the soldiers and the Natives should be paid for any work they may be employed to do in developing the settlements, and that those who become qualified farmers should, in the event of the settlements being successful, receive farms at the cost of the improvements. The result of the adoption of this proposal would be that, in the event of these lands being proved valuable, an enormous area of land would at once be available for settlement in a district unexcelled in New Zealand for healthy and delightful living-conditions, while, in the improbable event of failure, the soldiers and Natives employed would have been paid for their services and at the same time have received a training as farmers under competent advice."

It took three years to get that investigation. A Royal Commission was set up in 1921. This is one of the Commissions that Mr. Vaile says reported in favour of his line. As a matter of fact Mr. Vaile has a good deal of support for that statement. I will read a letter which we wrote at that time, on the 29th August, 1921, immediately after the report of that Commission was presented. In that letter we said:—

"Following on the report of this Committee, the Right Hon. Mr. Massey, as Prime Minister and Minister of Lands, visited the district, and went first over the proposed Rotorua–Taupo Railway route, and then over the company's tramway. Both at Tokoroa and Putaruru he assured the settlers that they could rely upon the company's line being maintained for settlement purposes. He advised them that in his opinion these lands could be profitably farmed, and gave them every encouragement to go on with their enterprise. His words were understood to mean, and no doubt were intended to mean, that the Government would do what it reasonably could to foster settlement based on this tramway as its means of transport."

We have never asked the Government to do anything but arrive at a policy as to what it proposed itself to do with its interests in the district. We have never sought Government assistance. We have faced our finance ourselves. In the same letter we said :—

" The warrant appointing the Commission was drawn up by your Department. No draft was submitted to my company or the settlers for approval, but by the courtesy of your head office one was shown to me, and I thought it was sufficient for the purpose. It raised the question of purchase of the tramway by the Government, and I did not object to that, as your Department wished it to go in, no doubt with a view to giving greater freedom to the Commission. I may say at once that in so far as your Department is concerned we have no cause of complaint. On the contrary, we have reason to be grateful for its help in this matter. Our grievance is solely with the acts of the members of the Commission.

" The warrant to the Commission is plainly limited in its terms to an inquiry into the use of the company's tramway and the lands and timber served by that tramway. Before the Commission sat a deputation from Rotorua, headed by Mr. Vaile, waited upon the Prime Minister and you and the Minister of Public Works, and asked that the Commission might deal with the question of the Rotorua–Taupo Railway, and was plainly told that the Commission would not go into that question. When the Commission sat in Rotorua Mr. Vaile appeared before it, and offered evidence in support of the Rotorua–Taupo Railway, but the Commission ruled that the question did not come within its order of reference ; and accordingly no evidence was tendered and no argument allowed on that subject throughout the Commission's sittings to take evidence and argument.

" Our grievance is that in spite of all this the Commission's report deals with the matter as though there had been referred to it the whole question of the permanent railway facilities of the Lake Taupo basin. . . . It will be difficult to find in the history, in New Zealand, of judicial tribunals (such as a Royal Commission) so great a departure from good faith and justice as is involved in this recommendation. To those with a knowledge of the circumstances it is well known that before such a finding could be reasonably or fairly reached it would be necessary to consider not only the proposed Whakatane–Galatea–Taupo route, but more particularly the proposed Tokaanu–Kakahi Railway. This line serves the most valuable and extensive area of totara and matai timber now remaining in New Zealand. It would therefore be an immediately payable line, and would connect the whole Lake Taupo basin with the Government central railway system. On inquiry it may be found to be in the national interest to construct this line in the near future and postpone the construction of a Rotorua–Taupo line for many years, and in that event the completion of the company's tramway to Taupo might be advisable in the national interest."

Shortly, the position is that Rotorua people came to Wellington and urged that this Commission should be allowed to go into the question of the Rotorua–Taupo line as well as the Putaruru–Taupo line, and that Mr. Massey, then Prime Minister, said he would not allow it. He said that the Commission had been set up to go into the question of the Putaruru–Taupo line only. There was no authority in the Commission relating to the Rotorua–Taupo route at all. Mr. Vaile, when the Commission sat in Rotorua, asked to be allowed to give evidence regarding it, but the Commission would not allow evidence on the subject at all, and no evidence was called, and no comments made. Finally, the Commission recommended that the railway be constructed. It had no authority in its evidence, and was told by the Government that it would not be allowed to go into it, and that is what Mr. Vaile is relying upon. The next thing was the 1922 Commission. The Chairman has already read the conclusion of that Commission, which was that there was no justification for the line. On the report of the Commission of 1921 a railway board was formed to control my company's railway. There were five members on that board, and they represented the settlers. We could not be on it, because we were dealing with the board. After negotiations they decided that instead of taking over our line, which the Act said they were to do, they would take a portion and make a deviation which would take only nineteen miles out of the fifty-two of our line. These are the difficulties we met. They decided to alter the route. The new route they proposed went through 30,000 acres of property of one of the members of that railway board, and it went on through the property of another member of the board, and on to the Tauru-Tutukau Block, the owner of which was another member of the board.

4. *Mr. Jenkins.*] Three of them owned properties ?—Three of them owned property. The proposed line went through the property of these three gentlemen, the Government set up a special Committee to go into the question of this board's proposal. That Committee consisted of Mr. Furkert, head of the Public Works Department, Mr. Jones, Chairman of the Government Railway Board, and the Chief Accountant of the Railway Department. This was in 1925. The Committee went thoroughly into the question of the alternative route proposed by the local railway board, and in a very short report they summed up the position. They said, " We are of opinion that there is no call for the construction of a new line. The present line is sufficient to do all the business necessary. If the money were borrowed we are of opinion that within a year or two the finances of the board would be in such a position that the board would use every endeavour to get the State to take over the line. In order that amicable arrangements may obtain, we are of opinion that the management of the line should be in the hands of a board on which all interests are represented." We have always been prepared to do that. As a matter of fact, this legislation which set up the board was promoted by us, and we spent several hundred pounds in assisting it, until we found that it was using our finance to endeavour to get this alternative railway constructed through the land of some of the board's own members. They complained bitterly when we stopped the finance. However, I will not go into that question.

5. *Mr. Semple.*] Who were the members of this board ?—Is there any use in stating that ? I do not want to bring out names.

6. I want to know who they are ?—One was Mr. Hugo Friedlander ; another was Mr. K. S. Cox, a settler on the line.

7. Can you give their areas ?—Mr. Friedlander owned 30,000 acres. I do not know what were the areas of the others.

8. Who was the third ?—Dr. Rayner. He owned the Tauru-Tutukau Block. Another member of the board was Mr. Campbell, and the other was Mr. Bullock, of Lichfield.

WEDNESDAY, 25TH SEPTEMBER, 1929.

FREDERICK GEORGE DALZIELL further examined (No. 10).

1. *The Chairman.*] When we adjourned yesterday, Mr. Dalziell, you were giving your evidence; will you please continue?—I would remind you, gentlemen, that my purpose in giving evidence here is to refute two main suggestions made by Mr. Vaile. The first was that we would not carry the timbers of other people; that statement has no foundation in fact—it is Mr. Vaile's imagination. The second statement was that the transport of this district lies naturally along the Rotorua–Taupo line. Mr. Vaile told you that if the traffic from the district served by my company's line went by way of the Rotorua – Taupo line the sum of £1,000,000 would be saved, which he quite naturally said would pay for the construction of the line from Rotorua to Taupo. These are two very important statements. Mr. Vaile is relying upon this kind of evidence, and my purpose is to show that that evidence is not true. There is a third statement which I had better mention now: Mr. Vaile claims—and he was supported by the report of the 1922 Commission—that there are indigenous timbers which can profitably be taken over the Rotorua–Taupo line, and which would provide traffic for that line for a number of years. Now, gentlemen, there on the wall is a map showing the whole of the indigenous timbers in that district. It has been my company's business to investigate every one of those areas. I am not now referring to the area across the country towards Napier way, but I am speaking of these areas within the pumice country. We have had every one of those areas examined by an expert, who is acknowledged to have been one of the best experts in New Zealand in the estimating of timber, the late Mr. C. B. Seeley. He spent some years in our bush laying out our tramways and estimating our quantities, and his estimates proved extraordinarily correct. He then went over and estimated the Tongariro Co.'s area, and his estimates there have been confirmed by the Forestry Department, and he himself was afterwards in employment, as engineer, at the Arapuni works. So that we have available general estimates. We could not, of course, afford to make such a complete investigation as is made when the Crown sells its timbers, but an experienced man can get some fair idea as to the quantities. Now, there is no Government Department which has made such a thorough investigation as we have — I may be wrong in that; there may be recent Forestry Department estimates, but, if so, you can get those. But as far as Mr. Vaile is concerned, and the Commission of 1922, they did not go into these questions in such a way as to have reasonable estimates of the cost of taking this timber by the Rotorua–Taupo line. As I have said, my purpose is not to oppose the construction of the Rotorua–Taupo line. Any development of any part of the pumice country, we feel, will help every other part. It is new country, but the conditions are very similar in all parts of it, with two exceptions: one is the Reporoa Valley and the other the Hautu country. These two areas are more mature than the rest of the pumice country—that is to say, they have been more turned up to the atmosphere, and they have come down to some extent from the adjoining bush country. Our experience, covering thirty years, of this country fully confirms Mr. Vaile's estimate of its value. Anything that you, gentlemen, can do to start the investigation of this question will be very helpful to those who are involved in the district. Now, on this question of transporting this timber adjacent to our line—that is, the two Government areas and the Tauri–Tutukau Block. In August, 1928, Mr. Hockly, member for the district—and the member for the district is in a rather awkward position in that he represents both the Rotorua–Taupo line and the Putaruru–Taupo line—waited with us on the then Prime Minister and told him what he also said in the House: that it was absurd to talk about taking away the product of these two Government areas from the Taupo Co.'s line to the Rotorua–Taupo line—that they were, as a matter of fact, interlocked with the Taupo Co.'s bushes, and the Taupo Co.'s line is dependent upon them for the maintenance of the settlers' traffic. Now, our request to the Prime Minister was this: We wanted to know where we were. We are a big enterprise with big capital, and a big body of employees, and we want to know just where we are. If these timbers are to be taken away, all right, we can settle down and make our plans accordingly. On the other hand, if they are to remain with us, we will need to adjust our plans to that situation. We said, that as it is claimed that this timber should go by the Rotorua line we were willing to join with the Government in any expense that might be involved in having that question settled. The big question is this; and it is one that Mr. Vaile left out altogether: In order to take that Crown timber and that Tauri–Tutukau timber away from our line to the Rotorua–Taupo line (our tramways touch the two Government areas) you must first construct a line over rough country to the Taupo–Rotorua line.

2. *Mr. Jenkins.*] For how many miles?—I understand that they suggest going to the Mihi Village, on the proposed route of the Rotorua–Taupo line, although that section is not yet authorized—the line is only authorized to Reporoa. Now, gentlemen, nobody knows what the distance of this branch line will be, because it has not been surveyed; but the distance, in a direct line, is a little more than half the length of the company's line—about five or six miles more than half. The Taupo Co.'s line goes in almost a direct line from Putaruru to Mokai.

3. *The Chairman.*] What distance is that?—It is thirty-six miles as the crow flies, but fifty-two miles by the line. It is a cheap line, and therefore we go round curves in order to save expense. We have special rolling-stock to make up the equivalent. With that rolling-stock you can get a hauling-power around curves that you could not get with ordinary rolling-stock. It cost us approximately £2,500 per mile. This, then, is the important question which ought to be determined, and which in August, 1928, we and the member for the district asked the Prime Minister to have determined—what is going to be the cost of that line from the Government and Tauri–Tutukau bushes to the Rotorua–Taupo line? It would be a little more than half the length of the company's line; the cost to-day is more than double what it was in 1903–4, when the company's line was constructed, so that the cost of this new timber line will possibly be as much as the cost of the Taupo Totara Co.'s line,

£120,000. Now, as a business man I suggest that what you are doing is this: it is an absurdity. The timber from the Whakamaru-Maungaiti Block (shown on map)——

4. *Mr. Jenkins.*] Who owns that?—Mr. Cox has part of it, and Mr. Atkinson, of Christchurch, and the Whakamaru Co., and a Mr. Carter. There is no question of that timber going to the Rotorua–Taupo line. But if the Government and the Tauri–Tutukau areas are to go to the Rotorua–Taupo line, the timbers in this locality will have to bear a sinking fund of £240,000 instead of £120,000; if it goes by the company's line neither of these timber lines has a permanent life without the indigenous timbers, unless the new afforestation enterprise is a success, which only the future can tell. This is the question we asked the Prime Minister to go into in August, 1928. We said we would share the cost of having this question settled, and we agreed that if it is more profitable, from a national point of view, to take this timber to the Rotorua–Taupo line then take it, and we will know where we are. Our policy is that the timber in this locality should pay for the transport of the district, so that settlement might be helped—the settlement of the pumice country. The suggestion we put forward is that the whole cost of running the railway, including interest and sinking fund, should come out of the timber—that is, our timber, the Crown timber, and the other private timbers. Any traffic from the settlers is mainly back loading, and our suggestion was that we should carry that back loading at handling cost only. One or two other timber-owners are not prepared to go as far as that, but that is our proposal to the Government—that we are quite willing to join with the Government in that proposition. In this matter we are working in conjunction with the local bodies and the progress bodies in this district. When the Railway Board was set up they fought us for some years. They were led by Mr. Friedlander, who said that they could get a line through there at Government rates. They have come to the conclusion that they cannot, and they are now working with us; we now have their full support. I have put it to them that any proposals to go before the Government should go from them, and that we would fit our enterprise into any reasonable proposal that would suit the settlement of the district: that is our proposition. With regard to the working of the different timbers, we have been endeavouring since 1918 to bring about an arrangement under which all the timbers will be co-ordinated as one proposition so that they can be worked most efficiently. Mr. Vaile said that we have refused to carry other people's timber; but, gentlemen, we have been trying for nearly eleven years to come to an arrangement whereby all the timbers will be carried at the same price as ours. Nobody can say what that price is until we know how much timber is coming over our railway. If this other timber is going away to the Rotorua–Taupo line the price will be high. But if that timber is to come our way the cost will be very much less; it will probably be halved. One cannot say what it will be in the future. The hold-up of that scheme is caused by this Rotorua–Taupo Railway agitation. Efforts have been made to get the Government to buy the Tauri-Tutukau Block, in the belief that that timber should be taken by the Rotorua–Taupo line. I suggest that you should not make this recommendation in favour of the Rotorua–Taupo line until a survey sufficient to enable you to know where the proposed line to connect with the Rotorua–Taupo line is to be located, so that you may know what quantities of fillings and cuttings you have got to make, and arrive at a fair estimate of the cost. That is what we urged the Prime Minister to join us in doing. Mr. Vaile has urged you to report that the Rotorua–Taupo line is the best means of opening up the Taupo pumice country. Our answer to that is, let all the interests in the district come together: that is what we are asking the Government to do, to bring them all together. First let the Government Departments go into the question and ascertain the facts. Then let us all come together before a committee of departmental heads under some Minister, and try to thresh out amongst ourselves—the people who know the country, its difficulties and its possibilities, whether we cannot come to some agreement as to what is the right course. That is what we are endeavouring to do, and that is what I suggest to you as the best course. I suggest that Mr. Vaile would be wise to join us in that appeal. He could be of great help. He says he wants the Rotorua–Taupo Railway as a monument to himself. He does not want to get any personal interest out of it, but I am sure that Mr. Vaile does not want as a monument a "white elephant."

Mr. Vaile: Quite true.

Witness: He wants as a monument something that is productive.

Mr. Vaile: Hear, hear.

Witness: Something that will open up that country which, as he says, is a very beautiful country and a very healthy country—an ideal country for people to live in. That is what Mr. Vaile tells you, and that is the truth. I am suggesting to him that he should join with us in getting down to bed-rock. The Prime Minister has indicated that what we are doing is the right thing to do, but he has not had time to go into the matter so far. If Mr. Vaile will join with us I am sure that in the near future we can have this matter settled in the best interests of New Zealand and of the people, and of the enterprise which is going on there. From my long experience of Commissions, and so on, I suggest that any investigation that is made should not be made by a Royal Commission, but by a committee of experts. A Royal Commission goes round and takes evidence—prepared evidence. They get together and discuss the evidence, apart from the people who know all the circumstances, and they arrive at a conclusion, often on a misunderstanding of the real facts. It is not a sound proposition for the people whose interests are involved. There is one matter that I would like to draw your attention to—namely, the Tongariro Co.'s concession. That is the greatest and most valuable area of timber left in New Zealand. It lies in the centre of the North Island, and of the Main Trunk railway system, so that it is available both for north and south. The timber begins only five miles from the Main Trunk line. The Tongariro Co. has been for a long time in difficulties. The question is now before the Government as to whether its concession is to be renewed. The company is unable to fulfill its obligations, and the question has now to be settled by the Government as to whether their concession is to be gone on with. I am not connected in any way now with that company, but I

have had many years of knowledge of the difficulties that its promoters have been through, and I suggest that anything that is done should have regard to those people who have been through all those years of work with very high expenditure. As a matter of fact, they have rendered quite a valuable service to the country—not intentionally, perhaps, but by holding up that timber for seventeen years. If they had not done that it would have been, like a lot of other bushes, largely wasted; but to-day it is a very valuable reserve of timber for New Zealand. My suggestion to you, gentlemen, in the interests of the whole of the pumice country and of New Zealand generally, is that the greatest care should be taken before any new arrangement is made with regard to that area. It contains the only transport route from Lake Taupo to the Main Trunk line. For that reason alone it is of the utmost importance that you should not do anything with that until this whole proposition is investigated. I seem to have given a wrong impression yesterday—I seem to have said that our line extended to Taupo and would best serve the pumice country. I did not intend to say that. We surrendered our Order in Council for the extension, and we have no intention of going on with it. It is not necessary for the purpose of our business now. My own view is that the Tongariro route, from the Main Trunk right to Lake Taupo is the true line for the development of the pumice country. It goes through very valuable indigenous timber, so that it has immediately a traffic which will pay, and it can do what we have been doing on our company's line—take as back loading anything that the settlers require at a cheap rate. I mean, it will pay to do it. I do not know whether they propose to do it.

5. *Mr. Kyle.*] Is that south of Lake Taupo?—Yes.

6. How are you going to approach the other area, the Taupo area, and the Government plantations?—I am coming to that in a moment. For the Taupo proposition as a whole, to provide access for the people around the lake, that Tongariro route is the cheapest and most profitable.

7. *Mr. Jenkins.*] Would you suggest water conveyance from there to Taupo itself?—I do not know what would happen there, because there is a good road round the lake—whether it will be water traffic by steamer or motor traffic: it depends upon the cost. For heavy traffic, no doubt, the steamer traffic over the lake would be the cheaper. In America lake transport is very cheap, so our engineers tell us. We started carrying goods on our line in 1905. We have had twenty-four years of experience of transport in that country. We have had to study the difficulties of the settlers and of the sawmillers during that period. This is one of the questions which has been raised on our line, as well as in connection with the Rotorua–Taupo line. We have been urged to make the first nineteen miles of our line up to Government standard so that the Government's rolling-stock could come along it. We are told by our settlers, as Mr. Vaile told you, that there is difficulty in transporting stock. We went into that question and asked the settlers this: "It will cost us about £60,000 to £70,000 to make that line up to Government standard. Is there not some other way that we could spend that money, some way more profitable to the settlers on the line?" and they admitted that there was. They had not looked at it from that point of view before. With regard to the question of carrying stock in the Rotorua–Taupo district, that is a question you should go into, and you will find that the difficulty can be met much more quickly than by making the line there up to the Government standard. Our experience suggests that if, instead of making up their minds and saying "We want the Rotorua–Taupo line or nothing," the Rotorua people had concentrated upon finding the cheapest method by which the Government plantations and the existing settlements could be served, and at the same time serve the settlements there. If they had done this, I feel sure that they would long ago have had this access—that is, the access that is necessary to serve this Government timber as far as at present workable, and the settlers who are there now. All that they want is a line such as ours. The Government experts have told us that our line is an exceptionally good line as a sawmill tramway. There is no difference of opinion about that. It is quite sufficient for the purpose of serving that timber, and it is quite sufficient also to take the heavy traffic in the form of fertilizers and so on away from the road. We have done this lately. About a year ago we came to an arrangement with the Government under which the settlers on our line could have a rate on the assumption that our line was part of the Government line, and they get through rates from Auckland. The effect of that is that we undertake to pay half the difference in the charge, and the Government undertakes to pay the other half. Under our Order in Council we were charging the settlers the rate fixed by the Government, 10s. 6d. per ton.

8. *Mr. Vaile.*] For what distance?—The 10s. 6d. was for nineteen or twenty miles—it covered the whole of the settlement—all those farms that we are talking about. That meant this difference: the farmers were paying us 10s. 6d., but under the new arrangement they are paying us 6d. That gives them through rates from Auckland. We pay half the difference, and the Government pays the other half. We believe that it is a sound proposition, because all the stuff we are taking through for the settlers is back loading, and something of that kind could be done on the Rotorua-Taupo area. Now, here are the difficulties that this agitation by Mr. Vaile keeps alive—that is, while the Government policy remains unsettled. I will illustrate it by recent happenings. I told you that we are employing 186 hands, representing a population of 503 people. Most of those are at Mokai, in the heart of the pumice country. About a year ago our main sawmill was destroyed by fire. I went to Mr. Sterling, General Manager of Railways, as we had to consider the question of what kind of mill we were going to replace it with—whether to have a couple of small mills or a large up-to-date mill. I explained the position to Mr. Sterling, and asked him to make up his mind and determine his policy as to what he was going to do with this piece of Crown timber (on map) at Oruanui. I said "Why not exchange that piece with this portion of ours (on map) which adjoins the State property named Moroa?" Mr. Sterling said, "We will do all we can for you; you have suffered this loss, and on the face of it I think that your suggestion is a sound business proposition." However, when he came to discuss the matter with the sawmilling branch of his Department he found obstacles in his way, and I

realized then that it was not practicable at that time for him to make up his mind what his policy was to be. So we had to take the risk, and we did take the risk, of erecting a sawmill which is going to cost £13,000. We will find it necessary in the immediate future. We are calling for plans and estimates now to erect a new bridge across the Waikato, which will involve us in an expenditure of about £10,000, and on that account also we want to know where we are. Again, the dwellings at Mokai are very old, and in the near future we will be called upon to replace them: there again we want to know where we are—what kind of buildings we will need to provide, and what the Labour Department will require. If there is only a short life in that block we will erect only temporary buildings, but if there is a longer life ahead we can provide more substantial buildings, and make provision for better living-conditions. Another difficulty is this: At present the uncertainty of the position is keeping the General Manager of Railways from determining what his course will be. He is advised by the sawmilling branch that they should hold the Oruanui area as a reserve. Now, our tramways touch that area. It has cost us £29,000 to put the necessary bush tramways and buildings there. The main bush tram cost about £16,000 for formation, £4,000 for steel rails, and £6,000 for sleepers. The bush camp, consisting of twenty whares and two cottages, cost us £3,500. If the Government reserves that area we will take all these working facilities away, and when the time comes for them to work it they will have to find the capital for providing new facilities. It is pure waste. All those facilities are there now. It is just a question of coming to some reasonable business arrangement so that all that timber can be worked in some co-ordinated way. If the timber is to be taken away from the company's railway to the Rotorua–Taupo line, the settlers on our line will not have transport, and they will be left in the lurch, which is contrary to the settlement policy of the Government, evidenced by the following facts. The parliamentary Committee of 1912, after hearing the evidence of the General Manager of Railways, the head of the Public Works Department, the head of the Lands Department, the head of the Agriculture Department, and Mr. B. C. Aston, of the Agriculture Department, who all supported the use of this line for permanent settlement, recommended that it should be maintained as a permanent railway. After that, on that recommendation, Mr. Massey went through the district as Prime Minister, and he was waited upon by deputations of settlers, whom he assured that they could rely upon that railway being a permanent line. In order that this might be brought about he set up the Royal Commission of 1921. Unfortunately that Commission was asked if the Government should take over our line. We did not suggest that. We gave no evidence in support of it. On the contrary, I said that I did not think it was a practicable proposition. Nevertheless, that Commission also reported that the company's line ought to be maintained for the purpose of dealing with the permanent settlement traffic, and in order that that might be brought about they recommended that the private timbers and the Government timber should contribute so-much to a sinking fund to provide for the wiping-out of the capital cost of that line. Then the Government set up a railway board to administer our line. That railway board, the chairman of which was Mr. Friedlander, attempted to get a line upon which they could get Government freights. The special Committee already referred to, consisting of the heads of the Government Departments, reported against that proposal, and that some arrangement should be made to make this line of ours a permanent line. I do not know whether it is opportune to mention this, but in connection with this movement which the local bodies are trying to push on one of the most important questions will be that of finance. I have had a long experience of finance, both as a lender and a borrower. I have advised the Bank of New Zealand and other big financial concerns, so that I know some of the risks of the lender and the difficulties of the borrower, and if you could find it advisable to report that such an investigation as we are suggesting should be made, you will, I think, settle the question of the finance of the pumice country. I discussed the matter with the Public Trustee and other heads of financial Departments, and they agreed that there is no reason why the financial institutions and the settlers should not get together and formulate a scheme whereby the finance should be based upon production instead of valuation. The farmers there are willing to get together.

Mr. Kyle: There are a lot of us looking for that.

Witness: Yes, the movement has been supported amongst the settlers, and that is what they are asking the Government to investigate now. All these questions could be settled in a few months if the Government would do what we are urging the Prime Minister to do, and that is to get the experts to call together the representatives of the different interests in the district. With all our knowledge and all their knowledge they could arrive at some sound business proposition. That is my evidence, Mr. Chairman.

9. *Hon. Mr. Ransom.*] I would like to know how far the land has been settled in the bush country you are operating upon now?—The only settlement there has been our own. We have thought it wrong to allow the bush to go back to second growth. We thought it wise, therefore, to grass it as we cut it out. There is no other bush farming than ours.

10. You are farming it yourselves?—We are not farmers, though we have one or two farmers on the Board. We have had great difficulties. It is difficult to get a farmer to go back as far as that under present conditions. We have not been able to get a manager who cares to go back as far as that. So far our farming operations have not been a success. There is no doubt about the grass there, but ragwort is coming in, and the thing ought to be tackled. We are still hopeful of being able to get some practical farmer to take it up. We have offered it at less than it cost us, without any charge at all for the land. It is all fenced. But that is the difficulty—to get somebody to go back there and take it up.

11. What is your tenure—leasehold?—No, we have cut out the leasehold tenure. What we are working at present is our own freehold. This block [indicated] is our own freehold. We have sold most of it to the afforestation companies. We have retained only sufficient for our own purposes.

12. And your market is at Auckland?—Waikato and the north.

13. If that Tongariro railway was put through, would it be possible to bring the timber over the lake to that railway ?—Oh, no. Our market is largely in the lower Waikato. If that Tongariro timber is brought in in a big way it will injure the sawmilling industry.

14. *Mr. Kyle.*] Do you think it would be an easy matter for the departmental officers to get together as you suggest and advise the Government to alter the policy from one of production to one of valuation ?—I think so. I have discussed the matter at great length with the Public Trustee, and he sees no difficulty about it. Of course, he is a broad-minded man, and he is prepared to adjust himself to the idea. He would have to depart from current practice.

15. You are not aware that the majority of famers at the present time would like to think the same ?—Yes, then they would know where they are; then you would get advances made only to competent farmers.

16. Do you not think that the continuation of that line—which you have pointed out on the maps—across to the Rotorua–Taupo line, will develop the area it goes through ?—I do not see how it will.

17. You cannot see any reasonableness for the construction of that line ?—There is no evidence in support of it, and we asked the Prime Minister in August, 1928, to have the question investigated when we offered to share the cost.

18. Well, the proposed Rotorua–Taupo line does not traverse that area ?—No.

19. You think that your suggested route would be the better route of the two ?—Mr. Vaile and the 1921 and 1922 Commissions relied upon the report which Mr. R. W. Holmes, Engineer-in-Chief of the Public Works Department, laid before the 1912 Committee. Mr. Holmes went into the question of what was the best route for the construction of a light Government railway—the Rotorua–Taupo route, the Putararu–Taupo route, or an alternative route coming between those two. Mr. Holmes reported upon these three propositions, and he advised that for a permanent Government line the Rotorua–Taupo line should be chosen. I do not dispute that. We are not claiming that our line should be the Government standard line. I have already stated that instead of by that (Rotorua–Taupo) line the country ought to be opened up by this (Tongariro) line.

20. Do you think that that line is preferable to the route suggested by Mr. Holmes ?—Mr. Holmes did not recommend the immediate construction of the Rotorua–Taupo line, he merely advised as between these three routes north of Lake Taupo. He was asked whether he would recommend an extension of our line to Taupo, and he said he would leave that to the Department.

21. With the Rotorua–Taupo line do you suggest you are not going to tap all that territory on the east side right down south of Lake Taupo ?—The answer is this: If you are going to spend £700,000 there, that would be all right provided that you have £10,000,000 or £15,000,000 to spend immediately on settlement. If, for instance, one of these English settlement propositions would give you the capital up to £10,000,000 or £15,000,000 to develop that country, then that line would probably pay.

22. You know it is the policy of the present Government to spend £5,000,000 on the development of the undeveloped country—even to the extent of £70,000,000, we have heard it mentioned ?—I do not know what the policy is.

23. Anyhow, you think it would be a good place in which to spend millions on settlement and development ?—Well, I agree with Mr. Vaile that there is no question that it is a very valuable country.

24. Therefore it would be justifiable to put a railway into it ?—That is a very different proposition.

25. What are you going to suggest ?—First of all, what I want the Government to do is to help pioneer settlement there. The settlers there have gone in and taken risks themselves, and they should be assisted to make a success of their properties.

26. What about the pioneers on the east: would you suggest helping them also ?—My proposition is that you should help all the existing settlers in the pumice country.

27. You have stated that the country wants developing, and that you could spend £15,000,000 on it: you think it would be profitable to do so ?—It is just a question of a business proposition handled properly.

28. Now, there are all those plantations on the east of the line, that is principally Crown land: the plantations on the west are private plantations ?—Yes.

29. You prefer that the Government should put in a railway for the convenience of the private plantations as against the Crown plantations ?—They will not help the private plantations; it is a different district altogether. A special Committee of the House, after hearing all the experts of the Government, said that the Rotorua–Taupo line will not serve our country.

30. Well, you think that now that the Government have got all those plantations they must eventually have transit by railway ?—I have always understood that it is more than overdue—they must have means to get out the thinnings.

31. And you believe that a railway there will serve the purpose better than a motor road ?—Well, all the local bodies there are opposed to the use of the road for this purpose.

32. Therefore you think that a railway is necessary ?—Yes; but a light railway, the same as ours, will do all that is necessary.

33. You would not recommend that the railway should go round Lake Taupo to Waiotapu—a 2 ft. railway ?—No; our railway is 3 ft. 6 in.

34. *Mr. Jenkins.*] Is there deep water in the upper reaches of the Rangitaiki River ?—I do not know.

35. You do not know whether it would be possible to raft that timber down ?—No, I should think not.

36. You know what they do in that way in America ?—Yes, but the water is not deep enough on the Rangitaiki River.

37. Te Whaiti is on this side of the Rangitaiki River, and I think it has been stated that there is a great range between there and Rangitaiki, and that it would not be possible to get the timber across there ?—No, I do not know; you could get that evidence from the Government officials.

38. You know that in the North of Auckland they have rafted much of their timber in the smaller streams ?—I do not know that.

39. Now, as to the block proposed to be purchased from Dr. Raynor ?—In 1910 I urged the Prime Minister that the Government should buy it.

40. Did you suggest a price ?—No.

41. You do not know what the price would be: you did not know what that block could have been purchased for at that time ?—I do not know.

42. It has not been purchased yet. Is there as much timber in that area as in this Tongariro area ?—No. Our estimate of the timber in the Tauri-Tutukau area is 150 million feet, but in these days you could get a good deal more timber out of it than when our estimate was made, so that a fair estimate would be between 150 million and 200 million feet. Captain Ellis, when he was head of the Forestry Department, told me that their estimate did not confirm the estimate of the owner of the land: that evidence is available to you.

43. The Crown has an interest at Tongariro ?—The Crown has purchased the Native interest in about a quarter of it. The Crown now steps into the position of the Native owners in respect of that area.

44. Do you know the value of their equity ?—They have a title, but it is subject to forfeiture. They have not completed the line, and they cannot now complete it in terms of the lease. I say it is a great pity if the Government does not "play the game" with those people who have spent a great part of their business lives in handling that area.

45. I want to know your opinion of the comparative values of that and Tauri-Tutukau ?—The estimate of the Tongariro Co.'s block is 1,600 million feet. The timber is very valuable indeed; it is mainly totara, matai, and rimu. The Tauri-Tutukau timber is mainly rimu.

46. Therefore we will assume that if the Tongariro Co.'s block was worth £10,000, the Tauri-Tutukau timber would be worth £100,000—it would be worth more than ten times the other ?—Yes.

47. If the Tauri-Tutukau is worth £100,000, your evidence goes to show that the Tongariro timber would be worth more than ten times that amount ?—The quantity would be approaching ten times as much, and the value very much greater than that, because the Tongariro timber is of much greater value than the Tauri-Tutukau timber.

48. What would be the difference in the mileage from there to Putaruru through your line ?—It is about fifty-three miles to the Tauri-Tutukau timber block by our line; thirty-five miles from Putaruru to Rotorua; and then it depends upon what route you are going to follow what the distance by the Rotorua-Taupo line to Putaruru will be.

49. But you have to cross the Mamaku Hill ?—No, sir—though we have a hill just about equivalent to Mamaku Hill.

50. Do you know anything about the quality of land and about farming ?—Only in this sense, that I have had to collect evidence for the 1912 Committee and for the 1921 Royal Commission.

51. Would you support the contention that, assuming this area was planted in *Pinus insignis*, in the course of thirty years the pine-needles falling would create 9 in. of soil ?—I do not know anything about that sort of thing.

52. You know that Taranaki is one of the most productive areas in New Zealand, and the bush has been standing there for thousands of years, but there is not 4 in. of soil there ?—No; but you can get that information from the Agriculture Department.

53. *Mr. Semple.*] Who appointed that committee that Mr. Cox was on ?—That was the Puta uru-Taupo Railway board. The settlers appointed that board. We had no voice in it.

54. The conduct of that board had nothing to do with the proposed Rotorua-Taupo Railway ?—No; I introduced that subject merely to show you the report that was made upon our line by the Government departmental committee consisting of the head of the Public Works Department and the head of the Railway Department. They discussed that question, and they reported that our railway was sufficient for all the purposes of that district, and that efforts should be made to make it a permanent line.

55. They gave that report ?—Yes, the committee gave that report.

56. Supposing your railway was made a permanent line, would that benefit the farmers on the eastern side ?—It would not benefit in any way the Rotorua-Taupo country.

57. Then if the Rotorua-Taupo line was not put through, your line would not give any service to that country whatever ?—No, it serves a different district altogether.

58. So that the making of your line into a permanent line would not serve the farmers on the eastern side ?—No.

59. You are opposed to the proposed route; you say it is not the correct route ?—No.

60. I have followed your evidence closely, and I gathered that your evidence has not been quite hostile, but you are definitely opposed to the proposed route ?—May I put it this way: what we have actually done is the best test. Since that railway was suggested I have appeared before Committees on some of Mr. Vaile's petitions, and said that in my judgment the permanent Government railway to serve the Rotorua-Taupo country should be the Rotorua-Taupo line, but I wanted to see that they did not steal away our traffic from our line.

61. You wanted to protect your own line as against any other proposal: in the interests of your company you do not want anything done that will jeopardize your company's interests ?—This is the position with regard to our attitude: When the line was started it was a surprise to everybody. I

was asked by the Taupo settlers to get up an agitation against it. The Putaruru paper accused us of masterly inactivity. We have a big interest there. Our manager supported them. We told them we would have nothing to do with any agitation against the Rotorua-Taupo line. We did not regard it as our business, but we urged them to join in the policy which they are now joining in—that is, to get the Government to make up its mind as to what it is going to do with its timber interests, so that we will know where we stand.

62. But you seem to say that the continuation of the advocacy to construct this line was doing a certain amount of damage ?—There is no question about that. What I suggest as an alternative is that Mr. Vaile should go with us to the Prime Minister and ask to have the whole problem of the Government's policy in the pumice country settled.

63. I take it that if you can claim that the continuation of the advocacy of this railway is hurtful to the district, then surely one can take it that you are opposed to the project ?—I am opposed to it until it has been investigated.

64. Are you opposed to the route suggested by Mr. Holmes ?—No.

65. You support that ?—I have always said that I believed that Mr. Holmes was right.

66. I understood you to say that you were opposed to it, and that you thought there was some other better route ?—I am sorry to have given that impression. I have never tried to dispute Mr. Holmes's route in any way, but you must remember that Mr. Holmes had in mind a line not from Taupo to Rotorua only, but a line from Taupo to Tauranga.

67. Have you any definite scheme yourself ? You say you are familiar with the district : have you any settled conviction yourself as to where the line should go ?—Well, I think that, as I have already said, a light line should be constructed first to serve the Government plantations and existing settlements. I agree with the Forestry people. I am not an expert, but from my experience of our bushes I think that the Forestry Department is quite right in urging the construction of some railway access to serve those bushes which are now available.

68. What route would serve them best—your line ?—No, it is not near our line.

69. Would you suggest, as the line that would serve them best, the one suggested by Mr. Holmes or the one that has been stopped ?—They are the same line—there is not much choice—it is a valley.

70. But the line of the route suggested by Mr. Holmes is a different route ?—No ; it is the same route as the proposed route. The route that this railway is going on is the route suggested by Mr. Holmes.

71. But in his days the route had not been surveyed—it was only a suggestion ?—That is so.

72. The line that was being constructed but which has now been stopped—is that exactly what Mr. Holmes suggested ?—Yes, sir. It is the same route, but he never located it.

73. But in your evidence in support of the railway-line through the Taupo country you said that you favoured Mr. Holmes's proposal. You said, " My own view, as the result of years of experience, is that the Public Works Department's view is correct : that is the view expressed by Mr. Holmes, late Engineer-in-Chief, in his report to the parliamentary Committee—namely, that the permanent line to serve this district is a line from Tauranga to Taupo via Rotorua and Waiotapu " ?—Yes, sir.

74. So, really, according to the evidence you gave on that occasion, you were in favour of the present route, or a route along that valley through that particular country ?—I assumed and took it for granted, and still believe, that Mr. Holmes will be found to be right.

75. If you believe that the line as now surveyed is the line that Mr. Holmes suggested should be constructed, instead of your asking Mr. Vaile and others to join with you why do you not join with them ?—We are quite willing to join with them.

76. But you are not—that is the trouble. If you are convinced, and you say it here in evidence, that Mr. Holmes's suggested route was based on sound reasons, why are you not figuring in the fight to get the line gone on with ?—Because I did not say that.

77. Then I do not understand the English language if you have not said so ?—There are two questions. Whether the railway should go through there in a future time no one can tell. That is a different question from the one Mr. Vaile is now pressing upon you, which is, that the line should be constructed now.

78. But the route that Mr. Vaile is pressing upon us is the one that Mr. Holmes suggested ?—No, sir. Mr. Holmes said that the line is not a practical proposition at the present time—that was, when he gave his report.

79. Did Mr. Holmes say that this line should be put through in twenty-five years or at any stated time ?—He would not venture to say when would be the time ; but he said that was not the time for it.

80. When do you think it ought to be put through ?—When the Government found it would be necessary.

81 You were not in a hurry for it ?—I did not believe then that it would benefit the pumice country. I do not believe that the construction of that line now will tend to the development of the pumice country.

82. But just now when I asked you you said " Yes," and now you say you are opposed to it ?—My statements are consistent with one another.

83. I understand that you said you were not opposed to this line ?—I have always taken that attitude.

84. Now you say you do not think it would pay : you ought to be opposed to it if you do not think it would pay ?—That is not my job. I say, let us have a thorough investigation.

85. But surely you have an opinion to offer ?—No, sir, I do not give opinions : I rely upon the facts.

86. Were you then relying upon the facts ?—Yes, upon my knowledge of the configuration of the country.

87. And you said that that line, if constructed in accordance with Mr. Holmes's suggestion, would be in the interests of the country ?—The reason for it is this : it goes through country which is much more level than the country through which our line goes. It would not be an easy proposition to run an expensive Government railway through the hills through which our line goes.

88. I cannot understand your point of view. You say that Mr. Holmes was right ?—He did not say the line should be made at any particular time.

89. When you supported Mr. Holmes's contention that a line there was necessary, surely you had some idea when it would be advisable to put that railway through—or was it a blind guess ?—The country through which it went was the easiest country, and if you are going to have a permanent Government standard line, then the line with the best grade is that line.

90. But it does not necessarily follow that it is going to be profitable because it goes through the easiest route ?—Apart from the timber, the Rotorua-Taupo line goes through at least as good country as ours.

91. Then you are opposed to the present proposed route ?—I would rather have my statement as given put in.

92. I want to get it from you whether you are in favour of this line or not. We are here to find out what support this line has got, and I want to know from you as a witness whether you are definitely opposed to this railway-line or whether you are not. If you are opposed to it, I want to know your reasons ?—May I suggest that when you have read my evidence, if it does not cover your point, then you can ask me a further question.

93. Surely it is easy for you to answer that question ?—I have done so several times.

94. But not to my satisfaction. I want to know whether you are opposed to this railway or not—that is a plain question ?—No, it is not a plain question. You cannot answer questions of this kind "Yes" or "No." I say that is a foolish way ; at any rate, I cannot give a foolish answer.

95. You are opposed to the construction of any railway-line there ?—I say, let us find out. I am a business man.

96. Business men make mistakes sometimes ?—Yes ; I have made a few, but fortunately they have been balanced on the other side.

97. You said that you put your land into grass and that you had difficulty with it because you found it impossible to get farmers to go away back there ?—Yes.

98. You have had no success, and you found that the difficulty was to get a farmer to go into the backblocks there ?—Yes.

99. Is that an argument in favour of the railway ?—There is a railway there.

100. Your private railway ?—Yes ; and there is a road there.

101. Where is the difficulty ?—I do not know, but there is a prejudice : at any rate, that was our experience.

102. How much more bush have you got to cut out ?—About 90 million feet.

103. How much have you cut out ?—About 140 million feet.

104. In how many years ?—We have been working since 1905.

105. What is the life of the present bush at your present rate ?—We are cutting about 6 million feet a year—that will be about fifteen years.

106. And then the business will be finished ?—Our timber will be finished then.

107. Your line will be useless then—unless you can persuade the Government to take it over ?—They will never take it over. It is a question whether other timber-owners will hold their timber up for fifteen years in order to get our railway at a cheaper cost than the real value.

108. Did you ever cart timber for other companies ?—Yes, for Mr. Cox.

109. The Cox company is out of business now ?—Yes ; when the slump came the price we could offer did not pay.

110. Is it not a fact that the conditions you laid down to the Cox company were so hard that they were frozen out of the business ?—I want to know where you got that information from : what conditions do you suggest ?

111. The freights and your conditions regarding roads made the position so hard that you froze them out ?—This is what actually happened : At the present time we have only sufficient rolling-stock to carry our own timber. If we carry the timber of other owners we will need more rolling-stock. Now, who is going to invest the capital necessary to get that rolling-stock ? We said to them, "You cannot do it because you have not the capital. We will do it if you will guarantee us the traffic. If you will support your guarantee with some tangible security we will provide the rolling-stock to carry your timber." These negotiations were going on for years. I said to Mr. Cox, "Why do not you timber-owners get together, and let us all join together, and let all the timber be worked in the most efficient way and carried at the same price ? We will join you in any proposition of that kind." Mr. Cox is now helping us to go before the Prime Minister and get this question settled.

112. He is out of the business now ?—Yes, but he is a member of the County Council, and he is one of the leaders of the movement. They are trying to get the Government to determine what it is going to do with this timber, on the understanding that all the timbers should be worked together.

113. Is Mr. Cox a supporter of the continuation of the Rotorua-Taupo line ?—No ; it does not help him at all.

114. You said that you believed that all the farmers in the Taupo district should be assisted : you mean, right throughout the pumice country ?—Yes.

115. I want to know what policy you would propose to help the farmers there ?—From my point of view, from wide experience of business, it is just a question of getting the settlers together and determining upon some efficient method of handling their lands, and it is for the Government Departments to finance the settlers so long as they show they are "playing the game" with their farms.

116. That is, as far as money is concerned—financial assistance?—Not only finance, but with Agriculture Department experts—chemists and so on.

117. In light country such as pumice country, success depends upon the amount and constant supply of fertilizers?—That is so. Mind you, I am not a chemist or a farmer, but I understand that all the evidence is to that effect.

118. We will be guided by men who know; but that is a fact, is it not?—Yes.

119. How would you propose to reduce the cost of fertilizers and to give the farmers more fertilizers than they are getting at the present time?—Perhaps you were not in the room when I dealt with this matter. We have done it on our own line by charging them only 6d. for nineteen miles instead of 10s. 6d. What we have offered to do is this: our proposal is that the whole of the goods of the settlers on our line should be carried along that line at the cost of handling only, as back loading.

120. But I am asking the question in connection with the pumice country generally—your line will only serve a small section of the present settlers?—No, the bigger section.

121. But there are others to be served. You admit that your line will not serve the people on the east. Now, I want to know what policy you have to help all the farmers, apart from what you have said as to the assistance to be given by agricultural experts. Seeing that success depends upon the amount of fertilizers to be got on to the land at the earliest possible time and at small cost, how would you propose to do that—I am speaking not of the farmers in close proximity to your line?—No, you mean on the proposed Rotorua-Taupo line. I have suggested that if they do what we have done they can do it very much more cheaply and just as efficiently at a smaller expense than by constructing the Rotorua-Taupo line. My suggestion is that Mr. Vaile should use his eloquence and influence in supporting a small bush tram-line such as ours, which the engineers say is very good of its kind. If they concentrate upon that they will help the settlers more than in any other way.

122. Are you convinced that the pumice country right throughout that district could be profitably used for closer-settlement purposes?—All the evidence I have been able to collect is in the affirmative.

123. We are not dealing with the farmers who are at present on the line. Evidence has been given before this Committee that there are great possibilities before that district?—Wonderful possibilities.

124. Is that from a dairying point of view or from a timber point of view?—Both.

125. You are convinced that there are great opportunities of success there, and that evidence is backed up by the success of some men under very bad conditions?—Yes.

126. Do you not think that the construction of that line through that country would add to the possibilities of success of close settlement and speedy development, so that we could solve, or partly solve, the unemployment problem?—Unquestionably; but I always look at the obvious difficulties: these are that there is only a certain amount of money to go round, and there are other districts in New Zealand which can be quite as profitably worked.

127. Where are they?—Well, there are claims from all parts of New Zealand. I cannot give you evidence upon that point.

128. A good deal of this land is Crown land and a good deal of it is Native land?—About half and half, I should think.

129. Some of us are anxious to find employment for men who are walking the streets, especially the young men. What we are anxious to do is to settle them on the land on terms and conditions which would assure to them success at the start. We do not want a repetition of the soldier-settlement failures. We think that this land could be brought into cultivation cheaper than purchasing land at a high price?—That is the object.

130. Do you not think that, in view of the fact that there are not many areas in New Zealand where land could be secured at such a low cost, it would be better to start now upon large-scale settlement there—group settlement?—Yes, provided you have got the capital.

131. You think that would be a good thing for the country?—Yes.

132. Could that country be opened without a railway?—No, it must have cheap transport.

133. The point I want to emphasize is this: If the Government decide, on the evidence given to this Committee, that the pumice country could be successfully farmed on the group system, do you think that a large scheme of closer settlement could be carried out on that pumice land without a railway-line?—Not without some means of transport.

134. Without a railway-line?—I am not an expert transport officer. I have had no experience of road transport. I think the question is up for consideration now. It depends upon circumstances. If you are going to raise a sum of money which will justify the construction of a railway such as the Rotorua-Taupo Railway, surely you would advise that before you spend that money you should make the very closest possible investigation as to where in the pumice country it could be most economically used.

135. It is a question of road *versus* railway. Do you know anything about road-construction?—I have had to pay for that, or my company has.

136. Do you know what it would cost to construct a bitumen road through pumice country?—I have never had to pay for a bitumen road. Ours have all been country roads.

137. The idea is to put down a bitumen road in place of a railway: have you any idea of the cost?—I have never gone into it at all.

138. You have no idea of the stability of a bitumen road on a pumice foundation?—I think they tried something of the kind in Taupo. Some Government Department—probably the Public Works Department—can give an opinion on that matter. So far as I know it has not been a success.

139. The experiments carried out in most countries in the world with bitumen have proved conclusively that bitumen is useless unless it has a very irresistable foundation?—One can understand that.

140. Would it pay better to build a railway than to build a bitumen road? Which do you think would be the more serviceable for a group-farm system—a road or a railway?—I cannot tell you. I have recently seen racehorses being carried in motor conveyances. I do not know what it would cost, or how far it is feasible, where live-stock are to be carried.

141. We are not talking of racehorses, but about fertilizers and stock. You would not suggest putting one hundred head of bullocks into motor-lorries?—I take it that it is a question of cost. They have to go in a conveyance somehow.

142. But you say you have had a lot of experience, and I have no doubt you have. Surely you can answer that question. Suppose that we had through the pumice country hundreds of farmers: which would be the most convenient, the most profitable, and the most useful service, railway trucks and carriages, or motor-lorries and motor-cars?—We are trying to get the chance of putting the motor-cars off the road.

143. Then, you want a railway-line?—Naturally. We own a railway, and we say it could be done more efficiently on a railway.

144. Then, you prefer a railway-line to motor-lorries?—Yes, in my present circumstances.

145. I am not talking about your job, but about the general advantage for a group-settlement scheme?—I do not know anything about general matters, only about particular ones. You were not in the room, I think, when I read a letter from my company to the Prime Minister. I merely wanted to refer to a fact that you will find in the evidence.

146. What I want to know is what you would do in a group-settlement scheme?—I would get hold of experts who know about settlement, and I would say, "What is the best way of settling this matter of transport," and so on. I would not form an opinion, because I know nothing about it.

147. Do you mean to say that after all the years you have lived, when it comes to a question of the settlement of hundreds of people upon the land, you cannot give us a practical idea of what would be the best means of transport?—I have never relied upon my own judgment in such matters.

148. What did you put your railway in for?—To make money.

149. If the railway was a good thing for your company, would it not be a better thing for the community?—In those days there was no motor transport. We are trying now to get if off the roads.

150. You would not use the bullock wagon?—Some people did, in the pioneer days.

151. It was a railway-line that you built through your country because it paid best?—Because we thought it would pay best. It would have paid us better to build a better line.

152. But you built the line according to your finance?—Yes.

153. If it was a good thing for your company to build a light railway-line for the purpose you have used it for, you must admit that if the Government decide to pursue a vigorous policy of land-settlement through the pumice country it would pay the Government to push a public line through?—Yes; but the question whether there should be a line via Tongariro would still arise. The scheme of settlement you are suggesting is contained in a letter we wrote in 1918. I wrote the letter, but it was not my scheme. It was common talk when the soldiers came back. I merely incorporated that common talk in the proposition to the Prime Minister.

154. The proposed settlement suggested in that letter was to be in close proximity to your own railway-line?—Yes, country on both sides of the Taupo Totara Timber Co.'s line.

155. The idea in your mind was that the soldier could make good because he would have access to his land through your railway?—Yes.

156. You would not have suggested that the soldier should go out to where there was no railway at all?—No.

157. Well, a railway-line is a good thing?—Cheap transport is essential.

158. The letter suggested that the soldiers should settle in close proximity to your railway-line—You admit that it was a good thing?—Yes.

159. That being so, would it not be equally as good a thing, or a better thing, if there were a line right through the country, so that they would get the benefit of it?—Yes.

160. *Mr. Kyle.*] You mentioned the fact that you had been in communication with the present Prime Minister, and that he thought you were taking the right course, but that he had not had time to go into the matter?—Yes. It was the businesslike course, he thought, but he did not commit himself to anything.

161. But he has committed himself to stopping the railway?—That is common knowledge.

162. So he committed himself to stopping the railway after having stated to you that he had not had time to go into the position?—No; he stopped the railway long before we saw him.

163. Well, he committed himself before he had time to go into the matter?—No—to go into our proposition.

164. Your words were taken down by myself?—I admit the words, but you were not aware at the time that this was after the railway was stopped.

165. After the railway was stopped they were the words the Prime Minister used to you?—To our counsel. He told me that he gathered that the Prime Minister was favourable, but that, of course, he could not commit himself till we put the whole proposition before him. It was merely a casual conversation, and perhaps I should not have repeated it; but I have told you that the Prime Minister was interested in the development of the country.

166. Did not this take place after the Prime Minister had stopped the railway?—Yes; a few weeks ago.

167. *Mr. Massey.*] I would like to find out your real position. You said you were not opposed to the Rotorua–Taupo line: is that correct?—I take it that one's actions are based upon one's feelings, and my action has always been to refrain from opposing any comprehensive system in the Taupo

country which did not attempt to take away traffic from my company's line. That is what I have always done. I have never opposed Mr. Vaile's line, except to the extent of giving evidence to show that the traffic of our district was not available for it.

168. Did you ever support it?—No.

169. Well, you gave evidence in 1922?—Yes.

170. You still stick to that evidence?—Yes. It is the same evidence that I have given this morning. My attitude has never changed.

171. You are still of opinion that the main line should be the Rotorua–Taupo line?—If there is to be a Government standard line.

172. You want all the interests in the district to come together with a view to arriving at a solution?—That is so. There are seven Government Departments interested in the district, and you cannot go to any one of them and get the Government policy. We prepared a statement of the history and circumstances of this country, and we say to the Prime Minister, "Get an officer of your Department—we suggest his own Department, because the Prime Minister's Department can go to every Department and collect facts. We suggest that he should collect and co-ordinate the facts relating to the whole district, and that then the people of the district should get together, and have all the information before them, and let us arrive at a businesslike arrangement.

173. You are not going back on the evidence of 1922?—I have never given evidence as an engineer. I have said that my impression from all the circumstances was that Mr. Holmes's report was based on sound lines.

174. You have already said that in the meantime you are protecting your own interests?—Yes.

175. You have handled a lot of this country, I understand—the country adjacent to your own line. Is it rough, hilly country?—There are hills, but there is a great deal of flat. The last twenty odd miles are plains.

176. Are you farming it?—No. That is where Tokoroa and Campbelltown are. We are farming only our own bush—the bush we are cutting out, not the open country.

177. Farming with what success?—Not with great success so far, but we have not tackled it properly. We have not been able to get a manager who can handle it successfully. We are prepared to put up the capital, but so far we have not been able to do it. But this is not a good time, as you know, for people going into the back country.

178. Why will they not go into the back country?—I do not know what is in their minds, but there has been a lot of talk about bush sickness, and about a great many settlers having to get their valuations reduced. It may be that: I do not know.

179. What varieties of grass do you sow on your country?—I do not know, but I could get the information by wire if the Committee desires it.

180. *Mr. Samuel.*] Are you against the Rotorua–Taupo Railway?—I have spent the last half-hour in trying to explain my position. We have never opposed it.

181. I want an answer, "Yes," or "No"?—"Yes" or "No" would not answer it.

182. Well, are you in favour of it?—"Yes" or "No" does not answer that.

183. Do you think a railway from Rotorua to Taupo would be necessary to open up a land-settlement scheme there?—It all depends upon what capital you have available—whether you have sufficient capital to develop the country up to the state at which it will pay.

184. If a policy were decided upon to make available sufficient capital to develop a million acres of land, then the railway, in your opinion, would pay?—I should think so.

185. Then, may I ask again whether you are against the railway that has been started and stopped?—Again the question of what one's view is depends upon what one does. When that railway was started I was urged to oppose it, and I declined to do so.

186. You have told us in your evidence that you did not oppose it?—We did not.

187. As a matter of fact, I think your company sent out a circular stating that you were in favour of it?—No.

188. I recently got a circular letter from you stating that you were not against the railway?—You mean the other day. I state that we have never opposed it. I explained the facts that I have put to you here.

189. I took it from that that you were not antagonistic to the railway?—I do not regard it as our business.

190. That is exactly what I wanted to get at. That being so, I ask why you are giving evidence before this Committee?—Because Mr. Vaile has given evidence.

191. On whose behalf were you called?—That of my company.

192. You were not called by Mr. Vaile?—No.

193. Nor by the Government?—No.

194. You volunteered?—Mr. Vaile has given evidence that the traffic of the district served by my company's railway could be more profitably taken to the Rotorua–Taupo line. He is building his appeal to you on the assumption that that traffic will be available to his railway. I take it that you want to know the facts. The evidence I am giving is that the traffic of my district will not be available to the Rotorua–Taupo line.

195. It is served by your own little railway?—Yes; but why call it a "little railway"? It is fifty-two miles in length.

196. It is fifty-two miles, but it is really a long railway?—It is equivalent to the early Government standard.

197. You have a fairly wide knowledge of the Taupo lands?—Yes. It has been my business to find out.

198. I do not mean on the Mokai side, but on the other side?—All round the lake.

199. And from Taupo to Waiotapu, or to Rotorua?—Yes.

200. Do you think those lands are capable of profitable settlement?—Of course, I am not competent to form an opinion—I am not a farmer—but all the opinions of the Government experts, and the advice I have been able to get—and I have had to collect a lot of it—is to the effect that two-thirds of that country will be profitable farming country.

201. And would not the remaining third be suitable for timber-growing?—Not necessarily. There are some hills, and you could plant trees on them, but they might not be profitable.

202. You have heard all the evidence given in this inquiry?—Yes.

203. I suppose you would not disagree with Mr. Martin's evidence?—No. I am an optimist about the pumice country.

204. In the event of that country being opened up for settlement, which do you think would be the more economical thing for the transport of the farmers' cattle and produce, the motor or the railway?—I do not know.

205. Well, which do you think would be the cheaper?—I do not know. You have to put money—fixed capital—up for a railway.

206. But the settler is not concerned with that: he has not to pay for it. In the event of this country being settled, which do you think would be the better economic proposition for the farmer—to get his produce taken out and his requirements taken in by road or by railway?—I have had no experience with motor transport.

207. Well, we will put it another way: You are the Chairman of the Taupo Totara Timber Co.: If you had a totara bush within fifty miles of Putaruru, how would you do? I have brought quite a lot of timber from your mill, and built houses with it in the Waikato. Suppose that timber had been brought fifty-two miles by road transport instead of railway, could I have bought it at the same price?—No; it could not be done.

208. Say that you had a bitumen road?—We have had to go into the question of motor transport, and the local bodies are joining with us in an effort to stop it.

209. Suppose, then, that you could sell your railway, as you have tried to do?—Pardon me. That is a popular impression, but we have never tried to sell it. I have explained what happened. We raised capital in London to extend the railway, and we applied to Parliament for power to purchase 200,000 acres of Native land, the whole of which was to be done by private enterprise. The syndicate were to take over the railway, and we took the responsibility, because we guaranteed the traffic. We merely said to Parliament, "If you will not let us settle the pumice country, then use this line for the purpose. All your officers recommend that you should give us encouragement to do the work." The question was submitted to a Royal Commission—whether the Government should buy the line. It was not submitted at our request. The letter to the Prime Minister which I read yesterday formed the basis of the Commission. We did not ask the Government to buy the railway. We said, "Let the timber pay for the railway," and not that the Government should take it over at all.

210. You never tried to sell it?—No. Read the report of the Commission and you will find exactly what happened. Before that Commission I gave evidence to that effect. We did not think it was a practical proposition for the Government to take it over.

211. What I was getting at was the question of the carriage of timber. If you do not know, I am satisfied; but if you do not want to answer it is a different thing. What I want to know is whether I could have bought that timber cheaper from your place if it had been carried by road, or if carried by rail?—It was impracticable to carry it by road.

212. Supposing you could sell your railway at what it cost, and you had the same proposition in front of you again—to start all over again—and you had to consider the question whether you would have the timber brought out by road transport or by railway transport, what do you think you would do?—As matters stand I would endeavour to find out what the public now want to find out—that is, which is the cheapest transport.

213. Then, you have no opinion of your own?—I have no idea. I do not form opinions unless I know the facts.

214. Yet you tell me I would not have bought the timber at the same price if carried by road as if carried by rail?—That is not an opinion—it is a fact. We have ascertained that.

215. Then, you must know. All I want to know is this: you tell me I could not buy it at the same price because it would cost more, yet when I ask you how it would cost more you say you have no knowledge and no opinion?—Pardon me. I said I had no opinion. I was giving my knowledge.

216. Did Sir John Findlay endeavour to get the present Prime Minister to purchase this railway in 1911?—It is all in the printed records. All the evidence before the 1912 parliamentary Committee on our petition was printed.

217. What was your petition in 1912?—It was for the purpose of buying Native land, so that we could develop the pumice country.

218. Sir John Findlay was representing your company?—Yes.

219. Did he in 1911 endeavour to get the Prime Minister to buy this railway?—No. On the contrary, our petition of 1911 asked for permission for us to buy. We could not buy more than 5,000 acres of Native land. To get the 200,000 acres it was necessary to have parliamentary sanction. We petitioned Parliament asking it for that sanction, in order that we might develop the country.

220. Your company has never tried to sell your railway, and never asked the Government to purchase it, under any circumstances?—No.

221. You did not get Mr. Massey to use his influence to get it taken over?—On the contrary, it was Mr. Massey's Government coming in that rather blocked it, because a very important Minister then represented Rotorua.

222. I wanted something of that kind. You say that while the Massey Government was there you had no chance?—I did not say that.

223. Do you look upon the Rotorua–Taupo Railway as a rival to yours?—No. Again one cannot answer this question by "Yes" or "No." It is not a legitimate rival to us.

224. Do you look upon it as a future menace to your own district?—I do not, if the facts are investigated. It has to be ascertained what that line, from the Mokai district to the Rotorua–Taupo line, is going to cost; then, if the timber can be taken more cheaply to the Rotorua–Taupo line, it should be taken that way. We want to know——

225. I do not want a speech in reply to a simple question. I ask you again, If the Rotorua–Taupo Railway was built, would you consider it a menace to your own railway?—Not necessarily.

226. It would have no detrimental influence upon your railway?—Not necessarily.

227. *Mr. Lye.*] Have you at any time advocated the building of the Rotorua–Taupo Railway?—No.

228. In your evidence before the Commission of 1922 you did not advocate the immediate building of that line, but rather said that if the Government proposed building a standard line of railway, that the proposed line was the best available route?—That all the expert evidence I had seen was in favour of it. I relied upon that, as a business man.

229. Are you of opinion that if it is absolutely necessary to develop this pumice country it is immediately necessary to build a railway-line?—It depends upon the amount of capital you have available for the development of the country.

230. It depends upon the size of the scheme of land-settlement?—Yes.

231. You have referred to the Tongariro line. Would the Tongariro Railway have served extended areas in the pumice country?—Yes.

232. Would it compare favourably as regards results with the proposed Rotorua–Taupo line?—It would be a payable line from the start.

233. Would it go as far as the Rotorua–Taupo line from the point of view of settlement and development?—It would probably be better, because it would open up the whole of the lake district, and then the Tongariro line would connect with the Main Trunk system in the centre of the North Island.

234. Of the two proposals, I take it, you would favour the prosecution of the Tongariro line rather than the Rotorua–Taupo line?—Certainly. As a business proposition there is no comparison between them.

235. There would be a greater chance of an immediate and payable return from the Tongariro line than from Rotorua–Taupo?—Yes. On the Tongariro there is a certain profit, so far as any enterprise can be certain.

236. Is it absolutely essential to have a railway-line made immediately for the purpose of the development of this land?—Yes; you must have transport.

237. Would a good road serve the purpose, on the line of the Rotorua–Taupo Railway, in assisting the development of the land?—That is a question for experts. I am not an expert.

238. Would you consider that inability through shortage of finance to secure fertilizers is a greater factor in keeping back settlement than the building of a railway-line?—What is wanted is the fertilizers, and cheaper carriage of heavy goods.

239. Has the difficulty of finance been an important factor in keeping back settlement?—Yes.

240. Equally as much as the need of a railway?—The two things hang together.

241. *Mr. Makitanara.*] Has the country where your railway runs more native bush within reach than the Rotorua–Taupo line?—Yes. The advice of our experts is to the effect that there is no indigenous timber that can be profitably dealt with by the Rotorua–Taupo line in so far as the west side is concerned. I do not know anything about the east side.

242. Have you been over the Rotorua–Taupo route?—Not the railway route, but I have been by road.

243. Did you notice any native bush there at all?—There are clumps of native bush all about, but they are not millable propositions, and would not justify tramway or railway extension.

244. In other words, it would not be profitable for all the native bush there is at present?—Certainly not.

245. How does your soil compare with the soil along the Rotorua–Taupo route?—From my own experience in watching soils, and from the advice I have from farmers, the soil in Reporoa is better than anything in our country. It is the same at Hautu. Those two areas are mature country. Our district and the other areas on the tramway are not mature in the same degree. The expert evidence is that what they call the plant-foods are available in the pumice soil, but you need fertilizers, and turning them to the atmosphere, before these become available. That, according to Mr. Aston, has a double advantage—that you can get a payable crop, and at the same time develop your soil.

246. Would you consider that the freight under present conditions—I am not speaking of the probable future conditions, but taking your bush and your soil, and leaving your own country out—would give any likelihood, in the event of the Rotorua–Taupo Railway being constructed—would give any likelihood of such revenue as would meet the expenditure?—Certainly not, unless they go on with the development scheme at the same time.

247. Never mind about the development scheme: I am speaking of the facts as they are?—All our experience is against it.

248. *Mr. Jenkins.*] Is not the Tongariro area about the same distance from the Main Trunk line as the proposed line would be? Is it reasonable to assume that the cost of building it would be no greater?—The Rotorua–Taupo route is longer. About eight or ten miles of the Tongariro line goes through a gorge, and would be expensive construction. The rest would be as easy as the other country.

249. Where does the greater area of native timber served by the Rotorua–Taupo line lie ?—So far as I know, there is none on the east side.

250. For the transport of timber from the bushes at Maroa, Kirikono, and Tauri-Tutukau it would be necessary to construct an expensive railway to the proposed Rotorua–Taupo line. The timber from those areas cannot be served by the proposed railway from Rotorua to Taupo without the construction of an additional expensive railway ?—That is so. On the surface of things it would cost as much as our line, £120,000.

251. And then the freight would have probably three times the distance to go round to the Rotorua–Taupo as the distance by the Taupo Totara Timber Co.'s line ?—It depends upon where you are going to touch the Rotorua–Taupo line. There would be seventy-five miles as against fifty miles.

252. *The Chairman.*] There is something that you desire to say ?—Yes. I may be able to clear up some misapprehensions. It has been suggested that I have not given definite answers. I have told you that we are putting before the Prime Minister a proposal that the whole matter should be gone into without prejudice. I want to go into that Conference without any committal at all, and to be prepared to listen to any proposals that may be put forward as to the best means of providing transport in this country. I do not therefore want to put forward my opinion as to what is the best course to adopt. I say that we should get together, and have the experience of the officers of the Government Departments and those interested in the district, and let us thresh the matter out round the table, and adjust our particular views to one acceptable to the Government. As a matter of fact, the late Mr. Massey was very helpful to us. I do not want the impression to be created that his Government blocked the line. He went through the district, and he assured the settlers that they could rely upon our line being a permanent line. He then set up the Royal Commission to go into the question of how it could be brought about. It was not his fault that the Commission got astray on the Rotorua–Taupo line. He refused to allow the Commission to have anything to do with it. What happened in 1912 then was that a new Government came in, and the new policy of the country blocked us for the time being. It took some years after that to get going again.

253. You told us that you had some communication with the Prime Minister, and that he expressed some general opinion. Did that opinion relate to the Taupo–Rotorua line, or to some proposal of yours ?—To our proposal. Our proposal was not in reference to any special scheme in the pumice country. It was merely that he should get one of his officers to collect and co-ordinate the evidence; and he said he thought it was a businesslike thing to do.

254. Had it any reference to the Taupo Totara line ?—It had no reference to any particular scheme.

255. How many Royal Commissions have sat in connection with the Rotorua–Taupo Railway ?—Only one, in 1922.

256. What was the purpose of the Commission of 1921 ?—It had to deal solely with our district, and had nothing to do with Rotorua–Taupo.

257. Did the Commission of 1922, unanimously or otherwise, recommend the construction of the Rotorua–Taupo Railway ?—No. You have its report.

258. How do you read it ?—It does not say that. On the contrary, it says there is no justification for it at present.

259. What could Tauri-Tutukau have been purchased for ?—I understand that your company advised the Government to take over the Native land about there ?—It seemed that my advice was a little late. About the time I wrote Dr. Rayner had purchased the Native land, so that the Government had no prospect then of buying it. I saw Sir Francis Bell, and he said they did not want to purchase that land. Even if they had it was too late, as Dr. Rayner had purchased it.

260. Suppose you had not been too late, what could it have been purchased for ?—All I know is that the Government valuation for the purpose of the sale was £5,000.

261. What is the area ?—Five thousand acres.

262. Is it within your knowledge whether the State has cut any bush at all from Tauri-Tutukau ?—No. As far as I know, it is still all there.

263. I understood you to say that it was contemplated that a line should be put through there, from your line to Tauri-Tutukau and across to the other line. Who contemplated doing it ?—I told you that I had been before Mr. Sterling, and asked him to have the question settled. The head of the sawmilling department came in and told him that that was where they proposed to take it out to the Rotorua–Taupo line.

264. I understand you to say that you are not opposing the Rotorua–Taupo line, and that you did not give any opinion about it at all; but I also understood you to say that in your opinion a light line of railway would serve all that is necessary at present ?—Yes, that is our experience.

265. A similar railway to your own ?—Yes.

266. *Mr. Vaile.*] With regard to the usefulness of your railway: you say you have never refused to carry other people's timber ?—I have told the owners that we are not carrying timber until we come to an arrangement as to the rolling-stock.

267. That is to say, you refused to carry it ?—No, it is not.

268. Do you know Mr. Sydney Palmer ?—Yes.

269. Have you refused to carry timber for him ?—That is a long time ago. I will explain the circumstances.

270. I want to know whether you refused or did not refuse ?—That means that you do not want to know the facts.

271. Here is a transcript of the evidence before the Royal Commission of 1922—Mr. Sydney Robert Palmer's evidence. On page 253 it says, " I think we are only six miles from the Taupo Totara Timber

Co.'s line. They refused to take our timber out." Is that true, or is it false ?—That question was investigated by the Public Works Department at that time, and they decided that we were justified in the action we took. What happened was that Mr. Palmer, who is a very fine man, and a pioneer of the district, sometimes mills and sometimes does not. We never knew when his timber was coming along so that we could fit it into our work. That added to the expense so much that we could not afford to carry it at the price.

272. Then, on page 254 : " It is only six miles from the Taupo Totara Timber Co.'s line. They will not take our timber down." Is that true ?—I have explained the whole thing.

273. Again, on page 255 : " They have refused to take it on the railway " ?—There is only the one incident.

274. Take another, Mr. Cox : what do you charge Mr. Cox to take his timber ?—We did not take his timber ; we bought it, at a certain discount on the market price. He was quite satisfied. What really happened was this : We said " As soon as you timber people get together and enable us to make arrangements for the purchase of the necessary rolling-stock we will take your timber. Until then we will take none." Mr. Palmer had a strip of his bush burnt, and he asked us if we would take his burnt timber. We entered into an arrangement to take it out.

275. Under the terms of your Order in Council, what rates have you the right to charge for freight ?—I cannot remember. Probably you have the Order in Council.

276. It is 4s. 8d. per 100 ft. Does the Order in Council say that the customer has to provide his own rolling-stock ?—No. It does not say either that we have to carry it at that price, or any price.

277. You argue that the Order in Council is permissive and not compulsory ?—That is the law. Carriers are not compelled to carry unless they hold themselves out as carrying any particular goods.

278. You say you are not bound, unless you like, to carry any one freight ?—Unless we hold ourselves out to carry it.

279. Did you refuse to carry settlers' produce ?—Not as far as I know.

280. Did you not in 1921, before the setting-up of the Commission ?—I do not know why we should have d ne so.

281. How do your freights compare with the Government freights ?—I have not gone into that, and I do not know.

282. If I say that they are from 150 to 400 per cent. in excess of the Government freights, are you prepared to deny it ?—I do not know. I do not wish to deny it. Our rates were fixed by the Government.

283. Have you sought authority to increase those rates ?—Not within my recollection, but we may have.

284. On page 46 of the record of the evidence before the Commission of 1921 Mr. Dalziell is reported as having said—" The company's rates are double of the old Government rates, and the company intend to apply for permission to double them " ?—I do not remember that, but if it is on record it is all right.

285. Do you think these rates that you charge are of any use for settlement ?—The answer is there, in the fact of the settlement, and the settlers are working. We are trying to bring about a permanent arrangement.

286. How far is the most distant settler from the Putaruru Station ?—I do not think there are any beyond the river, which is about thirty-five miles.

287. Are there any settlers beyond Wawa ?—There is Mr. Cox, and there are two or three others.

288. There may be two or three there, but of the settlers you mention how far is the most distant from Putaruru ?—I do not know. I am not sure of my figures as to distances.

289. How many of them are past fifteen miles ?—Some thirty-odd.

290. How far do you say that Tokoroa is ?—Eighteen or nineteen miles, but I am not sure of the figures on that side. The Railway Board wanted to take our line to nineteen miles. That line was to include the settlers, or, rather, the bulk of them.

291. Practically all the settlers are now within nineteen miles of the Government railway ?—That is so.

292. On a practically level road ?—Yes.

293. What quantity of timber do you estimate to be within reach of your railway in the Mokai Valley and round about ?—There is said to be about 200 million superficial feet in the Whakamarau. We have about 90 million feet, and the Crown has about the same.

294. *The Chairman.*] Is that log, or sawn timber ?—It would be sawn timber in our case. The others are mere estimates, but we have had ours surveyed more accurately, and know where we are. About 33⅓ per cent. is our waste, and the Government's is about the same class of timber as ours. Our estimate of Tauri-Tutukau is about 150 million feet. It is probably more than that, because, as you know, you are getting out more timber per tree than used to be the case.

295. Do you think it would be safe to say 200 millions ?—About 200 millions. A lot of the bushes shown on the map are burnt out, with the exception of a few trees here and there. There is a lot of timber lying about, but those are not sawmilling areas. Those on the map are the only sawmilling areas available.

296. Your total gives 580 millions. Do you suggest that those areas should be made tributary to your railway, and pay something to an amortization fund ?—The Royal Commission recommended that.

297. What do you think is a fair proportion to pay towards amortization ?—It depends upon what comes over the railway, in proportion to £120,000.

THURSDAY, 26TH SEPTEMBER, 1929.

FREDERICK GEORGE DALZIELL further examined. (No. 10.)

Witness: I would like, if I may, to make this appeal to Mr. Vaile. I am sure that he is quite as strongly desirous of settling this problem as I am. He has gifts which I do not possess, gifts of eloquence and so on, and if we could get together on a definite proposition, with a view to finding out——

The Chairman: This is more in the nature of an appeal to Mr. Vaile, rather than evidence, Mr. Dalziell.

Witness: It is an appeal to the Committee, not to Mr. Vaile alone. I want to point out that the real immediate need in that district is help for the pioneer settlers on the pumice country. It is not the timber question that is the urgent need, it is the question of assisting the pioneer settlers by finance. They have gone in there and made an attempt to work this new country in which they had to meet new difficulties. The country has a bad name because financiers prefer something more secure. If the Committee could bring it about that we could get together and, with the member for the district, go before the Prime Minister, and endeavour to get his Departments to investigate the facts, you could help these settlers in a very short time. There is a good deal of talk just now about new settlement. I suggest to you as a business proposition that the proper thing is to help those settlers who are there now to make a success. That would be the very best advertisement the pumice country could have, and it is no more than just that they should have that help, because they are doing big pioneering work in a district which has enormous possibilities. It is on their behalf that I appeal to you. To some extent I represent the settlers in that district. Mr. Vaile says that I have not asked him before to do this. That is quite right; but I do ask him now, and I ask the Committee, in fairness to those settlers—quite apart from our company and from any question of a railway—to ask the Government to have this question immediately gone into.

The Chairman: You must understand, Mr. Dalziell, that if you are asking this question quite apart from any railway, it is not a matter affecting this petition. But the Committee, when deliberating, will take your suggestion into account.

Witness: You see the purpose of the Rotorua-Taupo Railway is to develop the country, so that in that sense the Committee has the matter in hand. It is involved in the petition because the purpose of the railway is to develop the pumice country. The Committee could not determine it, but it could help greatly.

1. *Mr. Vaile.*] I want to find out, Mr. Chairman, in regard to the arrangement in regard to the carriage of manure by the company. You said, Mr. Dalziell, that your charge for this was 10s. 6d. for nineteen miles?—Yes.

2. And that that has been reduced, so that the company now charges 5s. 3d.?—No, we charge 6d.

3. Now, you receive 5s. 6d. for carrying the manure?—That is so.

4. Do you carry live-stock?—No.

5. Now, in commenting upon Mr. Holmes's report you said that he thought that at some future date this railway should be made. Are you aware what his words were?—His words are in the report, but he did not offer any opinion as to when the railway should be constructed.

6. Did you say that the Government had not fixed the location of the Rotorua-Taupo railway-line?—There was evidently some confusion in the minds of the reporters over that matter.

7. The location of the railway is fixed?—I understand it is fixed.

8. About other bushes, you said that you were not aware of other bushes: do you know the Tumanui bush?—I have not heard of any timber bush there.

9. Do you know the Paeroa bush?—Where is that?

10. About twenty-two miles from Rotorua towards Taupo?—Is that the bush you see on the left-hand side going into Rotorua, on the Mamaku side.

11. No, Mamaku is on the other side?—No. What is the quantity of timber there?

12. 110 million feet.

13. On the other side of the Rangitaiki—do you know of bushes there?—No, I have been asked to go over there and look into them, but have not done so.

14. With regard to the amount suggested for the development of the area, do you not think that £15,000,000 is a very large sum?—No, not for an area like that. You will find that, in addition to bringing in the land, you need all kinds of buildings and townships, etc.

15. Do you not think that the settlers would provide a good deal of that? You do not suggest that each man should be given a completely developed farm?—That is not the proposal. I do not suggest it. I know nothing about settlement.

16. You suggested that £15,000,000 would be necessary?—The stock and everything has to be found.

17. During the twenty years you and I have been there you have not asked me to join you in promoting railway construction in this district. I am at all times willing to co-operate with you, Mr. Dalziell?—You come with me and the member for the district to the Prime Minister: you will get what you need as well as what we need.

18. *Mr. Kyle.*] You admit that you know nothing about settlement?—I have had to study the settlement of this country for twenty-eight years.

19. *Mr. Massey.*] I would like to follow up that statement, because under cross-examination yesterday you stated you knew absolutely nothing about settlement, and so I did not go further on that question?—You were asking in regard to some details.

20. It is a question as to whether you know anything about land-settlement?—I have had to study the settlement of that district. I have told you in evidence that I have been all over that country studying how it should be settled, finding out from the engineers about transport, and finding out from

the farmers about farming. I have had to find out all the difficulties and possibilities of settlement there. That has been my business.

21. But my point is, how is it possible for you to express an opinion about land-settlement when you know nothing about farming?

The Chairman: That is his business. When a witness comes here to give evidence, he is entitled to give his evidence as he chooses.

Witness: Farming does not consist in merely turning over the soil and putting in the seed. That is not all that is involved in settlement.

22. *Mr. Jenkins.*] Would I be right in assuming that your company, in getting your concession from the Government, took up 200,000 acres, which was to be devoted to settlement?—No, we took up 47,000 acres, but we entered into an agreement with London capitalists, who said they would extend our railway to Taupo if we guaranteed the traffic and if we purchased for them 200,000 acres of Native land. That was our petition to Parliament—to enable that settlement to be gone on with.

23. That 200,000 acres was to be settled?—That is so; those London capitalists were to have it developed.

24. Are there settlers on your line?—There are seventy settlers on our line. Those within five or six miles of Taupo would have been there in any event, but the others, fifty-odd, would not have been there except for our line. Those are included in the seventy.

25. Therefore you are interested in land-settlement?—Yes, we are helping the settlers. The cost of transport for the settlers is very much lower by means of our line than it used to be in the old days.

26. *Mr. Lye.*] Would you consider it an exaggeration for any person to seriously state that 50 acres of average pumice land would keep a family in a high state of comfort, if properly developed?—Well, nobody has tried it yet.

Mr. Lye: That is probably the best answer I can get.

EUSTACE LANE examined. (No. 11.)

1. *The Chairman.*] What is your full name, Mr. Lane?—Eustace Lane.

2. Of Rotorua?—No, of Kiwi, Wairoa.

3. *Mr. Vaile.*] This Wairoa where you live is in Hawke's Bay: there are several Wairoas in New Zealand?—It is in northern Hawke's Bay, in the Wairoa County, about six miles from the Township of Wairoa.

4. What has been your previous experience in farming?—Well, I was born on a farm near Stratford-on-Avon, near Broom, and my father was one of the leading English agriculturists. Until I was seventeen years of age I had a good deal to do with farm-life. Then I was in London for three years, obtaining a college education, and then I was apprenticed to a firm of engineers there. I finally got out as "white cargo" to north-western Australia as a shepherd, and I was four and a half years shepherding in north-western Australia. Later on I became a transport agent in Western Australia. I established a firm called Lee-Steere and Co.

5. Will you tell us about your farming experience?—I tired of the desert country in Australia and came to New Zealand, and I have been farming in this country for twenty-five years.

6. Have you had experience breaking in rough country?—Yes, my first experience in New Zealand was when I took up a farm at Argyle, in Hawke's Bay; it was land which nobody else would take—630 acres which was going begging. Nobody wanted that class of land. That section was a very poor one, and I was told that I was a fool to have anything to do with it. I went into it more as a home, but presently I made a hobby of it, and I said I was quite certain I could break in that class of country. Before three years had passed I had fattened two thousand lambs there. In my pocket I have a testimonial from my neighbours, saying that I took up this country in New Zealand that nobody else would have, and converted it into two-sheep country. I stayed there until my family grew in need of schooling, when I went into Napier.

7. How big is your present holding?—2,037 acres.

8. Is quite a portion of it pumice land?—Quite a large portion—all the lowest spurs. The high country is papa, but the lowest spurs are of pumice country.

9. And you have successfully farmed these lower spurs?—Yes, very successfully farmed them. I was told again when I went there that I would "hit the ground."

10. Have you ploughed this farm?—Yes.

11. And grown turnips upon it?—Yes, quite successfully; you cannot grow them in Hawke's Bay except on pumice country. All the ploughable country I have on my land I have ploughed.

12. And you find that pumice soil grows better turnips than the papa soil?—Yes; it never clogs in wet weather. If it is properly fertilized it is the best farming-land in New Zealand.

13. Have you occupied any public position?—I was elected a member of the Land Board. It was my job to classify the land from Cape Turnagain to the East Cape. At that time the Auckland Land Board had not trespassed on the Hawke's Bay Land District, and there was no Gisborne Land District, and my area extended from Cape Turnagain to the East Cape, which I have traversed from end to end.

14. And have you had anything to do with the Farmers' Union?—I was president of the Hawke's Bay Branch of the Farmers' Union.

15. And in Napier have you held any public position?—I represented Hastings on the Napier Harbour Board, and represented Napier South on the River Board for six years.

16. Have you any personal knowledge of the area that would be traversed by this railway?—Yes, I have been through it and across it and round it, and I have carried my swag over it; I have

done everything but farm it. I came up the Taupo Totara Co.'s line twenty years ago—down to their headquarters—and have walked across it. I walked from there to Wairakei one morning, but I cannot understand the distance as it is shown on this map.

17. You were young in those days?—Yes. And I have been from Waiotapu to Galatea, and from Galatea to Waikaremoana. Last Christmas I was motored by my sons down the Rangitaiki district.

18. Does your knowledge of the country lead you to believe that it would carry a large population when developed?—Yes, I think you will see a very large town grow up at Taupo. Already the Natives are asking £50 an acre for land on the railway that can be quite easily brought into grass.

19. Have you seen Hautu?—Yes, I got my boys in the old "Chev." to motor me to Hautu, and Mr. Banks, the superintendent there, took me in hand, and told me to go as far along the valley as possible and see everything. I was astounded at what has been done on the pumice country there, with the application of only 2 cwt. of fertilizers to the acre. I saw lambs there bigger than their mothers. At the hotel that night I told a man from Gisborne what I had seen that day at Hautu, but he did not believe me. He said we could not do it on the Hawke's Bay flats. But, as I told him, the stock was there. It is an eye-opener, and it is conclusive proof of what I maintain, that in fifteen or twenty years this pumice country can be made into very valuable farms, and the whole of it can be brought in with the proper application of fertilizers. What is wanted is one straight-through railway-line, a continuation of the dead-end short-distance line at Rotorua, to Taupo and Napier. From such a line you could distribute your fertilizers and work your country. As a transport agent I know that this line is absolutely essential for the introduction of fertilizers at the least possible cost. There is not a big margin upon a lot of this country, and unless you reduce your costs as much as possible you cannot handle this country. You must have your fertilizers manufactured, carried, and distributed at the lowest cost.

20. Were those lambs on turnips or on grass?—They were on new grass—temporary pasture; they were on the pumice undulations.

21. Have you any experience as to how long the pasture will hold there?—I have no experience, but I have my own opinion. You have got to fence the country; you must get the fern crushed. Within the last six months I have taken up an area which I found nobody in New Zealand wanted—it is within eight miles of Napier, and it is a blackberry wilderness. I fired it, I put Maoris on it and scythed it, and reburnt it. I dragged Whakatane harrows over it. I top-dressed it and sowed it with grass-seed, and that worthless land, within eight miles of Napier, is to-day carrying four sheep and half a goat to the acre. One of my sons is in charge there, and there are 450 animals now on the land there which was given up as worthless.

22. That was on account of the weeds and not on account of the nature of the soil?—The soil is all right; it is simply a matter of cleaning the country.

23. Have you any personal interest in the pumice country?—My whole interest in coming here is in the development and defence of New Zealand. They may say of me, as they say of you, Mr. Vaile, that we are only going to have a "white elephant" of a railway erected to our memories. But I say that we shall have that railway put right through, and it will be one of the most profitable lines in New Zealand.

24. I quite concur in your view, Mr. Lane, but the question I asked you was whether you have any financial interest in this country to be served by this railway?—Not a fraction.

25. From your knowledge could you suggest the portion of the area which would be most suitable for settlement between Rotorua and Taupo?—Last time, going from Taupo to Rotorua, we met ninety motors. I was worried about whether we would have a collision or not. But I have not examined the country closely. I should say that one-third of that area would be farmable and capable of being used as agricultural land. But I am not going to bind myself down to a statement that I cannot prove. I say that, generally speaking, the whole of that area can be brought into grass. I want to tell you that when I came to Hawke's Bay, twenty-five years ago, a little pamphlet was handed to me, by Mr. Williams, called "Permanent Pastures." In this pamphlet, published seventy-five years ago now, Mr. Williams set out that some South Island gentlemen visited Hawke's Bay, and he took them to a point in Hawke's Bay from which they could overlook what they thought was a wilderness, and they went back to the South Island and said that they did not think much of Hawke's Bay land. The other day the Hon. Mr. Forbes said the same thing about this Taupo country. I say it is possible to bring in this land into pasture which will carry stock, just as it was possible to bring in the Hawke's Bay land seventy-five years ago.

26. You will agree that the appearance of scrub country in its native state is depressing?—Yes, to those who do not understand it—the South Island man, for instance.

27. Have you had any experience of the application of manures to these pumice lands?—It will double the carrying-capacity on such land as my own Kiwi country.

28. What have you noticed as to the effect of cultivation on this pumice soil?—That it clears out the manuka so that it does not come again, but the fern will come again and it must be kept crushed. But there is a new system of cultivation that I would recommend for these pumice areas. My attention was drawn to it by a neighbour, who says that Whakatane harrows should be used on this pumice country. It corresponds in some respects with what the Western Australian farmers are doing on their sand-plain country. They run light machinery over it and put in their wheat at small cost. They have no harvesting-costs, and they can make 9 or 10 bushels to the acre pay.

29. Have you had experience of the treatment of similar land with lupin?—I had an extraordinary experience, but you may say it does not bear upon the matter we are discussing. There was a period in West Australia when lupin suddenly appeared; it grew wild all over the country, and the farmers thought that they were ruined; but to-day the sheep fatten on the lupin-seed, and lupin-seed is worth £5 a sack. I saw lupin growing wild on the road from Napier to Taupo. I am perfectly certain that that country can be handled.

30. Have you noticed the growth of small fruits, such as strawberries and so on, on that country ?—Yes, I was at the "Taharua" homestead, about thirty miles from Taupo, where they fed us on strawberries. They were growing almost wild.

31. Have you noticed anything as to the increase of noxious weeds in this country ?—I am sorry to say it is getting almost as bad as the Wairarapa. The gorse is starting on the Rangitaiki River and Plains, and the dog-rose, or brier, and blackberry are spreading, and unless settlement is pushed on there there will be a lot of trouble in the future with these noxious weeds. My opinion is that if this railway had been built fifteen years ago the increased value of the land since then would pay for the whole of the main trunk through to Napier, and that if it is kept back another fifteen years the increased value will have gone into the pockets of the speculators.

32. Have you noticed anything as to the spread of rabbits in that area ?—I know the area very well. Portion of it was abandoned by my brother and Mr. James Carswell owing to the State allowing the rabbits to get in. They had worked up the stock on Loch Inver to eight thousand sheep at the Loch Inver Settlement. I say that the country would carry half a sheep to the acre, but to-day it is carrying nothing, through the neglect of the State to develop it. Mr. Kirkham killed thirty-six thousand rabbits there.

33. Are there wild pigs in that country ?—Yes, the wild pigs there come out in the open. If it will carry wild pigs it will carry tame pigs.

34. Can you suggest any means of meeting those pests—rabbits and pigs ?—Close settlement will do it. One solution is to put the line straight through, and distribute from that by roads.

35. Do you consider that the country from Rotorua to Taupo would be as well settled by road as by a railway ?—I say that for farming and for close settlement to suggest developing that country by a road is utterly absurd. You cannot get your stock on a road for the motor traffic.

36. What has been your experience of taking your fat cattle on a motor-road ?—I sent three hundred from Kiwi ; they were all fat except thirty when they left, but when they got down there were only 137 of them fat—that was at Eskdale. You cannot handle stock on a road with car traffic.

37. Do you find that the butchers appreciate cattle that have been driven for several days ?—The butchers will not buy them.

38. You suggested just now that this might be the main railway through to Napier ?—Certainly.

39. Do you think it is possible to get a practicable route from there through to Napier ?—Absolutely. The route has been surveyed. I have been working from the south end, and I got a tram-line surveyed as far as Puketitiri. It is part of the main trunk system that should be completed.

40. Do you think it is possible to develop the area of which we are talking, from Rotorua to Taupo, without a railway ?—Not satisfactorily. You could struggle along, but the best way is to put the railway through.

41. *Mr. Makitanara.*] You are a farmer at Wairoa ?—Yes.

42. You know the Wairoa flats ?—Yes.

43. You are carried away with enthusiasm for the completion of the Rotorua–Taupo Railway ?—Do you think so ? Just whatever you think.

44. I am asking you the question—are you or are you not ?—That is for you to say. I do not think I am carried away.

45. Do you suggest that the Taupo land can be compared with the land that you are farming now ?—Part of it is just as poor only at a different altitude. You come up there and I will show you.

46. I have been through your country ; I have been through the Wairoa and know it just as well as you do ?—Possibly.

47. Do you suggest that there is any comparison between your land and the Taupo country ?—As a whole, absolutely no comparison : my country would carry half a beast to the acre without anything being done to it.

48. Could you do anything with the Taupo land ?—No, not in its present state—it would not carry half a sheep to the acre.

49. You think that the timber in the Taupo country could be better served by the Taupo Railway ?—By an extension of it ; but you have to get it to Taupo first. I am considering the thing as a whole, from a national standpoint ; my interest in it is as a whole.

50. Are you aware of the fact that the timber in the Tarawera Block has been bought by Mr. Gardiner ?—I do not know anything about it.

51. Are you aware that Mr. Gardiner is now arranging for that timber to be carried on the Napier–Wairoa Railway or the Napier–Gisborne Railway ?—He is arranging that, is he ? I am not aware of that. I am sure he will never get it out in that direction.

52. Now we come to the Hautu farm : are you aware that the Hautu lands are served at present by forty miles of good road from there to the Main Trunk line ?—It was not a good road when I was across there, from Tokaanu to Kakahi ; it was a rotten road. You want a good macadamized road from Tokaanu to Kakahi to serve that area.

53. Are you aware that the Hautu land is served by a good road from Tokaanu to the Waimarino Railway-station ?—I am glad to hear it. I have only the information from you—I was not aware of it until now. They may have made a good road since I was there. When I went through there it was a bad road. I am not aware whether it has been improved.

54. Are you aware that lambs have been driven over the present road to the railway-station, and taken from there to Westfield in Auckland, where they have realized top prices ?—Yes, £1 17s. 4d.

55. You said in your evidence that the butchers will not buy any mutton or beef that has been driven on this road ?—I did not say "mutton." After you have driven sheep a hundred miles there are not many fats in them.

56. Are you aware of the fact that Mr. Vaile stated that he got top prices at Westfield ?—Are not those his products there ?

57. But you say that the butchers will not buy meat that has been driven over the road ?—That is so.

58. Whereas Mr. Vaile said he topped the prices at Westfield ?—I suppose he put them in a lorry and sent them down with a few lambs. We send fat lambs in trucks from Wairoa.

59. *Mr. Jenkins.*] Your experience in farming pumice land was on the border of your property: you said you had pumice on the top portion ?—My experience of farming pumice land is gained from a knowledge of what was done on Lock Inver, thirty miles from the railway you are discussing. I have had a wide experience. I am conversant with what has been done at Lock Inver, Runanga, and Taharua Settlements, and on parts of the Mohaka Block, and on my own Kiwi property. I am conversant with the whole thing.

60. Are you aware that stock is transported in Australia and other countries by motor-lorry—fat sheep, by the thousands ?—Yes.

61. And economically ?—But you cannot insure them.

62. They are insured in other countries ?—Perhaps so.

63. You have apparently no faith in the transport of stock by motor ?—I have great experience of it but no faith in it.

64. I suggest you have had no experience of it ?—Yes, I have, but I will not do it.

65. You cannot have a railway to every farm ?—I am not suggesting that.

66. *Mr. Massey.*] We have heard a lot about pumice areas: will you tell me how large an area is avaialble for settlement at the present time in this area which is proposed to be served by this railway ?—I cannot tell you; I have not made an estimate.

67. But you have been all through that country ?—Yes. It is a large area—it must run into 1,000,000 acres at least. I have been told that the Taupo area covers 3,000,000 acres. Well, I suppose 1,000,000 acres of it is suitable for settlement, that is a rough estimate.

68. What is the cost of bringing this land into a state of productivity ?—That again is a matter upon which I would not like to express an opinion. Some men would bring it in, but others would not bring it in. On the Kiwi property the previous owners lost £90,000 when trying to bring that country in. It depends upon the man and his system. I would not dare to give an estimate of the cost. I should think that it would cost from £5 to £10 an acre, but I am not going to bind myself to that.

69. What would be the cost of developing your land ?—My land at Kiwi, even on that good coast country, cost £10 an acre to bring it into its present state, over a period of fifty or sixty years. The valuer allows me £3 an acre. I say you cannot do that under £10 an acre.

70. What is the carrying-capacity ?—My present stock is five hundred head of cattle and three thousand sheep.

71. What variety of grass have you on your pumice country ?—Well, the land varies so, from the poorest pumice to the richest papa, that we sow a mixture of grasses—English rye, clover, timothy, foxtail, and paspalum. I think that McKay, the old manager of Kiwi, told me that there were between twenty and thirty varieties of grass there.

72. You know the Hautu Prison Camp farm: is the land of a similar class in the pumice area ?—Looking at it, I should say that the whole of the creeks that come down from Kaimanawa Ranges come down not from rhyolite country but from slate country. That is country where the soil is totally different—slate and limestone. I know that fifty years ago there were forty thousand sheep up there. It is only the neglect of that country that has made this desolation and wilderness. The country at Loch Inver carried eight thousand sheep, and on Runanga there was a certain number of sheep, But there is no attempt at farming; they have allowed the rabbits and the noxious weeds to get in. They say that the country is not fit to farm: the thing is absurd.

73. Are you referring to country on the southern side of the lake ?—Yes, on the southern side. It is the land south of the lake to which I am referring.

74. Have you any knowledge of the land nearer Rotorua ?—I have only passed over it. I have been from Waiotapu to Galatea, and I have been from Taupo to Rotorua by the old coach-road and by the present road. I had a block for sale at 8s. 6d. an acre; to-day I believe its prospective value is £2 per acre. The Government could have bought that land at 8s. 6d. per acre. It is suggested that this line should wait for another fifteen years; but what would be the price of land there then ?

75. Have you any interest in that line ?—No, only to serve the country. I have made a hobby of public service since I came to this country.

76. Are you of opinion that a large area of land adjacent to Rotorua could be successfully handled at the present time ?—Yes, and converted from a wilderness into useful country. But putting a man on 50 acres is ridiculous; but nearly the whole of it, in my opinion as an experienced farmer with a knowledge of the country generally, can be brought into pasture of a kind. You may have to grow cow-grass, you may have to grow artichokes for pigs, and you may have to make use of other rough grasses. Your experimental farms will tell you what should be used there. Why is not Mr. Banks, the Superintendent of the Hautu Farm, here to give evidence ?

77. Can you give us any idea on developing that land ?—I would put down the cost at from £5 to £10 an acre, but not having worked it out I cannot bind myself to any statement.

78. You have some idea of the cost of handling live-stock ?—Yes.

79. How do you think the cost will compare, by rail and by motor ?—I won't use lorries. I have had sufficient experience of them. Whakatu is a much better freezing-centre for us. I have sixteen hundred shares in the Wairoa works, and it would pay me to scrap the lot. The construction of that East Coast line will put 5s. per acre per annum on to the value of my land, and it would increase the value of my produce by £500 a year—and not mine only, but the whole area. They said that the line

would not pay axle-grease; but the other day the president of the Chamber of Commerce at Napier said that the land through Tutira was already growing into a second Waikato. There is an area farther on, and I took a gentleman through there from Waikare Gorge to Mohaka—a place called Kakariki. It is farmed by a Mr. Bee, who had not the money to farm the country, which is a big grazing-run. This man whom I took through said he would not have it on his mind. Presently we drew nearer the Mohaka River, and we came to Springhill. It has been farmed and looked well. My friend asked how much of that land there was in that block, and we told him there was 5,000 or 6,000 acres, and he said, "It should be taken from him."

80. How much land in the Rotorua–Taupo pumice area do you consider can be successfully developed at the present time?—I do not think you can develop it unless you reduce costs. You will reduce costs by extending the line to Taupo and making distributing-costs very much lower. Then you will have to put fertilizers there at the lowest possible price. Do you not understand that when you have got hard country to deal with you must reduce your costs to the lowest possible margin. You cannot afford to truck stock along motor-car roads. I do not know the area which could be developed—it would be about 1,000,000 acres.

81. I suppose you will agree with me that there are different varieties of pumice soil?—Absolutely. Pumice varies in an extraordinary way. I have seen splendid vegetables grown on pumice. At Taumarunui, on what is apparently white cliffs, white clover grows magnificently.

82. Would you divide this Rotorua–Taupo area into certain classes of land? How many classes are there?—I should think there would be a class that you could dairy-farm on; then there would be a bigger area for mixed farming; and still a larger area, such as Mr. Vaile is handling, from 5,000 to 10,000 acres—that would be in another class. I would classify it into three classes.

83. From the knowledge you have, how much land would there be in each class?—I cannot say. I have not enough knowledge of the area to tell you.

84. Are you of opinion that it would be absolutely necessary to build a railway to successfully handle that particular country?—I am sure of it. That is the thing to do. I have been so sure of that that eighteen years ago I started an agitation at the other end.

85. You know that our railways do not pay to-day?—Through lines will pay.

86. We all realize that in one sense this particular line might not pay interest and sinking fund on the cost of construction; but if you were considering the construction of a line in this area, are you of opinion that it would pay New Zealand as a whole to pay the difference between the interest and sinking fund and the cost of construction?—I do not think there would be a loss, even as far as Taupo. There would be no difference to pay. You are going to bring your tourists down there also—unless, as was suggested, the tourist traffiic should go back from Rotorua to Putaruru and down the T. T. Co's line, which is absurd.

87. Will it pay interest and sinking fund on the cost of construction?—Yes, even if it is only carried to Taupo; you would be astonished at the increase.

88. How is this area watered?—By the Rangitaiki River, by the Waikato River, and by numerous streams. I have not traversed the Kaingaroa Plains area, but on one side there is the Rangitaiki River and on the other side the Waikato, and as for the rest of the country, there is a water-supply in every direction. The watershed runs right through the district. The whole area is magnificently watered. It has a good rainfall.

89. There is a big area of country between Rotorua and Taupo that is not watered by rivers?—Then I do not know that area.

90. *Mr. Lye.*] Generally speaking, I presume you claim to have a very wide knowledge of these pumice areas?—Yes.

91. Do you think it would be possible to settle that land in sections of from 50 to 100 acres?—No, I do not—or only the pick of it.

92. Do you consider that the pumice areas in their present state—in this Rotorua–Taupo district—comprise the poorest land we have to deal with in New Zealand?—I think it is the poorest part of New Zealand.

93. You think it is hard country?—Yes, a wilderness.

94. What do you estimate would be the cost of bringing this country in?—With proper access, from £5 to £10 per acre.

95. Without the railway what would it cost?—It cannot be done without the railway.

96. You know the Tongariro Railway on the south of the lake?—I have heard about it, but I do not know it.

97. Would it be possible by an extension of that line to develop the area of pumice land under consideration now?—I do not think so.

98. Do you think that the great bulk of timber freights that may be offering now and in the future would naturally come down and be more economically transported to market over the Tongariro Railway to the Main Trink line?—I think that the produce and timber about Tokaanu should all go to the Main Trunk line, along the best road you could make.

99. Would it not be better to bring it down the Tongariro line, and to the centre there?—No, I think it should go out to the Main Trunk line.

100. Do you know the Rangitaiki River?—I have followed it down for about twenty-six miles.

101. You know there is a big plantation near the Kaingaroa Plains?—Yes, I have been down to Timberlands.

102. How long do you consider it would be before the timber would be available for milling—the timber in the Timberlands plantations—another twenty-years?—It was thought, I think, that we would have this line put through to Napier before they had the timber grown ready for milling, as it has only just been planted.

103. There is practically very little offering at the present time ?—That is so: they have only yearlings.

104. Is there any native forest in that country ?—Away on the other side of the river there is, right down to Galatea.

105. Is there sufficient volume in the river to transport that ?—No, not in my opinion. The logs would be rotten before they got to Whakatane, if they tried to float logs down that river. I said their only hope was to connect from Timberlands to join this central railway. It is only a hundred miles to Napier.

106. Would you seriously advance the opinion that it is impossible to transport 80 per cent. of this timber down the Rangitaiki River ?—I am certain of it. I have seen them try to float totara down the Mohaka River.

107. You say you would classify that land into three classes: can you give an estimate of the area that would be suitable for dairying ?—No, I cannot; I have not sufficient knowledge of it.

108. There is wide difference in the qualities of the land ?—I should think so: it varies tremendously.

109. Coming to the climate, do you consider it a fairly hard climate ?—In the winter it is a very hard climate, in the summer a beautiful climate. Loch Inver was used by Hawke's Bay men as an insurance against drought. We could send all our stock up by railway and put all our store stock on that country. The only difficulty, and the mistake they made, was that they did not grow winter feed—that is, in the country south of Taupo that the Taupo line would serve.

110. The Taupo lands have a fair average rainfall ?—An excellent rainfall.

111. Is it correct to say that the winter there is a rather long one ?—Yes, they have to provide winter feed.

112. And it freezes fairly hard there ?—I should think so: I know it does at Loch Inver. That is 2,000 ft. up, but the lake is only 1,200 ft.

113. From your knowledge of the country and the bush that is ready for milling at the present time, do you think there is any justification from that point of view for building a railway to Taupo, bearing in mind that there is a prospect of bringing the timber out over the Tongariro line ?—I do not know anything about the timber areas there.

114. You know that there have been many failures in the past. Can you give us an idea of the factors that have brought about the failures in dealing with pumice land ?—There is the want of cheap fertilizers, the want of experience and knowledge as to how to handle that country, and the difficulty of getting store stock.

115. Has there been much speculation in that district—in the Rotorua-Taupo land ?—I should think there has been enough speculation to pay for the railway right through to Napier, and if it is not built there will be that much more.

116. Have you any personal knowledge as to whether there is much cattle-sickness in that country ?—I do not know. Mr. McLeod, the late Minister of Lands, told me that the Kaingaroa Plains country was stock-sick, but I was surprised. It is only a matter of supplying the proper ingredients. On the Tongariro River side there is another class of subsoil with limestone, and that is very healthy country.

117. *Mr. Semple.*] I understand you said in your evidence that you have been advocating the construction of this line for eighteen years ?—Yes.

118. And you have been convinced for eighteen years that the working of the pumice lands will be a profitable proposition ?—That is so. We went so far with it in Hawke's Bay as to get a survey by Mr. McMillan, the Government Engineer, and the surveys and plans are on record in the Hawke's Bay County Council office: that survey was of a route to serve this district from the Napier end. We got on as far as Puketitiri: a tram-line it was called. I did that eighteen years ago.

119. Are you a practical farmer ?—I should think so—if any man in New Zealand is.

120. For how many years have you been farming ?—All my life: my father's father's father was a farmer.

121. You realize that it is a very serious matter for any citizen, particularly a prominent citizen, to try to persuade the Government to spend a lot of public money on an undertaking, unless he is first convinced that it will turn out profitable for the State: you realize that if a man did that knowing he was doing a wrong thing, he would be put in gaol ?—I would hang him like I would hang some others—as I would hang some of the heads of Departments.

122. *The Chairman.*] You spoke about the very successful flats at Argyle—wonderfully successful, you said, they were: where is that ?—About six miles beyond Te Aute.

123. Is it similar country to this ?—No, totally different country.

124. How far is Kiwi, your home, from the railway ?—It will be within two miles when the railway is through: it is about forty-five miles from Motuhora.

125. Then you have been able to make a wonderful success of your place, which is forty-five miles from the existing railway ? You do think you have been very successful ?—No—I have paid rates, taxes, wages, working-expenses, and interest on my mortgage. In fifteen years I have paid out £45,000. I have had for myself possibly an average of £500 a year—not a wonderful success. I have barely made interest.

126. You have not then done very well ?—I have not made a fortune, but only kept my head above water. It has been like life upon a treadmill.

127. You find you must keep the vegetation crushed either by sheep or cattle ?—Yes.

128. Does that imply that the land would not be very successful without being very well stocked ?—Certainly. If I let my own Kiwi country go it would soon be in a mess.

129. Can you give the Committee any idea as to what it would cost per annum, once you got your land into profitable working-order, to keep it crushed and keep down the weeds, and keep it in good order? Would it be costly to keep it in good order—more costly than other land?—It would be more costly on the pumice land.

130. You say you have not examined closely the country between Rotorua and Taupo, but you have passed through it?—I have been all over some of the blocks. I have been down the Timber Co.'s line. I have been from Waiotapu to Galatea, and down the Rangitaiki to Timberlands, and round the lake from Taupo to Hautu, and across the lake, and from Tokaanu to the Main Trunk line.

131. I am dealing specifically with the lands between Rotorua and Taupo, and I understood you to say that you had not examined that country closely but that you had passed through it: was I right or wrong in understanding that from your evidence?—I have examined it in passing through it.

132. Has it been on such a cursory examination as that that you base your evidence? You would not pretend to have much intimate knowledge of its capabilities by merely passing through it?—Oh, no.

133. Has it been on such a cursory examination as that that you base your evidence?—I have been classifying and examining land all my life.

134. I am asking whether it has been on that cursory examination that you based your evidence?—It has not been a cursory examination. I have gone through it and across it again and again: you would not call that a cursory examination. I said that I have not farmed it, and I would not say whether it would cost £5 or £10 to bring it in.

135. I understand you to say you have not examined it?—Of course I have examined it—I do not go about with my eyes shut.

136. You said 1,000,000 acres of this land is suitable for settlement: how much of this, do you know, is in plantation?—I do not know.

137. Can you tell me where all this valuable country is which was abandoned at a time when prices were very high?—I did not say it was valuable country, but I said that it was country which should be brought in and farmed.

138. You stated the number of sheep that had been on it?—Yes.

139. Can you tell us where that country is?—I did tell you.

140. Will you point it out on the map?—This map [indicated] does not show it. It is thirty miles south, but it could be served by the railway.

141. All this land between the Main Trunk line and Tongariro: it has been given in evidence that there is a wonderfully large area of excellent bush there, and that there is a railway-line in to some of it. Does it suggest itself to you that the greater part of that country would be better served by that railway, seeing that it would be a payable proposition from the start, with all that timber to go over the line?—I have not said that: I said that some parts could be served if an improved road were put in.

142. You think that with an improved road that could be served better?—Yes, the Main Trunk is only forty miles away: it is seventy-six miles from Taupo.

143. Have you actually used any lorries for the transport of stock?—I have sent store lambs down. Buyers have come from Hawke's Bay and taken six hundred sheep, ewes and lambs, and lorried them down to Hawke's Bay: they cost 2s. 6d. a head. But I have never sent fat stock down that way.

144. You stated that you stood to get a good increased value on to your land if that railway were constructed?—It is being constructed. I am talking about the East Coast line. The Rotorua–Taupo line will not benefit us at all, except that we will have access that way to the Waikato and Auckland markets.

145. It would benefit you, then?—Indirectly—and considerably.

146. Have you any idea as to how much?—I could not say, but I could sell my wethers to Waikato buyers, and they would go straight through, instead of coming down to Palmerston by train.

147. Do you know any other large areas of land, fairly barren land, where there is a railway, and yet the land has not developed in consequence of that railway?—I saw some land in the Wairarapa at Annandale. I was astonished at the mess the country is in there, with scrub and gorse getting hold of it. I was going to tell Mr. McLeod about it. I think it is a disgrace to the locality.

148. How far is that from the railway?—I think it would be about twenty-five miles from there to the line.

149. Do you know of any other large areas: is there any pumice land close to the Main Trunk Railway that you know of?—I should think so.

150. And yet the Main Trunk line has not developed it?—Has it not?

151. It is not developed?—Is it not? I should think it has been of tremendous assistance. I do not know.

152. If it is a fact that a large area of pumice land lies close to the Main Trunk line and is not developed in consequence of the Main Trunk line, do you still think that the mere fact of a railway being put into this pumice country between Rotorua and Taupo would develop it?—I should think it has been held up by speculators. You want to get a steeper graduated tax on to it.

153. You do not think that the railway would do away with the speculator?—Yes, it would, if the State takes the land at its present value.

154. You think, then, it would be conditional upon the State taking the land?—I would resume miles of it.

155. Do you think it would be developed by private enterprise?—Yes, I think so. You cannot go on loading land with speculative values.

156. Do you know Central Otago? There is a large area of land there as poor as this, and a railway-line has been put right through it?—It should not have been put through.

157. Whether it should or should not have been put through it, it is there, and the land has not been developed in consequence of that railway. That is a further example. I want to ask you whether the mere fact of the railway being there, in view of all the circumstances, would develop this pumice land on the Rotorua–Taupo area?—I must know the conditions down there, of which I am perfectly ignorant.

158. You spoke about agitating for a line eighteen years ago, a light line of railway which had been surveyed. You were instrumental in bringing about that survey. You thought that would be a suitable railway to build?—I think it was a good start.

159. Do you think that that class of line would develop the land?—I do not think so, but it was all we could get at that time. There is one point I want to make—part of my evidence which I neglected to give: it has a very important bearing upon this railway from Rotorua to Taupo. I want to draw the attention of the Committee to the fact that railway access to Taupo would constitute Taupo the finest defence centre in New Zealand. Without railway access you cannot mobilize on a defence centre. General Sir Andrew Russell agrees with me on this point. He has been assisting me at the Napier end in the direction of getting this line put through. I am sorry he is not here to give evidence. He agrees that Taupo is the finest defence centre in the Dominion for mobilization for aeroplane defence, but that is not possible without railway access.

160. *Mr. Makitanara.*] Do you suggest that in time to come there will be a foreign army attacking us in New Zealand here?—Well, do you think the German nation is going to pay reparations extending over sixty years? Of course the danger to New Zealand at the present time from a defence point of view is absolutely imminent. You are at peace to-day, but in a month you may be at war.

161. Why should you mobilize in there? Do you suggest that a foreign army is going to come here?—I think that the Maori element would make some of the finest fighters we could have.

162. *Mr. Kyle.*] Why do you think that Taupo with a railway is the best point for defence in New Zealand? We have a Chairman who was a Defence officer—it is not to curry favour with him, I hope?—I had the honour of accompanying Lord Roberts into Pretoria as special correspondent for the Melbourne *Herald*. I hold a distinction, the war-medal conferred by the Imperial Government for my services with the army in South Africa. I have some knowledge of military actions and tactics, and I say that Taupo for this reason would be a great mobilization base. You have a Main Trunk line and a suggested improved road to Tokaanu. You have a situation on this side with easy construction from Taupo down to the Rangitaiki River to Whakatane. I suggest that this line should be considered not as a short-distance railway but as a Main Trunk line through to Napier. You could concentrate from the Bay of Plenty, from the Main Trunk on the west coast, from the east coast, and from Auckland, with the greatest ease and mobility on your Taupo centre, which is sheltered from attacking forces. This line that is proposed to be built is the only one almost in New Zealand that you cannot bomb from aeroplanes.

163. It would be our last line of defence?—The last line of defence, as it was with Te Kooti.

164. You consider yourself a pioneer?—I should think so. I have ten testimonials here extending over forty years. No one can put such testimonials on this table as I can.

165. You are satisfied that with a railway into this area men of your standing could do well there?—I am done—my heart has given out; but I have five sons, and one of them already is on 2,000 acres of bush at Ruakituri, and without assistance he is bringing in that country. I have two more at home, and one on a blackberry block at Petane.

166. This land would lend itself to group settlement, would it not?—That I am not prepared to give an opinion upon. I cannot handle it myself, but I have four sons who could.

167. *Mr. Vaile.*] You were asked as to the effect of driving bullocks: you do not mean to infer that bullocks are worthless afterwards, but that it depreciates their value?—Certainly it does.

168. With regard to the bullocks I sold at Westfield after driving them three days and trucking them one day: am I right in suggesting that to top the market with them they must have been extra prime when they left my country?—Yes.

169. You were asked about the Kaingaroa plantations: do you know the Government plantations there?—Yes, I have passed them, but I have never examined them.

170. What are the ages of those trees?—I do not know.

171. Are they saplings, or ten or twenty years old?—I should say some of them are twenty-five years old.

172. There is a good deal of fairly mature timber there, then?—Yes.

173. In regard to the climatic conditions of the district, you said in your evidence about Loch Inver that it was 2,000 ft. up: you were not then speaking of the country between Rotorua and Taupo?—No.

174. About second growth on pumice land in the area of which we are speaking: have you ever seen second growth on ploughed land there?—Well, I have not sufficient knowledge. No, I have not seen it there. I have not ploughed it, but in my pumice country if you plough it you do not get manuka second growth.

175. In the area there I have never seen second growth on ploughed pumice land. Now, I want to ask you a question to clear up the evidence given before: What is the distance from Wairoa to Waiotapu?—I could not tell you, but it is forty miles from Wairoa to Waikaremoana.

TUESDAY, 1ST OCTOBER, 1929.

MICHAEL JOSEPH GALVIN examined (No 12).

1. *The Chairman.*] What is your occupation, Mr. Galvin?—I am one of the senior Fields Inspectors of the Lands and Survey Department.

2. I understand that you know something about this country through which this Rotorua–Taupo Railway was to run—the railway which was commenced and subsequently stopped. You have some evidence to give in regard to that country. Will you just give it in your own way?—I propose to give the Committee a brief outline of my knowledge of the district.

3. The question before the Committee is whether the railway that was started, between Rotorua and Taupo, should be continued: this is a petition to have that railway continued?—My duties include the reporting on all Crown lands, and also the supervision of soldier settlements, whether they require loans or revaluations, and it is my duty to report to the Land Board. In the course of my ten years' experience my work has carried me through North Taranaki and the Bay of Plenty. During the past two years and a half I have had to concentrate on the Taupo lands. I may say that I have not only made frequent inspections of this country in the course of my duty, but, realizing how much controversy there has been in regard to this railway and the country through which it is to pass, I have made more or less of a hobby of it, and all my spare time—holidays and so on—have been spent on the Taupo lands from the Main Trunk through to Rotorua. In the first place, I would like to say that as a result of my close association with the district I consider that many of the statements made during the past two or three years in regard to the quantity and quality of the farmable land in the Taupo district, have been very grossly exaggerated. I say that you can get no better criterion as to the quality of the land than from the farmers already farming in that vicinity. The main settlement of the Taupo district is Reporoa, and I agree with the statement which has been already made here that Reporoa is the oasis of the whole lot. Reporoa, when acquired, comprised 29,000 acres. What with the land sold for only afforestation purposes, and set aside for reserves, the present occupied area comprises 7,800 acres, on which are thirty-four or thirty-five settlers. Of these, twelve or thirteen settlers have been placed there within the past twelve months. A lot of the land remained unoccupied for years. Now, before proceeding further, I would like to refer to the topographical features. Coming from Rotorua to Taupo the route travels through a series of hills, which terminate at the north of the Reporoa Settlement. Reporoa had been farmed for over twenty years before it was acquired by the Crown, and it comprises a lot of swamp country which has been drained by the Lands Department. That swamp country cannot be compared for productivity with any other portion of the Taupo country—it is far better than the rest—and we have found that where settlers have that combination of swamp country with dry pumice country they achieve success in more or less degree. But nevertheless, despite the fact that the Reporoa settlers are as fine a crowd of settlers as you will find anywhere, and despite the fact that they have the pick of the country in the area, they have experienced great difficulty, and the Land Board has tried to adjust their difficulties by revaluation. The main difficulties there are in the form of sickness and unseasonable frosts, which come at all seasons of the year, and they never know when to prepare for them. The result is that they have quite a short dairying season there. I have not heard the cause of these unseasonable frosts explained. It appears to me to be due to the fact that the valley wherein Reporoa is situated, and through which the proposed railway would traverse, is bounded on the east and west by high country rising sharply from an elevation of 1,000 ft. or 1,100 ft. to 2,500 ft. The valley runs right down to the lake and then across the plains to the mountains, and the result is that you have continual cold winds coming from the mountains, up this gigantic furrow represented by the road up the Taupo Valley. In regard to the climatic conditions, I would like to read to the Committee an extract from the evidence given before the Auckland Land Board by a settler named Mr. Alexander, who said: "Concerning the climate, if we can get a good spell of decent weather it is really marvellous, with the top-dressing, what a response we get. The climate is very very hard and we get unseasonable frosts. Of course, in the summer-time we have made provision to withstand the long winter, but when you get these unseasonable frosts in December and January it makes things very difficult. In December of the year before last the pasture was just coming nicely, and we got our crops—turnips and one thing and another—in early in December, and the second week of that month we had six really hard frosts, and they absolutely cleaned up everything that was above the surface. It is quite a common occurrence in the summer to register eleven degrees of frost, and it plays havoc with the crops. Our spring does not start until well into October. We can safely reckon that we are six weeks behind the Waikato, and even then with an early spring year the pasture does not start to come away until the beginning of October; and then again, about Easter-time we get the changeable autumn weather. We have come to the definite conclusion that the dairying season is from the beginning of October until Easter. As soon as the frosts come in the autumn, that is the end of our dairying season. We contend that it is really the climate that is our drawback. We can perhaps fight against the deficiencies in the soil by experimenting and applying manures and so overcome this difficulty in the future, but these unseasonable frosts we cannot see what we can do to overcome them at all. One year they come early and one year they come late, and we do not know where we are."

4. We would prefer to get your own evidence rather than the evidence of any one else, but, as you say, this is merely in regard to the climate of the area?—Very well. Now, in regard to the area affected by the railway, it has been said that there are from 3,000,000 to 5,000,000 acres of land available. On this map [indicated] we have drawn a radius of twenty miles on either side of the line, east and west, and I am quite convinced that none of the country beyond that radius can be affected by the railway-line.

5. *Mr. Lye.*] How far back from the railway-line is that limit on the east?—Twenty miles—and the same on the west side. In the Rotorua County the total area of land affected will be 314,808 acres,

and that land comprises Crown lands, 41,000 acres; State forest, 56,600 acres; private land, 100,000 acres; Native land, 110,480 acres. In the Taupo County there are affected by the railway—Crown lands, 299,000 acres; State forest, 189,400 acres; private lands, 316,000 acres; Native lands, 307,520 acres: or a total of 1,111,920 acres. The totals for both counties amount to—Crown lands, 340,000 acres; State forest, 246,000 acres; private lands, 422,000 acres; Native lands, 418,000 acres: making a grand total of 1,426,000 acres—that is, all lands of all qualities and all "starts." I know that many people who have expressed opinions on the Taupo land have never seen it other than from the road, and these same people, in my opinion, have no idea of the magnitude of a million acres. You go along the Taupo road and you see what appears to be an unlimited expanse of easy country, but you must remember that all the country is very broken, comprising the whole of the Paeroa Range, a series of hills right through to Taupo, all very broken country. On the east you have country rising to from 1,650 ft. to 2,500 ft. This run [indicated], Run 60, is about 2,450 ft. up. It comes right over to Taupo. It would be about eight or nine miles from the railway-line, and it rises very sharply. But the important feature about all that country is that there is practically no water upon it. I have endeavoured to locate water there for several years, but so far I have never found one spring. I have camped in that country, and if there is water there I should have found it. I am not going to say that water cannot be obtained there by artesian boring, but I am very doubtful as to whether boring would be successful, on account of the formation of the country. Of course, I cannot express a definite opinion upon that. None of this country south from Reporoa has the qualification of having swamp land, which is so essential, as you find it at Reporoa. I may say that I do not think at present there is more than about 100,000 acres of land along that valley of the Taupo country which could be entertained from a farming point of view at the present time—that is, all status of lands. Of course, you cannot split hairs in regard to a thousand acres. The best of the land, in my opinion, lies in the Rotomahana-Parakeranga area, south of which are the Guthrie Homestead settlers. I might explain that on this map the yellow indicates Native land; the green, alienated land or freehold; the blue is education land; the brown national-endowment land; and the red State forest. We are quite sure that a lot of this country has very good chances of successful development, provided a man could have 200 or 300 acres so as to be able to cope with the ragwort, which is coming there; but before putting sheep on it I think it would be necessary to have an assurance from Agriculture Department experts that lambs can be raised profitably there. In regard to bringing in the country, it is admittedly slow to bring in, and I think that as regards the best of the Taupo country south of Reporoa, a man taking up land there would be developing it for his son. We know that fertilizers are of great value in that country, and will be of much use in bringing it in, but the most important thing next to that is the consolidation by stock, and that is a very slow process. We have heard figures given for the cost of bringing in that country, but really I do not think you could measure the cost in pounds shillings and pence. We know that one man in 1907 bought 53,000 acres, for which he paid £3,912; in 1913 he sold 13,102 acres for £6,551; in 1925 he sold 25,185 acres for £25,185; and the same year he sold 4,887 acres for £7,330 10s. Originally he bought 53,250 acres for £3,912, or 1s. 6d. an acre.

6. *The Chairman.*] Whose land are you referring to now?—Mr. Vaile's. He originally bought 53,250 acres, of which he has sold 43,000 acres for £39,000. And this gentleman still holds 10,000 acres, of which he has improved only 1,700 acres, and which I understand he values at £3 10s. an acre. The point is that if a man with Mr. Vaile's experience can achieve so little, and bring in such a small proportion of that land in so long a time, with the capital at his disposal, I do not think there is a very bright outlook for individual settlers going in there. What I want to emphasize is the danger of putting settlers in there, assuring them of success which they can never realize. I want to say that on the deteriorated lands there is no greater tragedy than for settlers to go on lands there and to find at the end of twenty years that their country is just where it was when they started, and they are broken men. As far as I am concerned, I have no personal feeling or interest to serve, but I know this country so well that I think it is a very grave matter indeed to delude people into the belief that on this country they will find an agricultural Eldorado when in my opinion it is fatal to put individual settlers in there to-day. I do not wish to say any more, but I will be glad to answer any questions that may be put to me.

7. *Mr. Kyle.*] How many years have you been in the Department as a Field Inspector?—Ten years.

8. What were you when you joined the Department?—Well, my father was a navvy on the Main Trunk line, getting 7s. a day, and he took up a block of land under the Palmerston Knights of Labour; it was in the Rangitikei district, and that was in 1896 or 1897. For fifteen or sixteen years I saw what it took to bring that country in, and he was dealing with good country, which has never gone back, and he has had his reward for his hard work. I went right through the country from the Rangitikei to the Taumarunui country, and then the war broke out and of course I went, and when I returned I entered the service of the Lands Department and was stationed in Taranaki, and had to deal with all the deteriorated land in North Taranaki. I do not think that any man has seen more of the deteriorated lands than I have.

9. Were you a practical farmer at the time, or what was your occupation when you joined the Department—a farmer, a soldier, a parson, or what?—When I left home I worked on a farm.

10. How would you describe yourself?—When I went to the war I was an Authorized Assistant Surveyor.

11. You spoke of the cold winds that that valley is continually subject to?—Yes.

12. Do you know the Wairarapa Valley?—I have been in the Wairarapa, but it does not compare with Taupo in that respect. The climate of Taupo is far more severe than that of any other part of the North Island that I know.

13. You spoke of the difficulty in getting water, but you will admit that it may be procured by boring ?—I will not admit that it will be procured by boring, but I will not deny that it may; but, judging by the formation of the country and the altitude, I think it is unlikely that you will get water there. The only way to determine it is by setting up a boring plant and testing the country there. But there is no surface water available. There is a run of 10,000 acres with not a drop of surface water on it. I have not found a drop of surface water there.

14. Do you know conditions in Australia ?—No, my experience is confined to New Zealand.

15. But we understand that they have a rainfall in that district of 45 in. a year ?—I think the rainfall round about there is 63 in.

16. Then it is only a case of reserving it ?—I do not think you could reserve enough for that country. It would be difficult to water it.

17. You seem to lay great stress on the mere fact that one gentleman bought 53,000 acres and sold 43,000 acres at an enhanced value. I do not suppose you blame that man ?—No, I would do the same thing myself, but I wanted to stress the point that he brought in only 1,700 acres in all that time.

18. What would influence a buyer to give this gentleman sufficient for him to make a profit on his original purchase price ?—Well, of course, the majority of that land was purchased for afforestation purposes by afforestation companies.

19. It was sold for afforestation purposes more than for agricultural purposes ?—That is so—and that is similar to the Taupo land.

20. Would you say that the price paid for it was a fictitious value ?—For farming purposes the unimproved value of that land is nil. As a matter of fact, for farming purposes it is a liability; but for afforestation purposes it is a different matter.

21. Would you consider that the price paid Mr. Vaile for afforestation purposes was fictitious ?—I know nothing about the prospects of the land for afforestation purposes.

22. You say that the prospects from a farming point of view are absolutely nil ?—Yes, if it is unimproved.

23. Would you consider it nil for afforestation purposes ?—Since these people, after buying the land for £1 an acre, again sold it for £1 15s. an acre—that shows what the value of that land is for afforestation purposes.

24. What would you consider a fair upset value of this land to-day — for a million acres, for afforestation or for farming purposes ?—I cannot say what the value of it is for afforestation purposes, but for farming it would be only after long years that it could be of any great value.

25. Do you know the South Island at all ?—No, very little.

26. Would you be surprised if I told you that there were properties in the South Island which twenty-eight years ago were considered worth nil from an agricultural point of view ?—No.

27. Would you be surprised if I showed you some of that land which you could not now buy under £30 an acre ?—I admit that there are those possibilities. But I say that those twenty-eight years have to pass, and poineers have to endure hardships on that land, and that therefore you cannot measure the cost of bringing the country in by pounds shillings and pence.

28. You know that the Government has an idea of spending £5,000,000 on developing the undeveloped lands: would this land at Taupo do for that purpose ?—I say that a lot of that land, especially in the Atiamuri Valley, has definite prospects of successful development, but my main point is that this country is still in the experimental stage, and I think that the experiment should be undertaken by the State and not by the individual.

29. You have quoted an individual who has developed 1,700 acres of this land: would you call him a pioneer ?—You are asking me a question, and I have no desire to hurt any man's feelings by my answer, but I have my own opinion. As far as the improvements done there are concerned, I consider that mainly those improvements are window-dressing to sell the rest of the land.

30. And therefore you believe that the whole of the country, with the expenditure of public money, should be window-dressed ?—There is a certain value in that land to-day with the improvements—but the cost of those improvements and experiments should not be borne by the individual. I say that probably some of that country can be brought in, but we have no evidence to show that the country is past the experimental stage.

31. Do you say you have no evidence that it can be developed—with the evidence of what has been done on 1,700 acres before you ?—To answer that question you would want to know the cost of bringing it in, and the return that has been taken from it.

32. We have had costs and returns from other witnesses ?—About bringing it in ? I say that a lot of the country there cannot be brought in—it is impossible.

33. How many acres do you consider can be brought in ?—As it stands to-day, there are 100,000 acres in that area which could be worked with some success, and the best of the country lies down near the Horahora Range—that is all nice easy country.

34. Are you giving evidence as a departmental officer at the present time ?—Well, I do not know. As a matter of fact, I do not know who called me.

The Chairman: Yes, Mr. Galvin is a departmental officer. The Department was asked to send a representative, and it sent Mr. Galvin to give evidence to the Committee.

35. *Mr. Kyle.*] You are giving evidence on behalf of the Lands Department as a Fields Inspector ?—Yes, and as the man who has been dealing with this land for the last two years and a half.

36. Have you reported on this country ?—Yes.

37. When was the last occasion on which you reported on it ?—I have reported several times on it. The last date was about the middle or end of November, 1928—that was on the Taupo Settlement. On the 26th September, 1928, I reported on the Rotomahana-Parekaranga.

38. Is it possible for the whole of your reports to be laid before this Committee ?—I think so. I would be only too pleased if they were: as far as I am concerned you are welcome to my reports.

Mr. Kyle: That can be done, Mr. Chairman.

The Chairman: We will have to consider that at a meeting of the Committee.

39. *Mr. Semple.*] You referred to certain lands on which work had been done, and you said that it was "window-dressing" ?—No, sir, not on the settlement lands.

40. That was on Mr. Vaile's land. You would not charge all the men who have gone there on that pumice land as being "window-dressers" ?—No, sir.

41. What evidence have you for saying that in Mr. Vaile's case it was a case of "window-dressing" —that is a pretty serious thing to say about a pioneer settler ?—The inference is drawn from the sales of land effected, and the purpose for which the land has been sold.

42. It is twenty years since he went into that pumice country. He bought his land there and had managers upon it, but he found that he could not get the land brought in successfully under managers, so he himself went there. Do you mean to say that he had at the back of his mind the motive which you suggest ? He gave up a good business in Auckland and went into the wilderness, as it were, isolated from civilization. Do you mean to tell me that he went there with no other motive in his mind but "window-dressing" on Native land, with no vegetation ?—I have no idea of what was at the back of Mr. Vaile's mind, but we all know that he has never lost an opportunity to portray to the public the great possibilities of this country.

43. Well, he could be quite honest in his agitation, could he not ?—Far be it from me to say that Mr. Vaile is dishonest.

44. What right have you as a departmental officer to come here and accuse a pioneer of "window-dressing" ?—I was asked to express my opinion on the work done there, and if 1,700 acres brought in was all the work that was done, with the capital available, I can say it is only "window-dressing." I say that salesmanship entails "window-dressing," and there is nothing dishonest about salesmanship.

45. But it would be dishonest of any pioneer to try to persuade the Government to spend £700,000 upon the basis of "window-dressing"—that would be a crime, would it not ?—Well, everybody has a different way of looking at things.

Mr. Semple: I admit I am puzzled at your outlook.

The Chairman: The witness must take his own way of giving his evidence, Mr. Semple.

46. *Mr. Semple.*] How do you know that there is a lot of Mr. Vaile's land unfit for settlement ? —I know that when you have land "standing up on end" you cannot farm it.

47. Did you ever farm land yourself ?—I farmed with my father on good country.

48. Then you have no knowledge of how to deal with bad country ?—I have seen what can be done in the King-country. I have seen all kinds of experiments tried there.

49. Have you any knowledge of the Waihi Plains prior to settlement ?—I know the formation of the country there.

50. You did not know anything about them before they were settled by farmers there ?—No, but they are a different formation to the Taupo country.

51. It may be news to you that we have witnesses who have said that the Waihi Plains land is inferior to the Taupo country—and I know that country myself, too ?—Well, if you take away the Reporoa land, which is the best of the Taupo country, you can not find poorer country than some of the other Taupo country.

52. You do not know anything about the Waihi Plains, or the condition of the land there before settlement ?—I know a lot of the unimproved land there now, and I would infinitely rather take up the Waihi Plains land than land in the Taupo district, if water were obtainable there (in the Waihi Plains).

53. Do you know Mr. Parsons there ?—Yes.

54. Would you say that his work has been in the nature of "window-dressing" ?—No, I regard him as a real pioneer. He took up 12,000 acres fifteen years ago. But is it a fair thing to go into a man's financial position ?

55. I do not ask you to expose his cheque-book, but I want to know what you know about Mr. Parsons as a farmer—I do not want to pry into the secrets of his exchequer ?—But it is the financial position of a man that discloses whether he is a successful farmer or not.

56. How has he got on ?—But for the money he earned by rabbiting he would not be there to-day.

57. You know that Mr. Parsons started just at the outbreak of the war and that the war period almost strangled him ?—Yes.

58. And still he has the greatest confidence in the pumice country ?—Yes.

59. Do you regard Mr. Parsons as a very honest man ?—I want you to remember that the best of the pumice land is near where the swamp land is. The formation on different parts of the pumice land varies very much.

60. You regard Mr. Parsons as a very honest man ?—Yes.

61. Do you know Mr. Butcher ?—No.

62. You said that the State ought to carry the liability for putting that land into cultivation ?— Yes, I think so.

63. You think that group settlement applied to that pumice land would be a good principle to adopt, putting the land in order before settlement ?—You have mentioned that it would be a crime to spend £700,000 there, but I think that the wasting of many lives there; I think that for people to be put on to land there where they cannot succeed is a far more serious thing than the expenditure of £700,000.

64. I want to ascertain whether you have any idea as to how that land should be settled. Some of us are of the opinion that a group-settlement scheme would be highly desirable—that is to say, that

the land should be put into going order before settlement there is started: are you in favour of that system?—Well, you are a member of Parliament and I am a departmental officer, and you are asking me as to a question of policy, and I cannot answer that question.

65. I am not asking you to speak for the Government, but as a man, and as to what you think of that system. I think you are entitled to give your own views?—I think that the idea of breaking up a large area of land, and remunerating the settler all the time he is there, is a good system, provided he is not going to lose money in the years to come. I think that it would be a good idea to put settlers on there and put them under proper supervision. You would then be providing work for a large number of people. But if you put an individual settler in there his first pastures would never remain and he must turn them in again. It is only by a succession of pastures that he would succeed there.

66. You are a Field Inspector?—Yes.

67. Have you any idea of the amount of land that could be put under cultivation there in the way you suggest?—As I said, I think that in the main valley, where the railway was to go, there are 100,000 acres, east and west of the railway-line from Rotorua to Taupo, and in the Atiamuri country.

68. You say that some of this land could be brought into cultivation, and that if the land was put in order before the settlers went there they could make good?—I do not think they could make good. I would like to see that land experimented on, provided that the experiments are not paid for by the settlers.

69. What do you know about the prison farm?—I have been there but I have not been all over the prison farm—but there you have a better quality of land.

70. You do not know the cost of bringing in that prison-farm land?—No, I do not know the cost at all.

71. It would be quite easy to get that?—Yes, it should be, but it all depends upon how the costs have been kept.

72. Have you met Mr. Banks, the Superintendent of that farm?—Yes, I have met him once. He is very highly respected in the district.

73. Do you know anything about his ability?—No.

74. Would you be surprised to hear that Mr. Banks has complete and definite confidence in the pumice land?—No, I would not be surprised, because he would be speaking of his own district, in the vicinity of his farm. I do not think that Mr. Banks has been all over the country, as I have.

75. There are some parts of the pumice country that you do not know?—I have been all through the country—to Waimarino and Waiouru, and from Galatea to Putaruru. There is very little of the country I do not know.

76. Suppose settlement took place there, how would you propose to take the farmers' produce away from the farms and bring fertilizers to the farms, and take the stock?—That country is very easily roaded, and with the increase in settlement you would get more stuff to carry, and the cost of cartage must necessarily go down. I understand that at present from Auckland to Taupo the freight is £3 10s. a ton, and the more settlement you get there the cheaper the freights you will get by motor.

77. Do you think it is profitable for a farmer to drive his stock to market on a bitumen road where there is traffic?—We have driven stock fifteen, sixteen, and eighteen miles without detriment. Another point is that if you establish successful settlement in any community there is going to be their own saleyards established there, and a large quantity of stock will be taken by road.

78. The stock has got to be taken to market?—But when you get settlement the amount of fat stock going out is not very great—you will have dairying stock, and you will have culls, but you do not worry much about the culls.

79. But the settlement will not consume all the stock?—No. You express the opinion that there will be difficulty in taking the stock over the roads, but I say that the amount of stock will not be so very great. I am trying to convey to you my impression of Taupo lands as a farming proposition—I am not an engineer, and about the question of road or railway does not concern me very much.

80. You say that in your opinion the Taupo land is not a farming proposition?—I say that, taking it as a whole, very little of the Taupo land can be regarded as a farming proposition, and I say that a great proportion of the land there cannot be farmed. About 100,000 acres may be farmed—that proportion might be entertained as a definite farming proposition.

81. You do not know of any land in this country—the same type of land—that has been successfully farmed?—Not the same type of land, no. The only evidence we have to work upon is Reporoa, and Reporoa is a splendid combination of swamp and dry country, which renders it possible to make a living there, but without that swamp country you may regard that Taupo country as a poor proposition.

82. That does not square with the evidence that there are successful farmers there?—I have not seen successful farmers there.

83. Well, they have lived on the land there?—But the farmer requires to do better than that.

84. Well, some of them have existed fairly well, and are looking fit?—A man is adaptable, and you cannot judge of his success by his appearance.

85. *Mr. Massey.*] You have stated that the climate there is the country's biggest drawback?—It is one of the big drawbacks—about the biggest drawback.

86. How does the climate of that area compare with the climate of Rotorua?—Rotorua is different because it lies in a basin surrounded by hills. You come out of it through a series of hills. You get unseasonable frosts in the Taupo district that they do not suffer from at Rotorua. They also have cold winds there.

87. How does the weather there compare with that at Matamata?—Matamata is very cold at a definite period of the year, but you do not get unseasonable frosts there, and cold winds. The wind blows straight across from the mountains along the edge of the lake to the north.

88. Is there not quite a stretch of country on this Rotorua-Taupo country the same class of country as at Putaruru ?—The country near Atiamuri is more like Putaruru country. The Putaruru country is stronger than the Taupo land.

89. The Putaruru settlers have done well ?—But they are struggling very hard.

90. Have they had much assistance from the State ?—I am not sure, but the main settlement about there is at Tokoroa. We have a number of soldier settlers about Putaruru. Tokoroa is run by a land company. About Putaruru they have had reasonable assistance. We have a number of soldier settlers there.

91. Has the State given any assistance to the Tokoroa settlers ?—No, that has been a bone of contention with them—the assistance given there has only been on a small scale. But the State Advances Department would have more information about that than I have, and they know the liabilities of all that land.

92. How does the Taupo weather compare with the Tokoroa weather ?—Tokoroa is very cold and different Tokoroa settlers have told me that unless they get their stock away to Matamata or somewhere else in the winter-time there is trouble. It is fairly bleak there.

93. But a lot of Tokoroa settlers have made good ?—I do not know that many of them—I know of no Tokoroa settler who has made good. I do not think any settler at Tokoroa has made good. Of course, I do not wish to damn Tokoroa, but that is my opinion.

94. Does not that apply all round ?—No, you will get more successful settlers in better country than in that country. You may get some successful settlers there, of course.

95. Settlers have done very well on poor country in New Zealand—in the Auckland Province ?—Yes, I know, but there is poor country and poor country. Take Te Kauwhata—that is country which has come on remarkably in the past few years : and they can hold their pastures there by top-dressing.

96. You have stated that you think there are 100,000 acres of Taupo land which can be handled for settlement ?—No, I said that in my opinion there are 100,000 acres in that valley adjacent to the railway which should be proved as a settlement problem.

97. Are you of opinion that it is pos ible for the State to make an attempt to show the possibilities of that 100,000 acres ?—The State already has a homestead settlement at Atiamuri. They have eight or nine settlers there, a very fine type of men. There is enough country around there to warrant further settlement, though some of it is very broken, and before the Government launches out here it should help those settlers there, who are now at the end of their tether.

98. Is not the climate in that basin similar to that at Putaruru ?—The Paeroa Range protects that country from the wind that comes off the mountain, but they have unseasonable frosts there too, but the quality of the land at Putaruru is better than on the main Taupo lands.

99. *Mr. Samuel.*] You are a Fields Inspector of the Lands and Survey Department ?—Yes.

100. You are giving definite opinions as to the agricultural possibilities of this district ?—Of the farming possibilities, yes.

101. As a Lands and Survey officer ?—As an agricultural officer of the Lands and Survey Department.

102. As a Lands and Survey Department Officer. Supposing an officer of the Agriculture Department were to come here and give definite opinions contrary to those expressed by you, would you say that he was wrong ?—I would say that I could not agree with him—I would not say a man was wrong.

103. You say that you as a Lands and Survey Department officer would not agree with opinions expressed by an officer of the Agriculture Department ?—No, sir.

104. In what capacity do you appear here ?—As a departmental officer.

105. Who called you as a witness ?—I do not know.

106. Where did you get your notification to come here ?—From the Commissioner of Crown Lands.

107. In what capacity did he ask you to appear—as an opponent of the proposed railway ?—No, sir. The railway was not mentioned. I was to appear here before the Taupo Railway Committee.

The Chairman : This witness is called by the Department. The Department was asked by this Committee to send up a man to represent the Department, a man who knew something about the district.

Mr. Samuel : Then this is one of the witnesses who is attending at the request of the Committee.

The Chairman : The Committee asked the Department to send an officer up. We asked various Departments to send officers up—the Railways, the Lands and Survey, Forestry Department, and Agriculture Department—and this is one of them.

108. *Mr. Samuel.*] You say that one of the drawbacks of this country is its climate ?—Yes, sir.

109. And that they experience heavy frosts in December and January—that would not be the rule, would it ?—That is the trouble—they are so unseasonable.

110. I know they have frosts there at odd times in December and January, but do not the same conditions apply in the Waikato ?—No, sir. I know the Waikato pretty well.

111. Do not they have frosts there in December and January ?—Yes, occasional frosts, but not these cold bleak winds. The dairy herds in the Waikato change their coats before October, but if you go to Reporoa you do not see them change their coats until about January.

112. That is simply a question of the lateness of the season ; but I want to show that in both places they have occasional frosts in December and January, but in the Waikato country your information is that they do not have those frosts ?—They do not have such severe frosts in the Waikato.

113. Not quite so severe, perhaps ?—Nothing like so severe as in the Taupo country : there you consistently get these unseasonable frosts and cold winds.

114. I am a farmer in the Tirau district, which is only six miles from Putaruru, and which is bordering on the whole of that country. I quite agree that they have frosts in December and January, but what I want to point out is that we also have frosts in December and January in Tirau ?—Your property is on the Cambridge side of Tirau, and more than six miles from Putaruru.

115. On Christmas Day and New Year's Day we have experienced heavy frosts in Tirau, and although the frosts have a detrimental effect, the ground affected is not any worse off ?—But the country there is different from the Taupo land, and the Taupo crops would be affected.

116. The Waihi Plains country has been referred to. Do you know that at some period of the year they experience heavy frosts and exceptionally cold winds in the Waihi district ?—But according to the topographical features they cannot have such cold weather as is experienced at Taupo.

117. It is merely a matter of opinion. Now, with your experience of the Taupo country, do you think that if a block were taken up by the Government, and a number of unemployed farmers placed on it under supervision, and if that block was developed by scientific methods, they cut it up after it had been brought into development, do you think the farmers would have a chance of making those farms pay ?—I think that the first thing to be done would be to ascertain whether water could be provided.

118. Naturally the Government would not take up a block unless water were available. If this block were brought in under those conditions in which an ordinary farmer could make his land pay elsewhere, and men were given a start from that point, and were paid wages up to that start, would they then have a chance of making good ?—It is problematical. It would all depend upon how far the Government was prepared to support those men, because you cannot precipitate that country.

119. Then in your opinion Taupo could not be brought in except by consolidation by stock ?—I say it is a question whether you can bring that country in quickly enough for a farmer to get it into a position in his lifetime to make a living upon it; but provided that the State is willing to take the responsibility of making an experiment upon it, the experiment is worth making.

120. You know the Hamurana country ?—Yes, know it well.

121. You know the Kaharoa Block: is it not mostly tutu and fern ?—I like the tutu land, but there is very little of it in the Taupo country.

122. I will give you an example of a block of country which the Government sold at 15s. an acre. First of all they burned it, then they disked it over, and then sold it ?—I know the back country there, and it is very different from the country at the top of the hill. I would like to have a block of that country myself.

123. You reckon that it is worth more than £6 an acre ?—On adjoining land I put £6 an acre unimproved value.

124. You reckon that the Taupo country is mostly of no such value ?—I say that in my opinion the unimproved Taupo land is a liability and not an asset. That is why I say that the State should bear the cost of the initial development.

125. I think we are all agreed upon that. Then you think it can be economically developed, as long as the State develops it ?—No; I say it is problematical, but it is an experiment worthy of a trial, and if it gives the encouraging results asserted by some gentlemen, that the experiment should be made for the sake of posterity.

126. Was not the prison farm an experiment in development ?—Yes.

127. Was it a successful experiment ?—That is a point that I am not sufficiently conversant with to be able to discuss it. Before we can say whether it is a successful experiment we would want to know what it is costing to bring in.

128. Are you of opinion that the land that has been brought in by means of prison labour is now a good example of the capabilities of the country ?—I do not know enough about the prison farm to express a definite opinion. With a lot of that country the cost of maintaining it has to be considered.

129. You say that the farmers are existing on some parts of the country ?—Yes.

130. Well, the mere fact that they are existing proves that it is capable of enabling them to exist ?—In the majority of cases the farmer is just living, and not meeting his liabilities.

131. Then he cannot be existing ?—I define the term "existing" as meaning that the farmer is just living on it.

132. Then if he is living on it, it must mean that he is just making both ends meet, and saving something ?—Not necessarily.

133. If he is not making both ends meet he cannot exist, because there must come a time when he must become bankrupt ?—It all depends upon circumstances.

134. The men who, you say, are just existing are keeping families ?—Yes.

135. Then the land is providing enough to keep these men and their families ?—But not enough to pay the cost of it.

136. Supposing they had capital provided to help them, could they improve their places to a further extent which would keep them—I do not mean merely existing, but putting by a little money ?—It depends upon what areas you are referring to.

137. You said that at Putaruru the settlers are a struggling quantity ?—Yes, a lot of the settlers I have been in contact with.

138. Have you any knowledge of the settlers in Putaruru, and in the Putaruru district—men who went there with nothing, and have done exceptionally well ?—I do not know of any. I do not say that there are not such men. It would depend upon how much capital they had when they went there.

139. I do not think the question of capital enters into it. We are agreed that the Taupo country is not country for a man without any capital at all ?—I am not comparing the Putaruru land with the Taupo land. It is vastly different.

140. I will agree with you that Putaruru is a little better, in that they have been on a railway ?—I could name a few properties there that have not proved successful ventures—those of men who went there with a lot of money.

141. You will admit that there have been a lot of failures on the part of men who went on to good land ?—Undoubtedly.

142. Then that aspect of the matter does not count a great deal, because men will make a failure of business propositions through inefficiency or bad management ?—You asked me if I knew of any outstanding successes, and I said I did not say so ; but I did not say there were not failures in the Putaruru district.

143. Do you know of any settlers who went there with nothing and are now doing well ?—They are not doing well unless they are living in comfort.

144. You know that the State Advances Office will not lend money on that country ?—I do not know anything about the State Advances Office.

145. You state that the development of the land in the Taupo district should be undertaken by the Government, and not by private enterprise, in the experimental stage ?—I would be pleased to see any syndicate take up a block of that country. What I say is that the unemployed should not be jettisoned on that country at their own expense.

146. Do you think that that class of country has had a fair trial ?—I emphasize that I do not wish to entirely disparage it. It is a question of experiment.

147. Do you think it would be a fair thing for the Government to give it a fair trial by way of experiment ?—I certainly do, particularly the Upper Atiamuri district.

148. Have you had any experience in bringing in this country ?—I have had no personal experience, but I have watched closely what other farmers have done.

149. You have not had personal experience in growing crops in that country ?—I have only seen what others have done.

150. Have you seen good crops grown on it ?—Quite good crops. You can grow a good crop when you cannot establish a sole of grass.

151. Have you seen good clover-hay crops ?—But clover is only a summer grass. You may have a wonderful appearance in the summer-time and extreme poverty in the winter.

152. Could you not grow enough clover in the summer-time to tide over the winter months ? Will it not grow luxuriant clover ?—It will grow clover, undoubtedly.

153. It will give great clover hay ?—Yes.

154. And good swedes ?—Yes.

155. If it will grow rich crops of clover, do you not think that with proper consolidation and the application of fertilizers it ought to grow good rye-grass ?—It probably may do so in the course of years. The stronger grasses will only come in by consolidation.

156. For the first year it will grow rich crops of clover ?—The settlers at Reporoa tell me that when they went there there was an abundance of clover, and they thought they were made, but they found that they could not hold the pasture.

157. What I want to get down to is this : we know that the land will grow good root crops and clover. Now, there is a scheme of development put forward under which men could be employed for a period of eighteen months or two years in breaking in the country, putting up fencing, ploughing the land, erecting necessary buildings, and so on, and could then be able to start milking with herds. Would not the men then have a good chance of going straight ahead with a reasonable degree of success ?—Speaking of the main portion of Taupo country, I am not certain that it is going to furnish farms that will give a working return in three years.

158. You told us a little while ago that a man could live on the Te Kauwhatu land—that it would only hold the pastures by means of top-dressing ?—I am referring only to the hill country, not to the Taniwha country.

159. Were you here when Mr. Martin gave his evidence ?—No, but I know Mr. Martin.

160. You know that he has been a successful farmer ?—Yes, in Rotorua.

161. And also in the Oturoa Block ?—That is in the bush country.

162. You will admit that Mr. Martin has made a success of farming in the Rotorua district ?—I should say he is one of the best farmers at Rotorua.

163. Is Mr. Martin a man with a very fair knowledge of the farming-land in the Rotorua district ?—He is not an authority on the total of the lands in the district. A man who is a success on his farm has not opportunities of going into the whole of the details and making a comprehensive survey of the country.

164. Have you knowledge of his qualifications as a valuer ?—He was on the Soldiers Valuation Board.

165. Have any of his values been questioned or put off ? — Valuations of the most reliable men are sometimes questioned. I would not say that Mr. Martin is a successful valuer, and I would not say that he is unsuccessful. I have heard varied opinions.

166. If the Government employed him as a valuer now, would you say that it was not doing the right thing ?—No. I am not judging Mr. Martin.

167. What qualifications should a man have to be a successful valuer ?—You asked me whether he knows the country, and I say I do not know that he does.

168. I am leading up to the point that Mr. Martin has told us that the Taupo country is capable of successful farming. I want you to tell us whether he is qualified to judge or not ?—That is Mr. Martin's opinion. I do not agree with it.

169. Then you consider that Mr. Martin's evidence will not bear the fullest investigation ?—I will say that if Mr. Martin went over the country as I have gone over it he would have a different opinion.

170. But he has been over it ?—Not in the way I have. If Mr. Martin knows the whole of that country, I would like to take him over it again, and show him parts of it that he has not seen.

171. Mr. Martin told us that the bulk of that country was capable of successful farming. You do not agree with his evidence ?—Not on that point.

172. Will you agree that Mr. Martin is a successful farmer ?—I agree that he is a good farmer.

173. And that he knows a good deal about pumice country ?—I suppose he does.

174. You agree with his evidence as far as the whole of the Rotorua country is concerned ?—I did not hear the whole of his evidence. All I can agree upon is that he is evidently a good farmer. I will not say whether he is a successful farmer or not—I have not seen his balance-sheets.

175. Well, you do not agree with Mr. Martin when he says that a great proportion of the Taupo land is capable of successful farming ?—I do not agree with anybody who says that the Taupo land is a rich province, or can be farmed successfully.

176. In your own opinion this country is not good country for farming ?—No.

177. With the exception of 100,000 acres ?—I say that the bulk of it is not fit for farming.

178. You know Mr. Parsons ?—Yes. I gave evidence before the Lands Committee about Mr. Parsons's country.

179. If Mr. Parsons is of opinion that the bulk of the Taupo country is capable of profitable farming, you do not agree with him ?—I do not.

180. *Mr. Semple.*] You say you do know something about Putaruru ? Do you know Mr. Leslie's farm ?—Yes.

181. Do you know what Mr. Leslie paid per acre ?—No.

182. I am led to believe that he paid £5 per acre. Do you know anything about his financial position ?—No.

183. Would you dispute a statement that he has netted in the last year £800 of income ?—If he says so I would not say he did not.

184. Is it not a fact that while Mr. Leslie was making good on this farm with no assistance from the Government—indeed, with the hostility of the heads of Departments—scores of other returned soldiers were going off the land, and they were being assisted by the Government ?—I do not know of them going off in that district.

185. Is it not a fact that the heads of the Departments have never encouraged settlement at Putaruru ?—I will say, as a soldier myself, that I do not think any Government has done more for its soldiers than the New Zealand Government.

186. Did the Departments not always view the Putaruru lands with hostility ?—Not the Soldiers Settlement Department. You must remember that the Departments are entirely separate.

187. I am talking about the settlement generally ?—I have nothing to do with the State Advances attitude on the Tokoroa land, and nothing to do with the Valuation Department.

188. But you would not deny it when I say that the heads of the Departments always refused to assist farmers in that area, because they claimed that the land was not fit for settlement ?—I have never heard about that.

189. *Mr. Lye.*] By virtue of the position you hold as Field Inspector of the Crown Lands and Survey Department, I presume that you have been brought into contact with the soldier settlers at Reporoa ?—Very closely.

190. You said there were 29,000 acres originally in the block ?—Yes.

191. And that there are to-day 7,500 acres occupied by some thirty-five soldier settlers ?—About 7,800 acres.

192. What happened to the rest of the land ?—It was sold to the State Forest Service.

193. Do you know that many of the original settlers abandoned their holdings ?—Quite a number abandoned their holdings in the original settlement.

191. Was that largely through cattle-sickness ?—In the first place a lot of the settlement was very high-priced, but an adjustment has been made. They all claimed that there was a certain amount of cattle-sickness.

195. You are of opinion that the Reporoa land comprises some of the best land in the pumice area ?—Reporoa is undoubtedly the best area in the Taupo region.

196. What can you say about the butterfat returns ?—The highest average record I know for Reporoa is about 171 lb. Here is the statement made by Mr. Alexander before the South Auckland Land Board, and he is one of the best settlers in the district. His area is 91 acres, and he was asked how many cows he was milking. He said : " The first year on the 91 acres I milked twenty-seven cows, and during the 1926–27 season thirty to thirty-two cows. I might state that as far as I am concerned I consider that I could not make a do of it on the area that comprises my section. I have been putting the small section of 18 acres under crop for main winter feed, and have come to an arrangement with my neighbour whereby I do the work and share in a crop of 30 acres. That is how I have overcome the difficulties, and in the face of that you can hardly credit my butterfat returns to my 91 acres." When he was asked how many cows his section would carry in itself, he answered : " Thirty is the limit, absolutely. I would like to say also that the herds on the average are well behind the Waikato, on account of the short season. I had 5,700 lb. butterfat from thirty-two cows, and then I had the 91 acres all grass—the whole lot has been top-dressed, and the pasture is in pretty good heart—and I had this 18 acres of Section 23 temporary lease, and have been working with my neighbour 'fifty-fifty.' It is safe to say that my outside labour has been worth from £70 to £80 each winter. To keep things going it has been necessary for me to go out and work."

197. Did not the butterfat return you have quoted come largely from the use of some of the swamp land in the Reporoa settlement ?—Yes.

198. Would the figures be as good if the farm were on average pumice land ?—No possible chance.

199. Can you give an estimate of the carrying-capacity per 100 acres if the pumice country were brought in ?—First of all you would only graze your stock in a sort of way, but it would require about 4 acres to a cow.

200. Evidence has been given that on 2½ acres you could easily carry a cow and make her produce up to £17 and £20 worth of butterfat. Would that be an exaggeration ?—I think that is the theory, but it is one thing to expound a theory and another thing to put it into practice.

201. Would you agree to a statement that has been submitted that the average Taupo land is ten times as good in carrying-capacity as blue-papa country ?—I do not think that statement has been made. It would be a preposterous statement to make.

202. Do you say that there is no comparison between the carrying-capacity of blue-papa country and pumice country ?—Absolutely none. In the pumice country whatever carrying-capacity you get has to be built up ; in the papa country you go on without top-dressing.

203. With regard to water-supply, are there not blocks of 10,000 and 20,000 acres without any display of surface water ?—As a matter of fact I think that is an underestimate. I know one block of 54,000 acres on the east of the Rangitaiki River on which I have never seen a spring.

204. Has the land to which you refer as being worth experimenting upon any available water-supply ?—Water there is fairly scarce. I think that before taking on any experiment scheme the water question must be determined.

205. From your knowledge of the country, would you say there may be a great difficulty in getting a satisfactory water-supply, owing to the heavy deposit of pumice ?—That applies to boring. I think there would be great difficulty. I would not like to be dogmatic about the question of boring, because it has not been tried.

206. It has been stated that 50 acres of the flat country, properly brought in, would maintain a family in comfort : do you agree with that statement ?—I think it is impossible.

207. Would you consider it an exaggeration ?—An absolute exaggeration.

208. Can you give any estimate as to the approximate cost of bringing in this country ?—As I have said, it would be hard to measure it in pounds shillings and pence. It is only by a succession of pastures that you will eventually establish a good sole of grass. How many years that will take we do not know.

209. We had very interesting evidence from Mr. Parsons, who has land at Guthrie. That land would not be of the same class, would it ?—No ; it is in a different valley.

210. Have you any knowledge that he is of opinion that the land is practically worthless, and would really be a liability instead of an asset ?—He told me that when petitioning the Lands Committee the other day. In fact, he and I always agreed on that point in discussing the matter.

211. Do you know that he has applied to the Lands Department to have the freehold of his land given to him for nothing ?—That is the subject of the petition, on which I appeared.

212. From your knowledge of Mr. Parsons, would you consider that he is an up-to-date farmer ?—I think he is a good farmer, but I am sure that he went in somewhat of an optimist, and I am afraid his original hopes have not been realized.

213. Is that a reasonable term—that he is an up-to-date practical farmer ?—I should say that he is not a successful farmer.

214. Can you produce evidence as to the successful settlement, apart from land speculation, of any land within the pumice area ?—No. On the contrary, as to the little I do know—I do not want to disclose any private business, but at Tokoroa, land that has been held there has been offered to the Crown. I would like to know a case where a man has made an outstanding success of the pumice country.

215. Do you consider that the petitioner is a *bona fide* pioneer settler ?—With all due respect to Mr. Vaile, he strikes me as a great land-salesman, but his ability as a land-salesman probably overshadows all other sentiment.

216. *Mr. Vaile.*] Would you look at me and say that ?—I would.

217. *Mr. Lye.*] Have you come to any conclusion as to what is at the back of the demand for this railway—whether it is prompted by a desire for settlement, or by the desire to sell land, or what ?—That is a question I would prefer not to answer, for the reason that I am valuing these properties. As far as the railway is concerned, I do not approve of it. What inspires it I do not know.

218. But you come in contact with the railway ?—I do, but I did not know the railway was to be started before it was actually started. I do not know what was behind the movement.

219. Do you believe it is absolutely essential for the settlement of the country that a railway should be built along the proposed route, to carry fertilizers and for transport ?—While the question of successful settlement is so problematical, I cannot see that the railway is warranted. There may be some reasons that I cannot see, but from the experience I have had that is my opinion.

220. Have you any knowledge of farmers' finance, from the State Advances point of view ?—No. I have only read the local controversy on the alleged difficulty of obtaining finance from the Department. I would rather be guided by those who lend money on good security, and want to be assured that the security is there. If the farmer applying is already loaded with private mortgages, the Department would probably be reluctant to advance money to him.

221. Do you agree that the difficulty of finance, and the difficulty of getting fertilizers, have been the prime causes of keeping back settlement, or would you say it was the quality of the land ?—I think it has been the quality of the land mainly.

222. *Mr. Massey.*] You say that Mr. Parsons has not made a success ?—That is so.

223. Why was that : Was it shortage of capital, or what ?—That is a question not easily answered. Out of his 1,400 acres he has kept 300 acres. Some of his pasture is not too good to-day. He went in with £600 capital. On top of that he has spent £3,000 of a State mortgage, and he is still struggling. I think he was assisted for a long time by money that he earned through the Agriculture Department.

224. What is the value of his improvements ?—I could not say offhand. It is a question of the value they are to him.

225. Would they amount to the value of his mortgage ?—Not as they stand to-day. If he does not concentrate on top-dressing his country, in two or three years his improvements would be worth nil. The country has not reached the stage at which it will hold. If he walked off now, it would be worth nothing in two years.

226. *Mr. Vaile.*] You have said that both in quality and in quantity this land has been greatly exaggerated ?—Yes.

227. You tell us there is a million-odd acres within reach of the railway ?—Within twenty miles of the railway.

228. Have you taken into account the land that borders on Lake Taupo ?—I have taken the country as you see it on the map.

229. I ask again if you have taken any account of the land bordering on the lake ?—No.

230. Do you not think that with a railway to Taupo that land would be served by the railway ?—There is not enough land there to warrant it. The best outlet for that country is through Mokai.

231. The Mokai Railway is not there; but suppose the Government railway is to Taupo: will that land be served by it ?—I do not know. I do not see why it should be served there at all.

232. It seems to me that the present farming-land on the shore of the lake might easily get to Taupo and use the railway, but if you say it cannot, that is your evidence. I say it could ?—All right.

233. You said a great deal of the land there was one in one. Can you tell us where that land is ?—On the western side of the railway—right through the Waiotapu—right through to Mokai.

234. What is the area of the Paeroa Ranges ?—It depends upon what you call the Paeroa Ranges. They extend a long way. The ranges terminate in a series of hills. They start from the Maungaongaonga, and right through to Orakei Korako, and through Tahorakuri and Te Hukui.

235. Do you know the area of the Paeroa bush ?—I am not quite sure of the area, but I have heard something about the figures. I know what the quantity is.

236. Never mind about the timber: we are talking about the area of country ?—It is hard to determine.

237. Do you know the area of the bush ?—It might be 2,000 or 3,000 acres altogether.

238. Is there any precipitous land outside the bush ?—Yes, over the Waiteti Valley, up the Te Waro Stream.

239. Have you been on the Tahora Block ?—Yes.

240. Do you mean to say it is not 90 per cent. ploughable ?—I do.

241. Have you ever been through the Paeroa bush ?—I came through it when I was making my last inspection, and came right over the range to Whirinaki, and dropped into Reporoa.

242. How much of the actual Paeroa bush is one in one ?—On the far side, the western side of the Paeroa Range, it extends miles along.

243. You are an officer of the Lands and Survey Department: will you say what surveyed area consists in an abrupt precipice ?—When you are making a visual estimate like that you cannot be very definite. As far as the Paeroa Range is concerned, there is about six miles of really steep country.

244. What is the measurement of the wall behind you ?—One in one.

245. You will acknowledge that in a very precipitous piece of country the measurement has very little relation to survey measurement ?—Yes. In an angle of 30 degrees you will reduce your chainage to about one in ten, or something like that.

246. So that a piece of broken country does not cover the area that the appearance of it suggests ?—When it is broken up by hills you would speak of it as steep country. There is a lot of steep country that is unploughable.

247. Have you seen them plough land at Putaruru ?—Yes.

248. Is it not far steeper than any country in that area ?—Oh, no.

249. Are you aware that the settlers are going off the original swamp to which you have referred to the pumice ?—Some of them are, but they are not grazing their stock on the pumice.

250. You gave some evidence about the return per cow: 170 lb., I think you said ?—171 lb.

251. I have here a cutting from the *Dairy Farmer* showing the group average of Reporoa as 215·70 lb. of butterfat. What do you say about that ?—I say that it is absolutely wrong. These estimates are taken in a very haphazard way. You do not know how many cows were taken for them. The cows at Reporoa are not averaging 215 lb.

252. Do you say that the list is a fake ?—No.

253. Do you think the New Zealand Co-operative Dairy Co. would put in a false statement of the returns ?—I do not say that.

254. If I tell you that they have instanced four herds at Reporoa—one of eighty cows averaging 237 lb. of butterfat, another of sixty cows averaging 233 lb., another of thirty-five averaging 243 lb., and another of 130 averaging 223 lb.—do you think they would deliberately misstate those figures ?—If you will name the settlers who have given the returns I will tell you.

255. I am not giving the names ?—I will tell you who they are. One of the settlers giving these returns is Mr. Hickey, who occupies the homestead section and keeps the Waiotapu Hotel. He has several blocks of country on the richest portion of Reporoa, and also some rich swamp country. One section has been used as a horse-paddock for years, and was therefore thoroughly consolidated. I attach no importance to one or two isolated returns.

256. In addition to Reporoa, I have the returns of four other settlers: do you question those ?—If the New Zealand Co-operative Dairy Co. give returns I do not question them. It is a question of

over what area the cows were milked to get those returns. You must think not of the number of settlers, but the area of land they are utilizing to get those returns.

257. These are the returns for last year ?—That is all right. The land was available last year.

258. Are all the sections at Reporoa now occupied ?—Practically all now. There are four sections on the east side of Reporoa that are not occupied—sections of 621 acres, 849 acres, 779 acres, and 701 acres—and that land is valued at 5s. an acre.

259. Are they available for application at 5s. an acre ?—Some of them. We gave some of them out the other day. It has been considered whether we would not be able to give the land to the settlers on the pumice country.

260. As a matter of fact, that land has not been available for some time past ?—It was available for a long time.

261. But not lately ?—Well, we have had only one application for one particular section, and we have granted that application.

262. You spoke of unseasonable frosts: Have you ever seen one ?—Once, particularly when on your property, I think you expressed your regret that the frost was so severe that it accounted for the condition of the pastures.

263. What time of the year was that ?—About January of either 1927 or 1928. You particularly emphasized your regret that the unexpected frost accounted for the poor look of the pastures. There were also five members of the Land Board there.

264. Have you ever yourself seen one of these unseasonable frosts ?—Yes, quite frequently. I can remember quite a lot.

265. Have you ever seen summer frosts affect pasture ?—I have that.

266. What was the occasion of Mr. Alexander's visit to Auckland ?—I have explained that he came up as a delegate from the Reporoa settlers who were applying for revaluation. As a matter of fact, the Board had already decided to give him a revaluation.

267. Anyhow, he was there as a supplicant for a reduction in the price of his land ?—Exactly.

268. You have told us something about farms not paying: Do you know any farm in New Zealand which, if debited with all charges, and interest on capital, can be said to pay ?—I know many farmers who have made good, and I know farmers to-day who have been making good with their own capital and borrowed money.

269. What proportion of farm accounts would stand that test, of interest and all expenses, including the farmer's wages for himself and his family ?—You could take interest on the cost of the land, interest on the stock, and top-dressing, and cost of general maintenance, repairs, replacement of stock, labour if any, and a living for the farmer and his wife and family. Of course, they may use some of the produce of the farm in their living.

270. Well, what proportion of farms would pay ?—If they are well farmed the majority of farms will pay. I am not speaking, of course, about farms bought in the boom, at high prices.

271. Do you know Mr. F. R. Bould, who was a Stock Inspector ?—Yes.

272. Do you think he has any knowledge of the area ?—He has not the same opportunities of getting into the financial position of settlers as I have. His duties did not give him any opportunity of prying into the financial position of the farmers.

273. Was he not a practical farmer before he became an Inspector ?—He may have been—I do not know.

274. Mr. Bould says it is the best clover country he has seen. Do you think he knows what he was talking about ?—Tokoroa is good clover country, but clover can be a disease.

275. Asked whether he thought it could be put in cheaply, he said "Exceedingly cheaply." Do you think he knew what he was talking about ?—Had he had practical experience in putting it in ? You can put the first pasture in cheaply, but the land will not hold the pasture.

276. Do you know Mr. H. M. Martin ?—Yes, and I have great respect for him.

277. He gave evidence that he started with £150 capital, and he has made a great success. Are you aware that he represented Rotorua on the dairy company's directorate ?—Yes. He has not the opportunity of getting at farmers' private affairs that I have.

278. When he was Chairman of the Revaluation Board do you think he inquired into the settlers' affairs ?—Remember how quickly the Revaluation Boards had to go over the sections. They made cursory inspections, and had to take a man's statements for granted. They had not the opportuntiy of studying a man's position and personal ability from year to year, therefore they were at a disadvantage. I do not attach any importance to revaluations of that kind. I say that Mr. Martin would not have the information at his disposal that he would have if he had made a study of each farm for two or three years.

279. What would you consider to be a fair quantity of beef to fatten in winter on swedes per acre ?—It depends upon how many acres of swedes.

280. Suppose there are 100 acres of swedes ?—It depends upon the land. I have heard you state that you feed 115.

281. The number is 150, on 81 acres, and forty-five more nearly ready. I think that is pretty good going. Can you suggest any other area in New Zealand superior to the pumice country for settlement on a large scale ?—I would answer you in another way, and say that the only land I know that I consider inferior to the pumice area is the steep area in North Taranaki.

282. What about North Auckland ?—I would say that the gum lands of North Auckland are superior to Taupo, when you consider their climate. I am certain there are better opportunities there.

283. Make a comparison with the Waikato. Could you give an approximate estimate of the quantity of manure that has been put on the Waikato pastures from the commencement ?—I suppose

the process began seriously within the last fifteen years. It was not applied very extensively before that. I should say it would average about 3 cwt. to the acre over a period of fifteen years. Even then the question of consolidation comes in. I believe also that there was better land there to start with.

284. Your estimate would amount to about 2½ tons to the acre. Do you think it was poor land with no manure ?—I know the constituency of the land in the Waikato. You should also consider the lack of water in the Taupo country. You cannot compare Waikato with Taupo.

Mr. Vaile: With regard to the personal attack that has been made upon myself, I want to say that that I consider it to be an outrage and an impertinence.

The Chairman: I was not aware that any attack had been made on you.

285. *Mr. Vaile* (to witness).] You think I have done very little with my place ?—You have jumped to the conclusion that my statement is a personal attack upon you. What I emphasize is the difficulty for an unfinancial man going into the country. I am making no aspersions upon you. You have had money at your disposal, and if the country is so fertile it is a wonder you have not done more with your money.

286. You have been to the trouble of searching my title from the beginning ?—Any one can search a title. I do not say I personally did it.

287. You have given evidence as to the large sums of money I have received from the sale of land: will you say how much of that money I have had ?—I have here the result of the search. I do not know how much you have had.

288. What deposit did I get on the sale of the 5,000 acres ?—I do not know.

289. If I tell you I got £230 on the 5,000 acres, is that a great sum ? I got £1 10s. an acre for the land. Do you know what I got on the sale of the 25,000 acres ?—It does not matter how much you got.

290. When did I sell these lands ?—According to the document you bought the land in May, 1897, and you sold 13,102 acres on the 3rd April, 1913, for £6,551, and on the 17th July, 1925, 25,185 acres.

291. Give the dates only ?—Well, April, 1913, July, 1925, and August, 1925.

292. So the deposits on these considerable sales have not been paid very long. Have you any idea of the expense of bringing in the country ? When I went out there were there any improvements on it ?—Seeing that that was thirty years ago, there should be good improvements done.

293. Have you any idea of the expense of the fencing ?—I suppose your improvements would cost you to-day at least £12 an acre—probably £15 an acre.

294. If that is so, 1,700 acres at £15 an acre is quite a respectable sum of money ?—Quite true.

295. Do you allow anything for the steading ?—Yes. A point is that productive revenue should be coming from the place all the time. I am only going on the land, and what you have told us about your improvements.

296. Ploughing 1,700 acres twice, and some of it four times, is some work ?—That is what I have been trying to emphasize. There has been such a succession of ploughing. Probably you cannot measure it in pounds shillings and pence.

297. And you say that all this work that I have done is only "window-dressing" for the sake of taking some one in ?—I do not say that as an attack at all. If I have anything to sell, I want to put my best wares in the window. No man can be criticized for trying to get the best results.

298. Then why did you criticize ?—I did not criticize. I say that your ability as a salesman does perhaps overshadow other sentiments. I have read the papers, and also read your "Story of a Great Crime."

299. Was that an advertisement of my land for sale ?—I think it was a very good advertisement. The amount that your country was offered to the Government at was £3 10s. an acre.

300. I did not offer it. I was away in England at the time, and my brother offered it at £3 10s. an acre. As soon as I came back I withdrew the offer ?—Your brother was acting as your attorney. Your own statement is what I went on.

301. You think, then, that what I have done is simply for the sake of trying to take in some unsuspecting person who does not know what the country is like ?—You are exaggerating my statement by making it an attack upon yourself.

302. I must again protest against the personal attacks that have been made upon me ?—I say that no personal attack has been intended.

The Chairman: I have not noticed any personal attack.

Mr. Kyle: You have evidently had the title to Mr. Vaile's property searched. Does that come within your duties as an Inspector of the Field Division of the Lands and Survey Department ?—It was my duty to come here before the Committee.

On a point of order.

The Chairman ruled that the witness was entitled to give evidence upon the document and put it in [Exhibit 5].

303. *The Chairman.*—Do you know Karioi ?—Yes.

304. Is it a similar class of country to the Rotorua-Taupo country ?—Much the same, but Karioi is at a much higher altitude.

305. Is there much settlement in that district ?—It has been heavy birch land, and is not pumice land.

306. As to Waiouru, is there much close settlement there ?—No.

307. In each of these places, is there not a railway running close by ?—The Main Trunk Railway runs right past them.

308. Do you think that a railway in itself would bring the Taupo land into closer settlement, seeing that it does not in Karioi and Waiouru ?—I do not.

309. Do you know anything about the lease of the big area at Turukuri ?—Only generally.

310. Is there anything in the lease to the effect that the lessee is not permitted to plough the land ? —I can only say that I have heard it.

311. Have you any idea what the object of that would be ?—I suppose they consider that the natural tussock is of more value than the result they would get from ploughing.

312. Do you consider that Mr. Martin would have practically the whole of his time taken up on his farm, and would therefore not have time available to look into a vast area ?—He could not do it as I have—could not have camped out for three or four days at a time. I have made the study of that area a hobby, in view of the propaganda about the Taupo land, and have taken every possible chance of learning what I could about it.

313. Assuming that the difficulties of farmers in other parts of New Zealand are very great, do you think that the difficulties of making ends meet on the Rotorua-Taupo area would be greater than in other parts of the Dominion ?—Absolutely. I would rather go on excessively high-priced land than on poorer land, because you can adjust the excessive price, and you cannot adjust excessive inferiority.

314. *Mr. Vaile.*] What is the elevation of Waiouru ?—About 2,660 ft.

315. What is the level of Rotorua ?—About 985 ft.

316. And of Taupo ?—It is 1,211 ft.

317. I suggest that Waiouru has a very different climate, at a height of nearly 3,000 ft.?—Well, you know that another important point is the question of cattle-sickness at a high altitude. I think the State Forest officers could tell you a good deal more than I can. One point you must be sure of is that this high country is not "sick" as well as devoid of water.

WEDNESDAY, 2ND OCTOBER, 1929.

Mr. Vaile: May I ask for a copy of all the evidence ?

The Chairman: It is going to be printed.

Mr. Vaile: I am asking a transcript to enable me to prepare my final address. May I have a typed copy of the evidence ?

The Chairman: I do not think that there is a typed copy available. I understand, and I believe it is the position, that no one except members of the Committee is entitled to a copy of the evidence. If it is printed, however, as I hope it will be, you will be able to procure it afterwards. No doubt you have sufficient notes of your own evidence to enable you to prepare your address.

Mr. Vaile: I thought I might be allowed a copy.

The Chairman: I would like to meet you if I could.

Mr. Massey: I think it is only fair that Mr. Vaile should get a copy of the evidence.

The Chairman: We would require to make application to Mr. Speaker.

Mr. Massey: We could do that.

The Chairman: I have no objection to Mr. Vaile getting a copy of the evidence, but I cannot authorize it.

Mr. Massey: The Committee could make a recommendation in the matter.

The Chairman: If that is done it means that there will be a precedent for future cases. We can deal with the matter after this morning's evidence has been taken.

NORMAN JAMES DOLAMORE examined. (No. 13.)

1. *The Chairman.*] You are Forest Assistant in the State Forest Service at Rotorua, and you are here representing the State Forest Department ?—I presume so.

2. You have come here on the instructions of the Head Office ?—Yes.

3. You are here to tell us about timber particularly ?—Yes.

4. You may have some knowledge of land also, but timber is your main theme ?—Yes.

5. Have you had much experience with timber in the area known as Rotorua–Taupo area ?—Yes. I was stationed at Ohakune for seven years, and was then transferred to Rotorua, the headquarters for the region, and I have been there for eighteen months.

6. Have you some information you would like to place before the Committee respecting the timber in these areas and other matters ?—I was called on very short notice, and therefore have not been able to prepare a written statement, but I am prepared to submit to any questions relating to the timber in the district and the plantation areas.

7. Would you prefer that we examine you—by way of questions ?—I would prefer that course, if it is in order. When stationed for so long at the Main Trunk district, I worked through the western Taupo district and the various areas of the Main Trunk line. That was over a period of between seven and eight years. Since then I have been stationed at Rotorua, and have been working through the plantation areas and the forest areas in Taupo and the back-country districts.

8. Can you give the Committee any approximate idea of the area of timber in plantations, say, within twenty miles radius of either side of the proposed Rotorua–Taupo Railway ?—I have exact figures here.

9. Will you give us them in evidence ?—I indicate on the map the situation of the main Kaingaroa plantation. There is on the map a line showing the watershed between the Rangitaiki Valley and what is practically the Waikato. That covers an area of 217,340 acres, of whjch 153,000 acres have been planted to date. The area of the Whakarewarewa is a total of 10,000 acres.

10. *Mr. Jenkins.*] Is that near Rotorua ?—On the boundaries of the borough.

11. *The Chairman.*] It comes within the influence of the existing railway ?—Yes.

12. Will you please confine yourself to what is likely to be influenced by the proposed railway ?—Yes. I indicate on the map what may be described as tributary to the proposed Rotorua–Taupo Railway. Only 21 per cent., however, actually falls naturally to the railway. The balance has a fall towards the Rangitaiki Valley, but routes could be secured from that railway through the plantation area, generally up an adverse grade.

13. An adverse grade ?—Yes, a grade not in favour of the load.

14. Are there any other plantation areas ?—That is the only State Forest plantation in the area.

15. Can you tell the Committee anything about private plantations ?—We are not much in touch with them, but I have a series of photographs of a plan of the areas.

16. But you cannot give any information as to areas ?—I have no information as to other areas.

17. Have you any knowledge of the timbers ?—Yes. That is a much bigger question, because it involves areas to the west of Taupo and right throughout the region.

18. Say up to within twenty miles on either side ?—The twenty miles on the eastern side of the railway takes in practically no native timber of any importance ; it would take in 70 or 80 million feet of native timber on the eastern side. That is a rough estimate.

19. What about the western side ?—A very large quantity indeed is undoubtedly included, but for practical purposes it can hardly be described as accessible.

20. The Committee wishes information about that which would be accessible and likely to be brought to the railway if it were constructed ?—The area of timber which I consider likely to be brought to the railway if it were constructed is comparatively small. It consists mainly of the timber at Tauri-Tutukau and the Paeroa Range.

21. What, roughly, are the areas ?—I have gone more on quantities than areas. The Forest Service estimate is that 113 million feet are readily ascessible on these two areas, Tauri-Tutukau and the Paeroa Range.

22. *Mr. Jenkins.*] Are they adjacent ?—No, one is on one side of the Waikato and the other is on the other side. They are the principal areas. There are other small areas which might bring in even another 100 million feet. I did not prepare a plan along these lines.

23. *The Chairman.*] Do you know Maruia-Kirihunga ?—No. It is held by the Railway Department. I have not been in any of that country. The Tongariro Co.'s line and to the east of the proposed line I know fairly well. In that connection there is a good deal of timber just outside the twenty-mile line.

24. Is that likely to be influenced by the railway running from Rotorua to Taupo ?—It might, when the plantations finally come to maturity. I think that that timber will ultimately come down the Rangitaiki Valley.

25. By what method ?—Possibly by rail.

26. Not by water ?—No. The Matahina Tramways Co. has constructed fifteen miles of light railway in that direction now. It would require approximately another twenty-five or thirty miles to give access to this native forest. Incidentally, that would give access to the Kaingaroa plantations.

27. *Mr. Jenkins.*] That was anticipated when the line was being constructed ?—That is quite possible, although it was not stated in the prospectus. The object of constructing the line was solely to tap the large area of timber at the end of the fifteen miles.

28. *The Chairman.*] Take the plantations planted with a view to the timber becoming available for use : have you any idea when that timber will begin to be usable ?—Would it be possible to refer that question to my Head Office ?

29. You can answer that you do not know ?—I would prefer to do so. Some of it has only been planted now.

30. *Mr. Jenkins.*] Would any of it be usable within ten years ?—Very little, except thinnings, and at present there is no market for thinnings. It is very hard to say what will happen to the thinnings. The mature timber will not be ready in ten years.

31. *The Chairman.*] Can you give the Committee any idea as to whether there would be sufficient timber when this railway would begin operations, if it were constructed, to warrant the construction of the line ?—Timber alone—certainly not.

32. You do not think so ?—Not timber alone. If the line were constructed for the railage of timber alone it would require to take a different route. It would not go to Lake Taupo, for instance. There is no timber within easy reach of the terminus at Taupo. If it were to be constructed to serve timber interests alone it would require to branch out to Waiotapu or along in that direction, and it would require to go into the Kaingaroa district and into the native forest in the Mokai district.

33. Your opinion is that for timber the line would not be suitable ?—Not at present. There are afforestation areas that would be suitable ultimately—that is, forty or fifty years hence. Some of the areas are being planted now, and many of them are not yet planted. Around Taupo Township within a radius of ten miles the quantity is negligible. Perhaps I should say " five miles " instead of " ten miles " as the radius in which there is no timber. On the east there is practically none at all ; at any rate, the quantity is very small.

34. *Mr. Jenkins.*] Do you say that of the 150,000 acres planted by the State Forest Department 21 per cent. is on a fall towards the railway ?—Yes.

35. Can you give an idea of what was in the mind of the Department in regard to the removal of the timber when the planting was decided upon ? Do you know what outlet was considered ?—No, it was long before my time. The plantation work there was begun twenty-five or twenty-eight years ago.

36. From your remark regarding the Rangitaiki Valley I thought that possibly that had been considered to be the ultimate outlet for the timber ?—That is undoubtedly the natural outlet, because easy grades could be taken all the way down. At the same time that would not serve the Waiotapu plantation, which is the oldest plantation we have, and which falls towards the present railway.

37. Is that within easy reach of the present railway at Rotorua ?—No, it is eighteen miles distance by road. It is comparatively easily reached.

38. Assuming some of these forests are twenty miles off, I suggest it would be easy to build a tram-line to Rotorua to serve them ?—Yes, that could be done.

39. I understand from previous evidence that there are 20 million feet of timber at Tauri-Tutukau ?—I was speaking of board timber; I was not taking the log measurement. There is from 25 to 30 per cent. reduction in the log measurement. Some of the previous witnesses may have been taking the log measurement.

40. You have been speaking of two forests ?—Yes. One is comparatively small. The estimate we have—and I think it is fairly reliable—is 10 million feet of timber in the Paeroa Range.

41. *Mr. Kyle.*] Did you hear the evidence given by Mr. Galvin ?—Yes.

42. Do you know anything about the land from an agricultural development point of view ?—I would not care to venture very far along that line. It is more a matter for the Lands Department and the Agricultural Department. I have not looked at the matter with that aspect in view.

43. You consider yourself an expert in forestry ?—Yes.

44. And you would not expect an officer in the Lands and Survey Department to offer his opinion against that of an officer in the Forestry Department on matters relating to afforestation ?—Not on timber questions.

45. And you adopt that attitude in regard to agricultural matters ?—Quite so.

46. From a timber point of view do you consider this line should be built ?—From a timber point of view purely I should not think it could ever be expected to pay. For many years it certainly could not be expected to draw very much timber. There are very large areas to the west of Lake Taupo, which timber could be railed if it was contemplated bringing it across the lake and out by that route. If the demand in the north warranted it that might be considered, but as it does not warrant it, the extraction of the timber in that direction seems to me to be impracticable. I do not think it was ever contemplated, and I do not think it is even now contemplated, taking up the holding of the Tongariro Land and Timber Co.

47. That is on the western side of the lake ?—Yes.

48. On the eastern side, from Rotorua to Taupo, what acreage is there at present in State or private forests ?—There are 217,340 acres for State plantation.

49. What do you think is the ultimate destination of the timber already planted ?—The major portion, I should say, would go down the Rangitaiki Valley, which runs up the western side of the Urewera country. The plantation is coloured green on the map, and I am indicating it. The watershed is marked purple, and lies between the Taupo basin and the Rangitaiki.

50. In your opinion, with the maturing of these forests is it imperative that a railway should be put in ?—I think so. It depends a good deal on the use that can be made of the railway. The timber might be taken down the Rangitaiki River to the railway at Edgecumbe or to the coast. As the timber would have to be loaded on to motor-trucks or tramway-wagons of some description to get it to a suitable point of the river for floating, which would be somewhere near the north-eastern corner of the plantation, it would probably pay to extract it by rail to the East Coast Main Trunk Railway.

51. Taking into account a railway and a road such as you have heard described during the course of the evidence, would you think it possible to carry all that timber which is maturing by road, or would you prefer it to be carried by rail ?—I should think it would be impracticable to carry the whole of that timber by road. At any rate, it would be extremely difficult to use a road for it all.

52. If you were asked for your opinion, you would say that a railway is preferable to the road ?—A tramway or a railway; but a railway, by all means, if possible, is preferable for timber purposes. But I do not say that the construction of a standard railway would be warranted. Although a timber railway is usually of standard gauge, the structure is very light.

53. Have you any idea of the difference in the cost of construction ?—Many of the bush railways are constructed at £1,000 a mile, and in that country it should be easily possible to construct a timber railway at that cost, because of the easy formation of the land.

54. Have you any idea of what a standard railway would cost ?—No, I have not.

55. You prefer to keep to your own subject ?—Yes.

56. *The Chairman.*] When you stated in reply to Mr. Kyle that a tramway or a railway would be preferable to a road, you were referring to the Rangitaiki Valley ?—Yes. The country is different in the hills, but it is easy there.

57. Regarding the Rotorua–Taupo Railway, the construction of which has been stopped, and the resumption of which is the subject of the petition we are considering, do you consider that a railway would be better there for the work to be done than would be a road ?—Not a railway.

58. What do you think would be better ?—A tramway might be better.

59. When you speak of a tramway what do you mean ?—I mean a bush tramway.

60. Something similar to that of the Taupo Totara Co. ?—Yes.

61. Or even lighter than that ?—Yes. There is a constant load going over it at all times of the year, and a light railway of that description will carry an enormous quantity of timber.

62. You think that it would be sufficient there ?—Yes, for purely timber purposes, for the Kaingaroa plantation.

63. What about the Rotorua–Taupo area: have you any suggestion in regard to the extraction of the timber along the proposed Rotorua–Taupo line ? Would you suggest the same thing, or some-

thing different ?—You have already the Taupo Totara Timber Co's line, which taps most of the Mokai district timber, apart from which the area to be served by this railway is comparatively small, unless it is proposed to go towards the western shore of the lake.

64. Do you consider that the construction of the railway would be justified ?—I do not know that it would be, from a timber point of view.

65. *Mr. Samuel.*] That is purely from the timber point of view ?—Yes.

66. In regard to getting the timber out, your opinion is that a line similar to that of the Taupo Totara Timber Co. would be sufficient for the haulage of the timber at Kaingaroa ?—Yes, starting in ten years' time or more, unless there is meantime a good market for thinnings.

67. You suggest a line similar to that of the Taupo Totara Timber Co. ?—Yes.

68. You know that the Taupo Totara Co's line is a railway ?—Yes, there are some hundreds of miles in the district, including that of Ellis and Burnand, which I know well, and others near Taumarunui.

69. *Mr. Vaile.*] Do you consider that timber grows well in this area as compared with other areas ?—Undoubtedly.

70. Is the planting there cheaper or dearer than in any other areas ?—It is cheaper.

71. What is the quantity of thinnings now available ?—I cannot tell you. I would have to refer to the Head Office for the information.

72. Is there a large or a small quantity ?—There are fairly large quantities, over a very limited area, of course.

73. You say that there is no market for these thinnings ?—There is a very limited market at the present time.

74. Do you think that there may be a market for fruit-cases ?—The timber is still a little small for fruit-cases.

75. Battens ?—The market would be immediately glutted.

76. Scantling and poles ?—The best of it would give a small quantity of scantling, but only one or two pieces out of each log, and it would not yet warrant the handling. A great quantity is in the vicinity of 3 in. and 4 in. timber.

77. Poles and stockyard fencing-rails ?—Yes; but there again the early plantations were planted at 4 ft. spacing, and the quantity taken off would be enormous.

78. Scaffolding ?—Yes; but there again the quantity required on the market is small.

79. Fencing-droppers ?—It would be fairly suitable for that service.

80. Mine-props ?—Yes, there is a small quantity being used for that purpose now.

81. Firewood ?—Yes, there is a small quantity. It is only from the Rotorua plantation.

82. And pulping eventually ?—I hope so.

83. Do you say that the timber is unsaleable ?—Yes, at the present time.

84. What efforts have been taken by the Department to dispose of it: have you advertised the timber ?—No, but it is widely known that it is available there, and we make every effort to get rid of it. We made an effort recently to supply the bridge-scaffolding for two large bridges in the Waikato, but the cost of transport was too great, and supplies were obtainable on the river.

85. Have you ever sent round travellers to point out that the timber is available and to give quotations ?—No.

86. If you have made no effort in those directions, how do you know that the timber cannot be sold ?—There is no demand and no inquiry for that class of timber—or, at any rate, very little inquiry.

87. In private life we do not wait for people to rush us for our goods; we press them to buy: has the Department ever done that ?—Not by advertising or by travelling as you have suggested, but we have distributed leaflets to interested parties, describing the methods of seasoning and the treatment to adopt in converting the timber into fencing-posts.

88. Have you supplied people with quotations ?—As to the cost of the work, but not as to the cost of delivery.

89. Do you know the current price of totara rails—that is, 11 ft. rails, 6 by 4 ?—I do not know.

90. It is £20 per hundred: do you think that that is a reasonable price ?—That would be a fairly excessive price.

91. What price do you think fencing-posts fetch ?—Free on rail on the Main Trunk line and in the Rotorua district they bring up to £10.

92. You have large quantities of larch there ?—Yes.

93. Are you aware of the qualities of that timber for fencing-rails and stockyard-rails ?—So far there has not been an opportunity to try it out. It has not yet formed a great deal of heart. I cannot express an opinion on the matter, but probably other officers in the Department who follow me may be able to do so.

94. Do you think that the officers of the Department have been sufficiently interested in the disposal of this timber to look at the stockyards in the district built of larch ?—I was not aware that any had been built of that timber, and I cannot say. I have been only eighteen months attached to the plantations in that region.

95. Would you be surprised to know that a larch rail is stronger and longer than and lasts as well as totara ?—I would say that that is quite impossible.

96. Do you know of any telephone-poles made of that timber there ?—Yes, saplings.

97. How long do they last ?—Some of them last only three or four years. They are only saplings.

98. Do you know Mr. Butcher's telephone-line ?—No.

99. Do you know how long it has been up ?—No, but I do know that we have used immature larch in connection with our own telephones.

100. What is the Department's estimate of the life of the native timbers: when do you think they will be exhausted for practical purposes?—I cannot answer that question offhand. As far as immediate supplies are concerned, the supplies south of the half-way line on the Main Trunk Railway are practically exhausted. Practically the whole of the timbers left in the North Island are situated north of that half-way line.

101. The Department has issued reports relating to timber?—Yes.

102. Can you tell me approximately when the timbers will be exhausted?—I cannot answer that without referring to documents.

103. You have read the annual reports of the Department?—Yes.

104. Have you observed that the necessity for transport facilities from the Kaingaroa plantation is stressed in every report?—Yes.

105. Why do you say it will take at least ten years before it is wanted?—If we do not begin insisting upon the necessity for access it will not be there when we want it, and it will be no use starting to stress the need of it when we actually want it.

106. I certainly agree that you must begin stressing the need for the Rotorua–Taupo line about ten years before its need is appreciated. How many men do you employ there?—At present there are 650, principally relief-work men.

107. *Mr. Samuel.*] And a thousand are going on immediately?—Yes.

108. *Mr. Vaile.*] In future, when milling takes place, do you think that there will be a large population there?—Undoubtedly.

109. Have you any information as to the relative number of men employed in forestry as compared with farming? How many men to the acre can be employed on forestry?—There again the evidence can be obtained from a witness who will follow me. I think the proportion is one man to 10 acres in a managed forest.

110. You have 217,000 acres, so that would mean employment for twenty-one thousand men?—I am afraid you have got me there.

111. Is this planted forest more economically worked than a native bush?—Yes.

112. You have more timber close to the mill and within reach of your hauler?—Yes.

113. And is it convenient to have logs of a uniform size?—Yes.

114. Your Department has records: can you give an indication as to the climate?—We have records of the rainfall extending over a number of years.

115. You have records on Waiotapu and Kaingaroa Plains?—Yes, and at Rotorua Nursery. The longest period is from 1899 to 1921. Do you wish that information?

116. Not necessarily. Have you the average rainfall for the year?—At Rotorua, 52·75 in.; at Waiotapu, 47·04 in. from 1904 to 1921.

117. Have you a record beyond 1921?—Yes; but I have here a table which I presume covers a long period. At Kaingaroa the rainfall was 45·60 in. It has also been taken for the last four years, and strangely enough it is 60 in.

118. There has been a wet period?—Yes, apparently.

119. Anyhow, there has been an abundant rainfall?—Yes, and admittedly it has been well distributed. The maximum and minimum temperatures at Kaingaroa are 84·75° and 22°.

120. That is ten degrees of frost?—Yes.

121. That is the maximum at Kaingaroa?—Yes. The minimum temperature for each of the years from 1914 onwards is as follows: 19°, 21°, 23°, 23°, 23°, 22°, 22°, 23°; with an average of 22°.

122. But 19° is the absolute bottom figure you have touched?—Yes, during the period from 1914 to 1921.

123. Then thirteen degrees of frost is the hardest frost you have had there?—Yes.

124. What about Waiotapu?—The average is 16·66.

125. Can you give the absolute minimum during your record?—Yes, 14° in 1907, 15° in 1914, 16° in 1917, 14° in 1918, and 12° in 1919, and 15° again in 1921.

126. Then 12° is the lowest you have touched?—Yes.

127. That is twenty degrees of frost?—Yes.

128. Are you acquainted with the climate of other civilized countries?—No.

129. You do not know the kinds of frost they have in the United States, for instance?—No, but I know that they get their frosts at certain times of the year, and not in the summer.

130. Have you ever heard of the wheat crop in Canada being ruined by frost?—Yes, but generally they do not get unseasonable frosts like we experience here.

131. When you open up your bush, do you mean to put in bitumen roads to enable you to haul out the logs?—Probably not; but we are looking some distance ahead.

132. You say "probably not"?—I should say, probably a tramway would be put in.

133. That is to say, you are sure it will be tramways?—For internal communications?

134. Yes?—No, I am not at all sure. The pumice is hard and makes an excellent road. It is probable that the timber will be extracted by tractors over the pumice roads, which we find stand a good deal of hard use.

135. You have heard of Mr. MacIntosh Ellis?—Yes.

136. What was his position?—He was Director of Forestry.

137. He was head of the Department?—Yes.

138. In giving evidence in 1921 before a Royal Commission Mr. MacIntosh Ellis said that felling is now available if we have transport facilities. By 1930—that is next year—the yield from this group of forests will be from 50 to 125 cubic feet per acre per year?—He was referring to the thinnings.

139. Do you think that the thinnings would yield that quantity?—I have not gone into that matter at all. I was called to give evidence on short notice, and was unable to secure the information I would like to have furnished to the Committee.

140. Thinnings and final fellings he figures out at from 12,600,000 superficial feet to 31,500,000 superficial feet per year as the definite traffic available from these forests: do you think that was quite wrong?—In view of the present position I should say it was not quite correct; but there again I would not express a definite opinion on that part of the work, because I have not touched it in the figures I have prepared. Not having gone into the question, I say that I do not know.

141. The Chairman of the Commission, quoting the report of Mr. Holmes, the Chief Engineer, said that, irrespective of what has been done on the Taupo Railway, it will be absolutely necessary that the railway, before many years pass, should go to Waiotapu to deal with the timber. Mr. MacIntosh Ellis was asked, "Have you considered that point?" and he replied, "Very carefully." He was then asked, "Do you agree with that?" and he answered, "Absolutely; and I have incorporated that in the statement produced. At Taupo transport is necessary if the State is to realize economically and profitably on these plantations." Do you think that was wrong?—The position has altered somewhat since then in that afforestation has been forging ahead more than was anticipated. It has been pushed on in the Rangitaiki Valley at a rate that was not anticipated, and the result is that a larger proportion of our forest plantations is now over the watershed in the Rangitaiki Valley than was originally expected would be the case.

142. Has the area which in 1921 was to be shifted on this railway been reduced?—No; it has been increased a very little.

143. So that Captain Ellis's figures would remain?—Yes.

144. How much of the level country is to the east of the watershed in Kaingaroa?—I would estimate that 10,000 acres of the area would be there. On the one side of the watershed the timber could be extracted either to Waiotapu or to the Rangitaiki. The country on the other side is so level that it is immaterial which way it goes.

145. When you have your timber at Whakatane what do you do with it?—It can be taken to Tauranga. The coastal boats could take it from the Rangitaiki River, or it could be railed to different parts.

146. Do you know whether there is sufficient water at Whakatane bar?—I am not speaking with authority.

147. "The high tide there is 8 ft. and low tide is 3 ft.: is that a workable port?" "It might be for small scows. The boats noted in the report were very small vessels indeed. The idea was to bring the plantation within reasonable reach of Tauranga." That is the evidence given before the 1922 Commission by Mr. Goudie, who was surveyor at Rotorua, and Captain Ellis was one of the Commissioners. Mr. Goudie says that the indigenous forests under the control of the State Forest Service which were tributary to the Rotorua–Waiotapu are of a total area of 161,769 acres; other forest areas are the native and privately owned, 34,064 acres; the total estimated stands of timber in all these indigenous forests is close on 4,000 million feet: what do you say about that?—Within reach of the railway?

148. The exact words used are "tributary to the railway"?—I should say that there again the quantities are slightly overestimated.

149. Slightly?—Yes.

150. Has the Department changed its estimates substantially?—Yes, there has been fairly intensive reconnaissance carried on since 1926.

151. You have no more up-to-date information?—No.

152. Tell us about the Tumanui bush: is it in the Rotomahana-Parekarangi Block?—No. It was considered to be so close to Rotorua that it was not included.

153. It is right on the line of the railway?—Yes; it is only eleven miles from Rotorua.

154. What is the area of the Paeroa bush?—It is also in the Rotomahana Block. I am sorry that the area is not given on the map.

155. The area is 10,000 acres. Do you think that 10,000 ft. to the acre is an unreasonable estimate?—Yes, for that class of bush. There are included large areas that do not carry any millable timber.

156. Do you say there is one tree in 4 acres?—Distributed over the area. You could pick thousands of acres where there is not one tree to the acre.

157. You know that there was a mill?—Yes.

158. Do you know why it stopped work?—Yes, the cartage was too severe.

159. Do you know that millers estimate that there are 110 million feet in the Paeroa bush?—I would not be surprised to learn that that was the estimate, but I would be surprised to learn that the timber was there.

160. The Tauri-Tutukau bush is Rayner's timber?—Yes.

161. What is the estimate of the timber there?—It is 112 million feet.

162. Do you know that your Department put a valuation of £25 per acre on the timber royalties in that area?—I do not know. How long ago was it?

163. Quite recently; and it refused to let it through at less than £25 an acre. In that area immediately adjacent to the Tauri-Tutukau bush there are 580 million feet, according to the evidence being given: why should not that come out the same way as the Tauri-Tutukau timber?—The Tauri-Tutukau timber would have a more ready access to the proposed railway-line. The Manuia-Kerahena is more accessible to the Taupo Totara Co.'s line.

164. Are you aware that the land has been surveyed from Waikare Valley to this area?—Yes.

165. You recognize that the cost of moving the timber is a very serious consideration?—Yes.

166. Have you given any attention to what it would cost to get that timber out by the Taupo Totara Co.'s line as compared with the cost if it were taken out on a Government railway?—No, but the difference would certainly be great, taking the price at present charged by the Taupo Totara Co.

167. Are you aware that it would amount to over £1,000,000 sterling ?—No, I have not gone into the figures, and I am not familiar with the bush on the Mokai line.

168. Evidence has been given before this Committee that the quantity available is 570 million feet, and the figure was 580 millions when given to the Commission: whichever is the figure, a saving of 2s. or 3s. would amount to a material consideration ?—A very large sum indeed.

169. What is the Department's estimate of the ultimate yield of the planted forest per acre on a thirty-year rotation ?—I cannot answer.

170. Can you give the figure on any rotation ?—No. These are matters on which other witnesses from the Department would be more qualified to answer than I am.

171. Have you formed any conception of the quantity of timber which will be ultimately available ?—Yes, I fully realize that the quantity is very large indeed.

172. Do you think that it would be more than equal to all the timber being cut in New Zealand to-day ?—All the indigenous ?

173. Taking all the mills that are working to-day, do you think they are turning out as much as this planted forest will turn out eventually ?—I cannot answer without figures.

174. Have you considered the difference between the cost of road haulage and the cost of railway haulage ?—Yes, it is very great.

175. What do you estimate to be the cost per 100 ft. for hauling timber for ten miles in motor-trucks ?—I have actual figures for longer distances, over comparatively rough roads. R. Palmer and Sons are carting their timber from Waikare bush over the Rotorua–Taupo Road, going forty-six miles over the road and three miles into the bush.

176. It is more than that distance into the bush ?—They have had the mill shifted. It is approximately forty-nine or fifty miles, and it was being carted a little while ago by contract for 5s. 6d. per 100 ft. The timber is being carted over a heavy road from Whakarara to Waipawa, a distance of forty-six miles, for 5s. per 100 ft; and from Te Pohui to Hastings, a distance of forty miles, over hilly road, for 6s.; also from Puketitiri to Hastings, a distance of thirty-six and a half miles—a fairly large quantity of timber—at 6s. These rates are for loading one way only, in practically every case. The Otukotara Road, for haulage purposes, is much worse as regards grades than the Rotorua–Taupo Road—very much worse. Indeed, there is no comparison at all.

177. Taking these figures as a basis, what do you think it would cost to haul the timber thirty miles from Rotorua ?—I could not take these figures as a basis at all.

178. Do you think the rate would be less than these figures ?—Yes.

179. What do you think it would cost for thirty miles ?—On the present roads ?

180. Yes, on a good road ?—It would cost, roughly, 3s. 6d. on the present road. On a good road the rate would be reduced enormously.

181. Let us take it at 3s. 6d. Do you know the railage from Rotorua to Auckland at present: the distance is 171 miles ?—It is 5s. 4d.

182. What is the rate for the whole way—200 miles ?—It is 5s. 9d.

183. Then by road and rail your total freight is 8s. 10d., and all the way by rail it is 5s. 9d., showing a saving of 3s. 1d. per 100 ft.: what would that saving amount to on the total yield of the plantation ?—To an enormous sum. But it would not be done in that way.

184. Why not ?—The road haulage would be reduced materially, because the timber would have to be hauled over a good road.

185. Is the road not good now ?—Decidedly not. It is capable of great improvement.

186. But all we can go on is the actuality ?—Yes, existing conditions.

187. It would mean a saving of 3s. 1d. per 100 ft.: that would pay for the railway every year ?—No. Under existing conditions, yes.

188. You say that there is no timber accessible to Taupo: do you know Opawa bush ?—I know it roughly.

189. Is it good bush ?—There are areas of good bush there.

190. Could that be brought to Taupo ?—It could be brought by water.

191. You say that on the edge of the Urewera there are large quantities of timber available ?—Yes.

192. You are aware that the Kakahi timber is being cut ?—At Te Whaiti.

193. Do you know where that timber is being delivered ?—Yes, it is being delivered at Rotorua Station.

194. How many miles is it carted ?—It is carted fifty-two miles.

195. If the railway were made to Waiotapu, do you think there would be a considerable saving ?—Yes.

196. That is to say, there would be a saving on the native bush plantations in the Uruwera. Do you know the Pohokura bush ?—Pohokura No. 3—I know it.

197. Do you think that all the saving on the haulage of timber, which you admit would be considerable, would pay for the railway to Rotorua ?—If all the timber were hauled over the railway it would, but the timber in Pohokura No. 3 would never go over the railway.

198. Do you know the Heruiwi bush ?—Yes.

199. Do you think it would be possible to take that over the railway ?—Yes, but not the timber from the Pohokura bush No. 3. I say it is possible, but I do not say that it is practicable.

200. You know the survey route that the Department has made across the Kaingaroa Plains ?—Yes.

201. Is it a practicable route for a railway ?—Yes, but it has a grade against the load for fifteen miles.

202. What is the grade ?—Another witness can give it.

203. In regard to all this vast quantity of timber to be removed, your Department in the past has given most positive evidence that a railway is required ?—A railway ?

204. This railway ?—Because it was the only one in sight.

205. Quite so ; the others were in the air. With all this timber available, do you think that a very small charge, say 6d. per 100 ft., would pay for the railway ?—Yes, if all the timber were brought over it I believe it might.

206. Do you still think that a railway is not justified ?—As a timber proposition I do, because I do not think that the timber should go out over that particular route, in view of the extension of the Kaingaroa plantations in a direction not anticipated, which has slightly changed conditions there.

207. But the timber on which Captain Ellis and Mr. Goudie gave their evidence is still there and unaltered ?—The position is altered to this extent, that the Pohokura timber could be taken out by road. The road service conditions have altered the position very much.

208. That is a small matter. Do you think that the planted timber would justify the railway ? —I do not.

209. You differ from the heads of Departments ?—The position has changed.

210. Has any of the timber upon which Captain Ellis and Mr. Goudie gave evidence been destroyed or removed ?—No, it is still there.

211. The evidence was that there were 25,000 acres planted at the time of the inquiry ?—Yes.

212. Now that there are 153,000 acres planted, does that make the position better or worse for the railway ?—It does not alter the position very materially as regards this railway, for the reason I have stated—namely, that the planting has extended away from the railway into another valley. That can be seen at a glance by looking at the map.

213. For how many miles is the country level from the watershed of the Kaingaroa to the east ? —Roughly, it would run three or four miles east of the watershed, and two or three miles west of the watershed on the Kaingaroa plantation.

214. *Mr. Lye.*] Have you heard all the evidence ?—I was here yesterday.

215. Do you think that the available timber in the area under discussion is overestimated as far as quantities are concerned ?—I do, to a certain extent.

216. The petitioner asked you about the timber on the Paeroa Block : do you consider the statement that there are 110 million feet is an exaggeration ?—I do.

217. There is a wide discrepancy between the two estimates of 10 millions and 111 millions ? —Yes.

218. You are quite satisfied that there are not 110 million feet available ?—I am certain that there are not.

219. In regard to the Rangitaiki River, there is a natural fall of the bush lands towards that river ?—There is, affecting a very considerable quantity of Native lands.

220. Is it feasible that the timber there could be floated down the river : is there sufficient water ?—Are you referring to the indigenous-forest timbers ?

221. Yes ?—No, because a great deal of it is matai and rimu ; totara also would be too heavy to float. As regards the timbers east of the Rangitaiki, road or tram access is the only way by which they can be got out.

222. In what direction ?—The natural fall is towards the Bay of Plenty, down the Rangitaiki Valley. There are no engineering difficulties in the way of constructing a tram-line. In fact, there is already a tram-line constructed fifteen miles of the distance.

223. If there were a line south of the lake, would that be quite as good as the Rotorua–Taupo Railway line for the purpose of freighting out the timber and settling the land ?—It would not affect the timber north of Lake Taupo, because the double handling—railage or freight, and handling again on the Tongariro Co's line, if it was constructed—would make it more profitable to extract the timber by the Taupo Totara Co's line or by road to Rotorua.

224. Taking the available sources of timber into consideration, do you consider they would warrant the building of the Rotorua–Taupo line at present ?—Not at present. There are ample supplies of timber in the North Island in view in the Mamaku district. In the rather distant future the North Island supply will have to come from this region, either on the Taupo Totara Co's line or by road, or perhaps by the proposed railway, or by a route down the Rangitaiki.

225. *The Chairman.*] Mr. Vaile asked you whether you consider, if all these vast areas of timber mentioned by him were transported over the Rotorua–Taupo Railway, it might pay, and you said that it might : is the Committee to understand that you believe that these vast areas of timber would be likely to go over that railway ?—I do not.

226. Therefore is your previous statement that the proposed Rotorua–Taupo Railway would not be justified for timber purposes in any way shaken by that particular statement ?—No.

227. *Mr. Vaile.*] Are you aware that the Tongariro Timber Co's line is a private one ?—Yes.

228. Are you aware of the terms of their concession ? I suggest they are such as to make their line useless for the hauling of anybody else's timber ?—I have a report in regard to the terms, but I could not answer offhand. I am familiar with the country,

229. Are they open to carry anybody's timber ?—No.

James Baird Campbell examined. (No. 14.)

1. *The Chairman.*] What is your occupation ?—I am a sheep-farmer, residing at Havelock North.

2. I understand that you have volunteered to give some evidence to the Committee about the proposed railway from Rotorua to Taupo, the construction of which line has been stopped, and in regard to the completion of which Mr. Vaile and others have petitioned. Will you please make your

statement ?—The reason I offered to give evidence was that there seems to be a great diversity of opinion about the pumice country, its method of development, and the cost of same. I have had twelve years' experience in breaking in a block of that country at Tokoroa, near Putaruru, and I believe that my experience and knowledge may be of some value to the Committee. I am managing director of the company which has broken in the land.

3. What is the name of the company ?—It is the Matarawa Land Co. The block developed by the Matarawa Land Co. contains 5,500 acres, and is situated at Tokoroa, along the route of the Taupo Totara Timber Co.'s railway, about twelve miles from Putaruru. It has many natural advantages. It is practically all flat; it has no waste unploughable land; it is watered by two streams, carrying very light top growth, and is served by the main Taupo-Hamilton Road. The soil is of a light pumiceous nature, covered with an average of about 4 in. of black soil. There is no rubbly pumice land or pure pumice-sand country on the block. It is about 900 ft. above sea-level, with a climate very favourable for farming. The block was acquired by the company in 1914. It was entirely unimproved and in its native state. Its productive value was nil. Work was commenced in 1917, and to-day there are twenty-five settlers on fully developed farms, occupying 3,500 acres. The remaining area of 2,000 acres is in course of preparation for further settlers, and is grazing and fattening stock. The condition of the land to-day occupied by the settlers is that it will carry a cow to 2 acres, and 1,800 cows are being run on the 3,500 acres occupied by the settlers. A cheese-factory, owned by the settlers themselves, is situated on the property, and that factory takes the whole of the milk produced. During the season ended at the 30th June last the factory made 300 tons of cheese, and the pay-out over the whole season was 1s. 8½d. per pound of butterfat. The farms are leases with purchasing clauses, some optional and some compulsory. In areas the farms run from 100 to 160 acres, most of them being about 150 acres. The price of the sections fully developed, except for the buildings, runs from £15 to £20 per acre, the average being about £18 per acre. At this price the settlers are getting the land at its development cost. This is the price on which they pay rent, and have the right to purchase the land. With butterfat at 1s. 6d. per pound they can pay their interest on land and stock, live comfortably, and have enough left to enable them to keep their farms up to concert pitch by top-dressing. The company has had on occasions, in some instances when the returns, owing to bad seasons and for other reasons, have been insufficient to pay rent and maintenance, to cancel the rent to enable the settlers to put on the required amount of top-dressing to keep the farm up to its full producing-capacity. The settlers are all under the supervision of the company's management. The average cost of the buildings, house, cow-shed, manure-shed, &c., is about £750, and they are erected by the company according to the settler's requirements, the cost being added to the cost of the land. As regards the cost of development, the big job in the pumice country is getting the land into a condition to carry permanent pastures; but the initial and accompanying works of roading, surveying, clearing, fencing, water reticulation, shelter-belts, &c., mean a heavy outlay. This is an expenditure, however, which is much the same in any district, and, while it may vary owing to the locality, the contour of the land and local conditions, there is nothing problematic about it. At Matarawa the cost of this work up till the time the settlers took over their holdings was about £6 per acre, made up as follows: Roading and surveying, £1 per acre; fencing and shelter, £2 10s. per acre; water reticulation, £2 per acre; clearing, 10s. per acre. As conditions at Matarawa were comparatively easy, this amount is more often than not likely to be increased. The main task and the unknown quantity in the development of pumice country is the cost and the amount of the work required to get the land into a condition to carry permanent grasses, the cost of keeping it in that condition, and the question whether the amount of revenue it will produce will be sufficient to keep the farm and the farmer going. To appreciate these difficulties, certain conditions peculiar to pumice country must be realized. The land will do nothing itself. It differs from other land in that it is only the medium by which the human factor and capital can produce revenue, whereas in the case of most other classes of land the land is the main factor, and the man and the capital the medium. Whatever it turns out to be is in exact proportion to what is put into it. The land itself is not an asset; it is in fact a liability. This is the reason why money cannot be raised on the security of pumice lands. The Government lending Department and Advances Boards are no exception. Even now, at Matarawa, where the land is producing 100 lb. of butterfat to the acre, the State Advances Department tells the settlers who have applied for loans that the land has no lending-value. The interest on loans and development costs, and the value of the security, depend entirely upon the personal element. In the course of two or three years, if not kept up to concert pitch, it will depreciate from paying interest on up to £20 an acre to be worth practically nothing. Only practical experienced men can successfully handle it. Unless under supervision, two out of every three men coming from other districts and tackling this class of country will fail. To be successful a settler requires to have the pioneering instinct strongly developed, a quality which is becoming extinct in this country, due, no doubt, to our high standard of living. Owing to the varying nature of pumice land its development up to a revenue-producing pitch is not a clear-cut job. It is a process in which time plays the largest part: the poorer the land the longer it takes. The more it costs, the less revenue it produces, and the quicker it depreciates if neglected. When once started, the work must be finished if a man is to get his money or a portion of his money back. To half do the job is no better than to leave it untouched. As regards the actual work of getting the land ready to carry permanent grass, consolidation of the soil and providing it with humus by heavy manuring, and the ploughing-in of surface crops, such as clovers, are the main essentials. Consolidation is absolutely necessary, and, according to the nature of the land, may take five, ten, or perhaps twenty years. The growing of turnip crops, so that the land may receive the benefit of the tramping and manuring by heavy mobs of cattle and sheep during the feeding-off process, is most essential. Any revenue derived from this source is a secondary consideration compared with the benefit the land received.

While the land is easily worked, it must be thoroughly worked: scratching it only gets you into trouble. Pastures sown down before the land contains sufficient humus is largely the cause of cattle-sicknesses peculiar to all pumice lands. By good farming, by the use of right manures, and by proper attention to the stock, these troubles eventually disappear. At Matarawa no attempt was made to sow a block down in permanent grass unless it had been ploughed at least three times, and some of it has been turned over five times. The result is there are pastures at Matarawa equal to any in the North Island, but they have cost from £10 to £12 per acre—£6 per acre going in manures, £2 in seeds, and £4 on labour. The revenue derived from the stock grazed goes to pay interest, rates and taxes, the depreciation and repair of plant, and incidental expenses. Tokoroa country is, as it were, on the border-line. Development value and the productive value are just about equal. With the land a grade or so better, all else being equal, the productive value would be higher than the development value, and there would be a margin to work on. On poorer country it would be the other way round, and the development cost would need to be written down to allow a settler a chance to make a living from it. The following details as to cost per acre may be of interest: Roading and surveying, £1; fencing and shelter, £2 10s.; water reticulation, £2; clearing, 10s.; manures, £6; seeds, £2; labour, £4; buildings, £5: total cost of fully developed farm, £23 per acre. The amount spent by settlers in further improvements runs from £2 to £3 per acre, making approximately £25 as the cost of the finished farm.

4. Would you like to amplify that statement?—I shall be pleased to answer any questions.

5. *Mr. Kyle.*] Did your company do any development work before the settlers went on?—We did it all. We never put a man on an undeveloped farm at all. We developed the land up to £23 per acre before we put the settlers on.

6. From then onwards they have been able to pay their interest?—Yes; they are paying their interest, and maintaining their farms as we require them to do.

7. They are in a comfortable, happy condition?—Yes.

8. Do you think that the Government could carry on the development of this country in the same way as your company has done?—I do not think so. I think that private enterprise is the means to adopt to get this country into thorough working-order. At the same time, from my experience, I am quite satisfied that there is nothing in it for a private company or for an individual who takes it on.

9. The income and expenditure practically balance?—Yes. Even in our class of country, which I consider is first-class pumice land, that is the position.

10. As the Government is out to develop undeveloped country, do you know of any other portion of New Zealand that offers a better proposition for developmental purposes than this?—To be quite candid, with the exception of the very best part—the picked spots of the pumice country—I consider there is plenty of country right throughout the Dominion which should be settled before this is tackled.

11. That is, undeveloped land?—No, I say developed land.

12. But we are speaking at the present time of undeveloped land. Do you know a better or a more suitable area in the Dominion for development?—No, I do not know of another block. In the North Island, which is the Island I know the better, I cannot see anything left that is worth while.

13. Worth while?—I mean from an economic point of view.

14. How many thousands or millions of acres do you reckon are in this undeveloped area?—There may be 1,500,000 or perhaps 2,000,000 acres. It reaches from Putaruru right through to Taupo, to Runanga, and on the other side from Waioru to Rotorua, and right through to the Urewera. It is a tremendous area of country.

15. You have settled twenty-five settlers on 3,500 acres of land?—Yes.

16. You would not recommend this as suitable land for the Government to take up for developmental purposes?—The position is that there would be an economic loss. I do not say that it is impossible—it can be done; but from an economic point of view, with present conditions ruling, I do not think it is possible.

17. You would not think it is the right place to put the settlers, even if they could eke out an existence as your people are doing—paying their way and living contentedly?—If you could get it to the pitch we have reached on our property, and carrying permanent grass in the same way, it is a good proposition.

18. For the Government to develop the land and then hand it over to the settlers?—If it could be done economically, but I do not think it can be done economically. From my experience I would say that it is not possible. I do not think that the bulk of the country is good enough. Ours is a picked spot; we have a pretty good block there.

19. Your company would not care to go on with further development?—No, we would not. We would not care to go on with country any worse, or even equal to what we have got.

20. Do you know Mr. Vaile's country?—No. I have passed it, and have a pretty good idea of all that country, having driven through it, but I have not dug into it.

21. Having seen it casually, how would it compare with the 3,500 acres that you have developed in your own territory?—I do not think there is any country in the Rotorua–Taupo area, with perhaps the exception of a small piece round Reporoa, and perhaps a piece of Mr. Vaile's picked property, that is anything as good as our country. I think it is inferior country, and very much of it is hopeless.

22. To solve the unemployment question, would you think it feasible for the Government to spend up to £5,000,000 in that area?—I do not think that £5,000,000 would be much good. Perhaps a very big development scheme could be spread over a big period of years. The railway would be necessary to develop the land. The development of the land is bound up in the railway, which is incidentally part of the whole development scheme. The Government should own every available ploughable bit of country before beginning with the railway.

23. Your settlement has a railway, has it not?—We have the private Taupo Totara Co.'s line twelve miles away.

24. If the Government determine to develop this country, do you consider that the first essential is a railway for developmental purposes?—Yes. I consider that you cannot develop it without a railway. The two things are bound up together. The railway is not the biggest part of the job. I consider that the great question is putting water on every 150-acre farm, and that would cost considerably more than the railway.

25. How do you get your own water-supply?—We have two streams, and there is ample means of supplying the land. There is water on every 10 acres of the land, supplied by miles of pipes.

26. At what depth do you get water?—It comes from the two creeks I have spoken of. We have put up rams and pumps on the streams, and reticulated the water to every farm. It is on every 10 acres.

27. You have what you could call a group settlement?—It is a group settlement.

28. And it would be feasible to carry out group settlement on a larger scale?—Yes, provided, of course, that the work was directed by a practical man to every settlement. You want to have it under the supervision of practical farmers. Our settlers are all under our supervision.

29. Do you know the Reporoa country?—I have driven through it once or twice, out of curiosity.

30. What opinion have you formed in regard to it?—I think Reporoa is absolutely a piece of country starved for want of more capital. I think it will come out all right, but it has got to have capital—wants to have considerably more money spent on it. Half-development of that kind of country gets you nowhere. You must develop it.

31. You consider that it has not had sufficient money spent on it to bring it into high productivity?—The money has not been spent judiciously. It wants considerably more capital to bring it up to concert pitch.

32. Comparing it as a Government enterprise with yours as a private enterprise, which would you say is the better?—Ours is, absolutely.

33. You reckon that you have better supervision?—I think the supervision has been at the bottom of our success to a great extent—that, and judicious expenditure.

34. Therefore you think that with supervision Reporoa might be made by having better officers?—Perhaps it would. Reporoa gives you the impression that it is a hungry sort of place, wanting a lot of capital to put it right. A lot of it seems at sixes and sevens, for want of capital.

35. Are the men there experienced farmers?—I do not know.

36. And as to most of yours?—They are practical men. We are quite prepared to put a practical man there if he has only enough money to furnish a house.

37. You consider the human element?—In the pumice country the human element is everything. The land will do nothing for itself.

38. A man without the pioneering spirit would do no good?—You have to be a pioneer. You have to work twenty-four hours a day for 365 days a year.

39. *Mr. Semple.*] You said that the only way to develop the pumice country is by private enterprise?—By private enterprise you get the jobs done, in our opinion, more thoroughly, and get more practical work, and at less expense, and I think more economically.

40. Of course you know that we have a chronic unemployed problem in New Zealand?—Yes.

41. And you know the Government is after some practical solution of the difficulty, otherwise it becomes a charge on the nation?—I understand that.

42. And we are trying to find out what channels we can create in order that these men can be profitably employed from the point of view of the nation, so that they shall return something to the nation in exchange for any assistance it gives them. Is not that a fair proposition?—Quite a fair thing.

43. Do you mean to say that it would not pay the Government to set aside a certain area of this pumice country—the best of it—and set to work on it with groups of unemployed—not men of any ordinary type, but a selected type—to do the work? It requires physically fit men to stand up to it, does it not?—That is so.

44. It would be a question of classification, would it not?—Yes.

45. Suppose that we selected out of the unemployed men of a likely type, and the Government put them to work, and paid them a certain wage under close and proper supervision by men experienced of pumice land—not departmental officials, but men who would take their coats off and work: under the supervision of such men do you think the Government could successfully settle some men on that land?—I do. I think the ideal way would be this: if the block were wholly undeveloped, that undeveloped block should be roaded and surveyed, and if you got likely men, each man should get his section—something that would eventually be his own, where he would get something more than just wages ultimately. I think that if a man got a chance on those sections, and he were paid so-much a month for a period of, say, five years, or however long the work took, and the cost of his work were debited to the land, and all necessary finance were found for him, such as the cost of manures, fencing, and seed, and that were also debited against the land, while the revenue taken from it would be put to the credit of the land, eventually you would get to the stage when perhaps the man could pay interest or rent. The revenue coming out of the land would perhaps be sufficient to pay the rent, on half the development cost up to that time. Then perhaps the land would need to be leased on long leases, with a rental at the increased value, which in time would give the Government back its money. If you spend five millions, and the men go in at, say, one million, we lose four millions.

46. The idea is to pay the money back to the State in time?—If the thing is spread over a long period of years it would come back, but every group section of from twenty to fifty farmers would want to be under personal supervision of a thoroughly practical farmer.

47. Do you not think it would be a good idea to do the work as team-work for a start—say that a dozen men were put to work one section, and put it right? You have been to the prison farm?—Yes.

48. You know how they work there—hard team-work ?—Yes. We have done the same kind of thing ourselves.

49. Do you not think that would be a quicker way of bringing the land into cultivation than to have one man struggling even on wages—by giving the team modern tractors, and other modern machinery ?—The ideal way, of course, is to develop the land before you put the man on it.

50. The question is, which is the best way to develop that land—whether it would be better to do it with team-work. Would it be better to do the rough work as team-work ?—I think a lot of the work can be done on a big scale at a much cheaper cost. You would have less overhead cost, and need less plant.

51. You think it would be better to have that system than to be continually, year by year, spending thousands of pounds creating charitable jobs, where men are of little use to the nation and to themselves ?—A much cheaper and better thing.

52. We are spending £150,000 a year on what may be called charitable doles. Would it be better to take the men and give them a job like that ?—Yes, if you can get the right men.

53. There is no party politics in this matter at all. We are trying to create channels through which we can profitably give men an opportunity of having something they can call their own, and an interest in life. The unemployed man has no interest in life. We want to see these men set up, so that each of them will have a home, and return something to the nation for the help it gives them. You think that on the mass system of settlement it could be done ?—Yes, I think it could, on the best of the land. Up to a certain point it can be done that way.

54. It would be better to do that than that some of the men should be wasting their time on some charitable job, and on doles ?—There would be a chance of getting some of the expenditure back.

55. You say that in that case the settlement would need to precede the railway, and not the railway-line precede the settlement ?—I maintain that one is just as important as the other. They are bound up together. To develop that big area without a railway would be impossible, but the railway does not want to be made at the expense of the land.

56. You say, then, that the one is inseparable from the other ?—On the big scale, of course. On the small scale it is not so important, but if you are going to do a big job on the big scale, you would certainly want a railway.

57. *Mr. Massey.*] Besides the twenty-five settlers under your scheme, are there any outside suppliers to your company's factory ?—There are two.

58. How much butterfat per acre do they produce ?—The best of our farms are producing from 100 lb. to 120 lb. to the acre.

59. What is the average ?—It will not be above 85 lb. or 90 lb. Although our land is much the same, the personal element comes into the matter, and the stock they are milking on some of the farms is better than on others.

60. If you were buying country, how much money could you afford to give per acre, or would you base your calculation on so-much per cow ?—On the land we have developed, our settlers, on 1s. 6d. per pound, are paying interest on £25 an acre, on land carrying a cow to 2 acres.

61. That is £50 per cow ?—That is the position, practically.

62. Are you of opinion that it would pay better to develop waste country and get all that is in it than to buy improved country ?—After my experience I think the best chance lies in developed country. I think New Zealand would carry nearly double its population before the Taupo Plains need to be touched. We could carry double the present population in Hawke's Bay.

63. *Mr. Jenkins.*] Do you mean by working in unproductive land, or by subdividing ?—By subdividing the land. Every time you subdivide land you get more out of it.

64. *Mr. Massey.*] Are you of opinion that it would pay the Crown far better to develop its own unproductive land than to put money into country that is producing something ?—I think a still better proposition is to get men on country that is already developed and producing.

65. *Mr. Semple.*] That depends upon the amount you pay, does it not ?—I think you can pay the producing value, because every time you subdivide a block of, say, 5,000 acres into 500-acre sections you increase the production.

66. But can you get it at its productive value ?—I think so.

67. *Mr. Massey.*] You said you are of opinion that a big area of the pumice country can be successfully developed: have you any idea what area ?—Economically I do not know that it can. Nothing is impossible. It is quite possible to do it, but economically it is a big job. I do not think the area on which you could make it a success is very great.

68. Do you know what the Waikato was like fifteen years ago ?—Yes.

69. Do you know what Matamata was like fifteen years ago ?—Yes.

70. How will the Rotorua–Taupo area compare with Matamata fifteen years ago ?—It is not to be compared with Matamata, or with any Waikato country.

71. How does it compare with Tokoroa ?—Tokoroa is better than a big area of that, with the exception of a few pockets. We have body in our ground.

72. But fifteen years ago your country was considered valueless ?—Absolutely. It is absolutely worthless now until you work on it.

73. Settlement is gradually spreading as your country develops; you are developing country farther out ?—Yes. There is still any amount of it in our district, and right out to the Waikato River, as good as ours, and quite capable of being handled. After you cross the Waikato towards Oruanui it is not quite so good. It gets inferior from Atiamuri south. We are working into the purely pumice country there.

74. Still, there are good stretches of country there ?—Pockets here and there.

75. Have you any idea of the acreage of the good stretches of country ?—No; I just know the country through driving through it continuously about once a fortnight; I have never been all over it. I can tell the pieces that are worth while from the road, and there is not a very great deal.

76. Are you of opinion that the Reporoa Estate is the pick of the land ?—Yes, on that side.

77. What do you say about Mr. Vaile's property ?—I am not very conversant with it, but it is the pick of the whole area from Rotorua to Taupo and right down to Waioru—his and the Waiotapu Valley.

78. With the view of developing this area, are you of opinion that it would be absolutely essential to build the railway first ?—I say that if the thing is to be done on the big scale you cannot do without it. The railway does not want to be made a separate thing at all. Any freights carried upon the railway would need to be credited to the development of the land. I mean that the timber freights would need to help in the development of the country.

79. *Mr. Lye.*] Some months ago members of Parliament came to look at the Tokoroa lands, and you took them over the district ?—Yes. I was not in the tour when you were there, but I was in one tour.

80. Is it not quite fair and reasonable to assume that the Tokoroa land is of a much better quality that the general average of the Rotorua-Taupo lands ?—Yes, that is what I say.

81. Is it fair to state that the land at Tokoroa, and extending out to the cheese-factory, can hardly be described as pure pumice land ?—We have no pure pumice land at all.

82. Throughout the land in the Tokoroa district is there not a good admixture that is on clay subsoil ?—Clay and pumice together.

83. Speaking of the general average of the pumice land awaiting development, do you consider it would be an exaggeration to say that 50 acres of it would keep a family in comfort when developed ?—Fifty acres would not do it unless you were alongside a centre of population. Fifty acres would be too small except in those circumstances.

84. I am talking of the general average of the pumice land awaiting development ?—You could not do anything on 50 acres.

85. It would be an exaggeration to state that the general average of the unimproved land in the Rotorua-Taupo area is equal to the general average of the Waikato land before it was broken in ?—Not of the same class of country at all.

86. Could you estimate the general average cost of bringing in the Taupo lands: would it be over £20 an acre ?—It would be double that. Time is a great factor.

87. If you say it would cost £40 an acre, would you feel confident that, if broken in, that land would yield sufficient revenue to pay the interest ?—I think that if you spent that on it you would be near the stage when you would begin to get your money back. It would be much more likely to pay interest on £40, when you have spent that sum, than on £20 when you have that spent.

88. It would be useless to go into the thing without having capital ?—Total waste.

89. Tokoroa is separated from the Taupo land by a big ridge ?—Yes.

90. And your country would not be served by the proposed railway-line ?—No.

91. You have a fair knowledge of the Rotorua-Taupo country ?—Yes.

92. Do you know of any areas extending to 20,000 or 30,000 acres without any streams running on them ?—I do. You can drive from Rangitaiki to Taupo and not get a drink of water in the twenty-three miles.

93. Can you give any idea as to the possibility of securing adequate supplies of water by boring, taking into consideration the strata of the country, and the deposits of pumice ?—I do not know how bores would work. We have had no success with bores on our country, though we spent a lot of money trying to put them down. We got water, but it was insufficient for the needs of a farm.

94. Water is absolutely essential to a scheme of settlement ?—For dairy-farming water is the most important thing of the lot.

95. You know Reporoa, and it cannot be compared with the general average of the lands awaiting development ?—Reporoa is the best of all that area.

96. There is a certain area of swamp beyond it ?—That is so. Wherever there is a swamp the land is much more amenable to cultivation.

97. Do you consider that the general average of the Taupo land would grow crops, more particularly lucerne ?—We have no lucerne in our country.

98. You have it just outside, at Lichfield ?—No, I do not think it would give anything like a growth. There is not the soil to grow it.

99. Do you consider, as a practical farmer, that this land could be broken up and developed by the average unemployed men who could be used for the purpose of breaking it in ?—I am afraid it would be a pretty hopeless job. You would want the men to be under good supervision, and they would need to be exceptional men.

100. Would it pay the Government to consider seriously the subdivision of land in the rich dairying districts before it undertook the settlement of the poor pumice area ?—Yes, I still think so.

101. You will agree that the average young settler with limited capital cannot afford to wait for returns ?—That is so.

102. Are you of opinion that a scheme of subdivision, the Crown purchasing land in the rich dairying districts, would provide better opportunities for settlement, and successful settlement, of the young men who are landless to-day, than an attempt to develop the Taupo lands ?—Yes.

103. In your district, which is more favoured than the general average of the lands, the settlers have considerable difficulty in arranging finance ?—It is impossible to get it.

104. Is it not generally recognized by the lending institutions, public and private, that it is a liability instead of an asset ?—That is so, and it is.

105. The difficulty has been so aggravated that it has been impossible for some of the settlers to get advances for the purpose of building homes, when a certain amount of improvement has been done on the land ?—It is absolutely impossible. There is a big area as to which you can get no lending assistance, either from the Government or the private institutions.

106. Do you know of any instance where a man could raise a loan for the purpose of building, even though he had a good deal of improvement and was carrying stock ?—I have not heard of any definite instance. I know instances where men could not get loans to improve in any shape or form.

107. Could not arrange any finance whatever ?—That has happened any number of times.

108. Quite apart from your own land, can you tell us whether, speaking generally, the pumice lands are subject to cattle-sickness during the process of development ?—Every acre of the pumice country goes through that stage. It is a stage of development. There is no nutriment in the grass.

109. Would you consider that in the absence of any large scheme of development there is any justification for the building of this railway ?—No. It wants to be either the big scheme or none at all.

110. On the million acres proposed ?—The whole thing. If the settlers who are there now are wanting manures it would pay the Government to cart it to them for nothing, on lorries, rather than build a railway for the little bit of settlement already there.

111. You consider that a good road running through the land proposed to be settled would in the meantime assist the settlers ?—If there is no further settlement it would absolutely serve no purpose, in the absence of a big, comprehensive scheme. And the thing wants to be thoroughly worked out before there is any chance at all—worked out by experts.

112. Can you give a fair idea of the length of time it would take, under the scheme of settlement, before the settlers would be able to be put on their own sections with a prospect of getting a living and carrying on ?—On the like of our country it would be from six to ten years—say, an average of eight years. On country 50 per cent. worse it would take twice as long. You have to consolidate the country: that is the only way of getting it to grow grass.

113. Then in the general average it would be fifteen years before the settler would have his section fenced and fully grassed, and be able to pay his way ?—Perhaps twenty years.

114. *Mr. Jenkins.*] The Tokoroa country was fern country, was it not ?—A lot of it was covered with fern, some with tussock, some with scrub. The heavier portion had a certain amount of scrub.

115. There was much more fern than you see on the Rotorua–Taupo pumice area ?—Yes, than you would see on a lot of it. There is very little fern on a lot of the general Rotorua–Taupo pumice area. Ours was more covered with small scrub, fern, and tussock, and a certain amount of danthonia.

116. You have stated that the Reporoa area is the pick of that locality. Do you arrive at that conclusion from the fact that Mr. Vaile was a land-agent with a very good knowledge of land-values, and you assume that he picked the best of it out, or is it your own judgment ?—I have arrived at that from looking at the country in driving past it. Reporoa and the Waiotapu Valley strike one as a better class of country altogether.

117. Is it reasonable to assume that Mr. Vaile would pick the best land, seeing that he went there first ?—Undoubtedly.

118. Have you had any experience of the possibility of making soil by the growing of *Pinus insignis*, through the falling of the pine-needles ? It has been stated in evidence that these pine-needles will create soil to the extent of 8 in. or 9 in. within, say, thirty years ?—I have had no experience with pines in Taupo, but growth of that kind helps to make humus. The easiest way to get humus is to plant either trees or lupins, or anything that would make soil.

119. Would you get humus from pine-needles ?—I think so. Everything of that kind makes humus when it is turned in.

120. Would pines create as much soil as the native forest and do as much good in a given period ?—I would not like to say. I certainly think they would develop a certain amount of humus in the pine plantations, but I do not know in how long.

121. If it was stated that 9 in. of soil had been formed, would you say that it was possible ?—That is too much.

122. Where the natural forest has been growing for possibly thousands of years there is probably 3 in. of soil created ?—That is so. It takes a very long time to create an inch of soil by any means—hundreds, and even thousands of years.

123. You would not say that pine-needles, consisting as they do largely of turpentine, would be the best for creating humus ?—I should not think they would be.

124. *The Chairman.*] You described a vast area of land adjoining your own property, and running out to some other place, which was somewhat similar land to your own, and you gave evidence to show that if a big comprehensive scheme were taken in hand a railway would be necessary. Let us come to bedrock. Taking the area that would be served by a railway from Rotorua to Taupo, would you say that that area warrants the construction of such a railway, leaving out all other areas that would not be served by that railway ?—I have said that the two things would need to be in a very big comprehensive scheme.

125. Leave out the big comprehensive scheme. Limit your answer to the area likely to be served by a railway from Rotorua to Taupo—that line only, leaving out everything else that would not be served by the railway. Do you think that area would warrant the construction of a railway ?—There is enough land in the area for a big scheme. When I talked of a big comprehensive scheme, it related mostly to the Rotorua–Taupo area.

126. What I want to get is an answer to this: Taking the country that you say is inferior to your own land, what I want to know is what you know of the land likely to be developed. Do you

consider that the Government would be warranted in resuming the construction of the railway just stopped, to serve this particular area between Rotorua and Taupo? What we want to get at, after all, is whether in your opinion the Government ought to carry on that railway?—No, not at present.

127. Secondly, do you consider it would be wise for the Government, before entering upon a comprehensive scheme of closer settlement in this particular area, to have exhaustive experiments made on a limited area? That is to say, should the Government take a piece of good land, and develop it something on the lines suggested by Mr. Semple, those of group settlement—this to be done before going into a comprehensive scheme, so as to find out the capabilities of the land?—I do not think there is any experiment necessary. I have had enough experience of the thing to know. No experiment is necessary.

128. Is it economically sound to cut the land up and put men on it?—No, it is not economically sound.

129. As to the area of country similar to that of your company, would it or would it not be served by a Rotorua–Taupo railway?—No.

130. Do you consider it essential that the land from Rotorua to Taupo must have years of use to bring it in?—Absolutely.

131. Apart altogether from railways or anything else, time is essential?—Time is the biggest factor of the lot, and the poorer the land the longer it takes.

132. Where transport is necessary there are alternative methods—heavy railways, light railways, lighter lines still, and good roads. Could not some other form serve the purpose of transport to this area efficiently?—A second-class railway, I think, would answer the purpose—something after the style of the Taupo Totara Timber Co.'s line.

133. Have you had experience in roadmaking on the pumice lands?—We made our own roads.

134. Is it a fact that a road is easily formed, and that it stands up well?—It is easily made and easily kept.

135. You can cheaply get good transport roads?—Yes.

136. Would not a good road serve for years to give what is required for the area between Rotorua and Taupo?—Yes, unless a very big scheme of settlement is undertaken a road would carry all the traffic necessary for years.

137. For a big scheme such as you contemplate, how many millions of money would be required?—I should say, anything between fifteen and twenty millions.

138. Do you know Karioi and Waiouru?—Yes.

139. Are not they pumice-land areas?—Yes.

140. How do they compare with Reporoa?—They are better country.

141. Is there any close settlement there?—Practically none.

142. Is there a railway there?—They are close to the North Island Main Trunk Railway.

143. I want to put this to you as a practical man: Here you have better pumice land, with a railway running right through it, and even roads built through it, and yet it is not developed. Do you consider, in view of those important facts, that a railway would of itself develop the lands of Rotorua–Taupo, seeing that one has not done it at Waiouru and Karioi?—The proof that the railway there has not done it is proof that the country to be developed is not economically developed by a railway.

144. Have the settlers under your company made many applications to the State Advances Office for loans?—Yes—some twice, and others three times.

145. Have they been at all successful?—No; we had no loans granted.

146. Did not the State Advances Office have special valuations made with a view to the applications?—Valuers have been to the district. I do not know how long they were there, or what they did. They never attempted to find out anything about the producing-value of the land.

147. Would it be safe to assume that the Government valuations were too low for the amounts asked?—That is what I take to be the case. In spite of the fact that the county rates have been increased by 300 per cent. we cannot borrow money on the land.

148. *Mr. Vaile.*] Are you the Mr. Campbell who wrote a letter to the *Dominion* newspaper attacking this railway?—Yes; but I did not attack the railway. I wrote the letter, but it was the country that I attacked.

149. You displayed in that letter a great animus against the country?—I do not think so.

150. You said there was no soil?—There is not, either. There is nothing on top there.

151. Was not the business of your company to develop its land and sell it?—We took up the land with the one object of developing and getting rid of it.

152. So your object is to sell that land?—We have not got anything out of it. We will never get anything out of it till we have sold the whole of the land.

153. What did you pay for the land?—Various prices: £3 an acre for some of it, and £5 for some.

154. And £7 for some?—No.

155. That is included in the £23?—No; that is the development cost pure and simple.

156. I was at Putaruru for the week-end, buying a horse. I asked the settler with whom I was dealing, "Why are you so bitter against our railway?" and he said, "If all that land comes on to the market we cannot sell ours." Is that your view?—No.

157. What is the elevation of Waiouru?—It runs up to about 3,000 ft. I would sooner farm at Waiouru at 3,000 ft. than on the Rotorua–Taupo land at sea-level.

158. Have you ever been on my land?—No. As I have said, I have just passed it.

159. How near to it have you been?—Only on the road; but it has been pointed out to me.

160. Three or four miles away?—That is so.

161. Are you a good enough judge of land to form an opinion from that distance?—At three or four miles off I could see it well.

162. Will you come to my place and look at paddocks brought in in two years at £7 an acre, and say whether you honestly believe them worth any paddock at Tokoroa ?—There is little pumice country that you can put into permanent grass at £7 an acre: that is my experience.

163. I can prove my figures ?—It is not a question of figures. The question is whether it will last.

164. You have a Government railway within twelve miles ?—Yes.

165. You also receive a subsidy on the carriage of manure ?—Only since last November.

166. Who effected it ?—I think the Taupo Totara Timber Co. did it. We tried for years to get cheap rates, but could not manage it.

167. You said I had picked my land ?—I presume you have, from the locality you are in.

168. You said that in your country the top growth was very light, consisting of tussock and fern, and that light growth is an indication of good land ?—I did not say that. I said that with light growth it is cheaper to bring in.

169. My question is whether you consider that light growth is an indication of good land ?—It might be better land when you turn it over.

170. You sold some of your company's farms to various settlers, and some of those settlers have sued the company for misrepresentation ?—Yes, five or six of them did.

ALFRED HYDE COCKAYNE examined. (No. 15.)

1. *The Chairman*] What is your official position ?—I am Assistant Director-General of the Department of Agriculture.

2. You have been in the Department for many years, and you were in charge of the Fields Division for a considerable time ?—Yes.

3. Did your work in that capacity bring you into touch with the land in the Rotorua-Taupo district ?—Yes. I have been in that district, and over many areas of it during the last twenty years. Quite recently one has become very much interested in these pumice lands, partly due to the fact that it is quite likely that the Department of Agriculture will be vitally concerned in any land-settlement scheme that may be developed by the Government, and in consequence one has given a fair amount of attention to it in quite recent times.

4. Can you tell the Committee anything about the difficult ties of water-supply for the area ?—I have partly to go on general statements that have been made from time to time, and with which I agree, with regard to what would be the ultimate destiny of this country if it were brought into close settlement. It appears to me to be fairly definite that the main use to which this land is likely to be put is the production of dairy-produce. That being the case it is, of course, of absolutely first importance to ascertain the watering possibilities of any area of country that is likely to be devoted to dairying. I would view offhand that the question of an adequate water-supply, and the cost of getting it, has an important bearing on the possibility of the economic settlement of this country. One can say offhand that it is moderately well watered so far as the large holdings are concerned, but extremely ill watered as regards small holdings. That brings forward the point that so far as settlement is concerned it is likely to develop more on a dotted style than taking the whole country on a face. The fact that individual areas would probably be widely separated from one another of course makes the position of the pumice country considerably worse that it would be were it adequately watered. We will perhaps get a definite example which appeals to one particularly because it applies to the particular area that is at the present time under discussion—a comparatively small block in the Upper Atiamuri Valley, of from 2,500 to 3,000 acres. Going over it recently, I came to the conclusion that about two-thirds of that area was comparatively easily ploughable, but a great deal of it, even though it were ploughable, would have not to be made use of because it did not seem to me possible that the area could be divided up into say 150- or 200-acre blocks and get water on to each of them. Some of the blocks will have to be of 600 acres or more, on which it would be reasonable to expect people to break in about 200 acres—the other 400 acres probably ploughable, but owing to the water position not sound.

5. Generally, as to the water in the area between Rotorua and Taupo, are there any large areas you know of with water ?—I would not like to commit myself at all. I think it is best for me to say that on the whole the land is not well watered so far as small settlement is concerned. It is for proper investigation to decide just what areas are adequately watered.

6. You have not sufficient data yet ?—No, but one thinks of it as one of the settlement problems of the pumice country.

7. Can you give us other information as to the soil, and the suitability for settlement ?—Perhaps it will be better for me to run briefly through certain phases. I have to apologize because some of the information I may be giving does not exactly relate to the railway otherwise suggested by the 1921 Commission. It is more concerning some of the problems of pumice-land settlement generally.

8. It will have a bearing on the question ?—To begin with, we have to realize that this great area of the inland volcanic plateau has been more or less boomed as land admirably suitable for close settlement, for many years. I doubt if any area of what we term waste land has had as great attention paid to it by the newspapers and certain individuals. But the development of settlement has certainly been slow. The effective propaganda has not been sufficient to induce much private enterprise in the development of these lands; but what I view as perhaps of more significance is the fact that the really noble efforts and enterprise of the pioneers of the land have likewise led to no result. One has, of course, to make one notable exception. During the past few years a very large amount of capital has been directed to the pumice country into tree-planting operations. One can say as far as afforestation is concerned that the possibilities of the district are quite attractive to outside

capital. As far as farm development is concerned, one can view it, as a whole, that the pumice land is attracting very little attention from the private investors' standpoint. It does seem as if there must be some very tangible reasons why this land, which has had a very great deal of attention paid to its possibilities, has not developed along the lines one would like to see. It is said that the lack of access is a limiting factor in connection with its development. In point of fact the access is not really bad in the pumice country, owing to the fact that roads can be made with very considerable ease—far different, indeed, from the conditions of roading in much of our hilly country. As far as roads are concerned the pumice country can be viewed to be quite satisfactory. It is also claimed, and to a certain extent rightly so, that the cultivation expenses in connection with the pumice country are lower than in the case of ground of a stiffer nature; but against that ease of cultivation, it is frequently suggested that one of the main reasons why the country is not settled readily is owing to the fact of high transit costs, particularly with regard to the transport of fertilizers. We all know that fertilizers form one of the essentials in the development of this country. In going into the whole matter from the development end, one realizes that the cheapening of fertilizers would be of very great importance; but so far as the area, say, twenty miles from the railhead is concerned you can get fertilizers along the road at a cost of £1 per ton, approximately. One would imagine that as regards the breaking-in of the country along the twenty-five miles of the line to Taupo the penalization of the country by the additional £1 a ton for fertilizers would not be very great. I should say offhand that it is quite essential to get on at least six top-dressings of pumice country, of 3 cwt., before you can expect very much in the development of moderately good to highly productive permanent pasture on a good deal of that country, with the exception of that which is of swampy nature—a few individual portions which are better than others. The whole trouble of the loss in front of pumice-land development has been pretty well expressed by Mr. Campbell in his evidence. He makes the statement that to half-do the job is no good—that if you get it up to a certain point, and then do not keep on with it, you will end in failure; and that seems fairly definite. The breaking-in of this country is going to cost a very large amount of money. One rather fears that the amount required for a really proper dealing with the country to bring it to the permanently productive stage will not be available, but so far as the individual is concerned we know that it is lack of capital that stops him from getting to the productive standpoint. The bill in front of settlement of a very large tract of pumice country appears to me to be a rather staggering one; but I do believe that if sufficient money is devoted to the better class of the area one would be able to develop it finally, and that at some time to come it would be able to pay interest on the expenses that had been incurred. But certainly in a good deal of this development the full interest return on the capital necessary for its development cannot possibly be expected for many years to come. In any development scheme that is taken up one will have to bear in mind that the settlers will have to be provided for a good many years with a means if livelihood which is not derived from what they are breaking in—that is, they will have to have very moderate living-expenses for quite a considerable time. And, of course, the poorer the pumice country is the larger will be the amount required to bring it into what may be termed profitable production. A good deal of the country certainly, in my judgment, will not be possible of development on anything like an economic basis. That, of course, is only my opinion. In what I am saying I am in no way expressing the opinion of the Department of Agriculture. But I have the feeling, of course, that this large area of country will have to be settled sooner or later. With some exceptions the settlement costs will really be greater than the return, particularly in the earlier years; but I am rather inclined to think that from the national standpoint it is an expenditure that the nation will have to pay for. One rather feels that although from the straight-out economic standpoint one can say unhesitatingly at the present time that though there is no real indication that the very large areas of pumice country can be settled on an economic basis, from the national standpoint it may be quite well worth while. The feature that makes it perhaps more difficult is the fact that we are not at the present time in an era of rising prices. When one looks back on the settlement of the past, one realizes how important it is in the development of waste country to take up such work during an era of rising prices. During an era of stationary or falling prices it is clear that the development of land such as this Taupo country is likely to be considerably less economic than if the position were the other way round. I have not made any special report. I thought that perhaps the best thing would be to get whatever information I can supply to the Committee rather by way of cross-examination; but before finishing I would like to bring out one or two points. I want first of all to say that the actual costs of breaking in so-much for grass-seed, so-much for manure, so-much for ploughing—have very little bearing on the real expenses of developing this country. The time element is one which it is extremely difficult to estimate, but I have come to the conclusion that to break in a good deal of this pumice country—not the worst, but the moderately good pumice country, average pumice country—will cost, with buildings, and stock, and adequate fencing and water, somewhere about £30 an acre. That agrees remarkably closely with the evidence given by Mr. Campbell, who estimated it at about £23 an acre without stock.

9. *Mr. Jenkins.*] With what sized holdings?—That will depend entirely upon the production; but I do hold that the pumice country offers no inducement to the nation if there is going to be only a low production from it. There is no outlook for the individual spending only a few pounds an acre upon developing a large amount of land. The only way in which the pumice country can be developed is by a full expenditure, which would result in moderately high production. I am inclined to think that from 150 to 200 acres per holding must be amply sufficient if you have to spend over £20 an acre on it. I would like to see a development in which you could adequately carry from forty to fifty cows, wintering them properly on your holding, and make full provision for replacements. One is inclined to think that on a good deal of the pumice country—on a certain amount of it, at any

rate—one could get up to the standard of a milking-cow to 2½ acres. That means a comparatively small holding. There is a point that has not been particularly mentioned by many of the witnesses. Most of the witnesses have stressed the point of the bad weather conditions that are experienced in the pumice country. One admits that the seasonal conditions for dairying at a moderately high elevation on the whole will always be worse than at a lower elevation, and that unseasonable frosts do occur over the whole of the pumice country that is under discussion; but one really has to view it rather from what one can do with regard to badness of climate rather than say merely that the climate is not very satisfactory. One has an idea that on each individual holding the evil effect of the seasonal conditions can be brought down to a considerable extent, and this will naturally tend to increase the development costs of each holding. Another point that one has to take into consideration is the fact that the pumice country does vary considerably as regards quality. There are areas of the pumice country that look distinctly attractive for settlement; there are areas that look distinctly unattractive. I am pretty sure that the total area can be developed, even at a considerable loss, if you actually take into consideration the whole of the expenses in connection with it will not be anything like as large as a good many people imagine. I have not any actual knowledge of the exact area, but it certainly does not run into the millions of acres that are so loosely spoken of from time to time. What does strike one as very remarkable in this development of the pumice country is that even within moderate range of the present railhead at Rotorua—even within moderate range of the Taupo Totara Timber Co.'s line—settlement has not progressed very rapidly, indicating to my mind that transit conditions are by no means the main limiting factor in the development of this country. I will say once again that the main limiting factor in the development has been the general idea that the country can be broken in extremely cheaply, and that when you come to work it in you find that it costs a lot of money. That has, without doubt, had a very great deterrent effect upon settlement. I view with considerable trepidation Government schemes of breaking in country. I would not mind having a go at breaking in pumice country if I were not a Government officer, but as a Government officer I do not like the idea. It has to be remembered that if the Government breaks in this country it has to pay full wages for all the work that is done, and I doubt if any waste land in New Zealand that has been brought into production has paid wages to the pioneers who have broken it in for many, many years. If the group settlement mooted could be arrived at, whereby a good deal of the labour of the men breaking the country in can be, as it were, invested by them, and not paid for until such time as it is really productive, I would view the Government breaking-in of such land very much more hopefully than I do at the present moment.

10. When I asked my question as to the cost of £30 an acre, I was thinking about the cost of buildings?—I was reckoning the buildings at about £5 an acre, running to about £750 for a 150-acre farm. That is the general estimate I have in mind.

11. It has been suggested that there is a shortage of water. It may be suggested that irrigation would meet the case. Would channels hold water, considering the porous nature of the country?—I should say the channels would silt up pretty rapidly, and carry the water all right. The question of watering is largely the business of a water engineer, which I do not know anything about. I want to emphasize the point that the country is not well watered, and it is of no use to say that it is—that is, for small holdings.

12. And there is the possibility of the water having to be carried in pipes instead of in channels, owing to the porous nature of the plains?—To a great extent, yes. Particularly one has the feeling that the water point is of such importance that one would like to see exhaustive work in connection with finding out whether boring over some of the inland plateau is not a possibility. That question might be extremely important.

13. You think that from the national point of view this land will have to be brought in. Are you of opinion that we should work on that line in preference to the subdividing of the more or less semi-improved areas? From which, in your opinion, would we get the greatest immediate return?—One unhesitatingly says the improvement of the country developed or the partly developed country outside the pumice area offers very considerable opportunities, but one of the great difficulties ahead of that is that the initial cost, actually straight off the reel, would appear to be so great as perhaps to make the pumice-land settlement appear to be for some years to come a cheaper proposition. We will assume that half a million acres of pumice land can be brought into close occupation. That would mean an expenditure of perhaps twenty or thirty millions—the final sum, of course—but because it would not have to be paid for straight off it might be started by the Government. The purchase of improved land would mean a very large initial expenditure, and anyhow you would have to pay too much for the land. If you could secure land capable of subdivision, and not above its productive value, the development of improved land would appear to offer a better immediate chance of putting large numbers of settlers on to the country than the slow improvement of the pumice country.

14. You are aware that we have possibly millions of acres of semi-improved land in New Zealand?—Yes, awaiting capital to develop it.

15. So there is no great immediate need of looking for this extensive undeveloped area?—No; but the view very currently held is that the pumice country is an extremely good economic proposition to work on. That is a view that I do not hold.

16. *Mr. Kyle.*] You say that for many years waste land has not paid the pioneers to bring into productivity?—You mean in times gone by? What I mean is that the pioneers do not get paid for their labour for many years.

17. Has not that occurred on most of the lands of New Zealand?—Absolutely; but if the Government starts developing land it will have to pay for the labour from the start. If, under a Government scheme, one could secure the pioneering determination of the settler, Government development would be a success.

18. As regards the water-supply, I think it is admitted that on the large holdings water is not a difficult question ?—Yes. What I rather wanted to indicate was that a 10,000-acre block might be well watered, but quite inadequately watered if you are considering 200-acre holdings in that block.

19. Have you any idea whether water can be obtained by bores ?—I do not know.

20. Would you recommend that the Government should start pioneering in that direction ?—Absolutely.

21. You heard Mr. Galvin's evidence ?—Yes.

22. Would you consider him an experienced officer, able to give evidence such as he gave as regards the agricultural development of the area ?—I should say so. If he has kept his eyes open he has had very great opportunities of learning a great deal about the pumice country which he operates over. Particularly, he has very close association with the field officers, and with the settlers concerned.

23. You know Ruakura ?—Yes.

24. Taking it in its undeveloped state, what comparison would you make from the prospects you see at Ruakura to-day with the prospects that would accrue with the same development and expense in the pumice territory ?—I have no idea at all, because right through the period of development at Ruakura any settler could earn a living off the place from the very start. Speaking in a general way, I would say that the potentialities of building up the pumice country are huge, but whether those potentialities are economic or not time alone will tell. It has great advantages. There are the facts that it is easy to work, that access roads are easy, that it is highly responsive to phosphate manures, that you can get a good clover crop on it to help to build up the land originally—all very great advantages; but against them are certain disadvantages in building up the soil to a high state of production, and unless you can build that up to the maximum, as it were, you are not going to get economic returns.

25. Do you know Mr. Campbell's country ?—I have been over it.

26. He says he has 4 in. of black soil. Does it compare favourably with the pumice country ?—There are, you know, two schools of thought—one that considers the Tokoroa pumice country, which has a good deal of clay through it, as being far superior to what are termed the pure pumice country of the interior; while there are men, and men who have been farming in the interior pumice country, who will say that it has more potentiality in it than ground like that of Tokoroa.

27. That has not been finalized ?—So far as what may be termed pure pumice country, eliminating Hautu from that, there has not been very much actual definite settlement so far on country in which the whole holding is of a pure pumice type. In the majority of instances of the holdings that have been taken up there has been an idea in the owners' minds that certain portions of the ground, at any rate, are quite good. We have the original Reporoa one. When Stead and Watt took Reporoa they were certain that the swamp area was well worth while. They got large areas—a lot of pumice country—which they did not make any serious endeavour to break in.

28. You have said that the nation will have to pay the cost of the economic breaking-in of this land ?—The presence of inferior country in New Zealand which has potentialities of development, but a large liability, has to be recognized. That liability the nation will finally have to face.

29. If the Government is out to spend £5,000,000 on undeveloped country, is this area suitable for the expenditure ?—So far as the undeveloped country in New Zealand in concerned, the pumice country and the gum lands of the north represent, so far as I am aware, the two largest regions of undeveloped country. When one speaks about waste lands, one's ideas naturally gravitate to either the one or the other.

30. Which would respond the more quickly ?—They would both be slow. The gum-land country has the advantage of having very considerable areas close to the largest centre of population in the Dominion.

THURSDAY, 3RD OCTOBER, 1929. (No. 15.)

ALFRED HYDE COCKAYNE, further examined.

1. *Mr. Semple.*] You said yesterday in evidence that the progress on the pumice lands was very slow: is that due to insufficient capital or is there some other reason ?—What I say will represent entirely my own opinions. The first reason I shall adduce for the slowness of settlement is the comparatively poor result that has been secured by the pioneer settlers of the area. I think the second reason is due to the very prevalent idea of people, when viewing it for settlement purposes, that it will require a very large amount of expenditure before a moderate livelihood can be made off it. A good many such settlers consider that it would produce a means of livelihood at the finish, but that it would be more advantageous for them to invest whatever capital they may have in land which, in their opinion, offers a more immediate return than does the pumice country.

2. Then the slow progress is not due to the possibilities of the land, but is due to settlers with a limited amount of capital ?—Let me put it this way: The potentialities of the better classes of the pumice land are high, but these potentialities will never be developed except by actual expenditure upon them. The mere granting of access, the mere cheapening of materials for breaking in the country, will not alter the fact that the land itself is really no asset at all. It merely represents an area of ground on which, if you expend very considerable sums of money, and keep on spending them, you will probably, at the finish, get an interest on the whole of the expenditure. But the capital necessary being high naturally deters any one with a large amount of capital from going on that land, because men with large amounts of capital can go on land of a more attractive nature; and, on the other

hand, men with small amounts of capital can realize the impossibility of only half doing the job, and they would only have half done the job by the time their capital was exhausted, and so they would lose the lot. That is my personal opinion.

3. It depends really on the amount of capital that a settler had behind him when this land is being settled ?—Yes; and I think, also, the clear realization that even if things were not going on as well as one expected—to use an ordinary phrase—good money would have to be thrown in to try and save the situation. That is to say, the settler must not give up.

4. In a nutshell, do you really believe that the best part of the pumice land—we are not talking of all the pumice land, because we know that some of it is impossible—could be brought into cultivation, and that it would ultimately give a return ?—Yes. The best of the pumice land may be broken into settlement without any loss to the State at the finish. But that remark refers only to the very best.

5. You said yesterday that, being a departmental officer, you had no faith in the proposal that the Government should undertake the development work. Does your lack of faith mean that you have no faith in the Department or in the men to be put there to do the job ?—Not at all. I consider that the development of this country could best be done by private enterprise, if private enterprise were prepared to do it. I realize that the attraction in front of private enterprise is not sufficient, has as been proved by the fact that the place is not settled. The trouble I foresee in any Government development scheme is that one would have to conduct that development on lines which were approved by the Government rather than approved by the individual. If, for instance, the individual decided that as far as the housing of the employees was concerned it should be of a limited kind, he would probably not be able to put his idea into effect. That, generally, is the feeling one has in regard to the matter.

6. You think it would be better to put an individual on this very poor land, probably with little knowledge, and leave him to struggle away in a desperate kind of a fashion for years, getting no returns, rather than to put the land into proper working-order by the State under the supervision of men who, having years of knowledge of farming, had learned how to do the job ?—The preliminary preparation of the ground will have to be done and full finance provided before any settlers endeavour to make a livelihood on such land.

7. I am talking of the preliminary preparation of the land. You have told us that slow returns are due to the fact that the individual might have little capital, and also perhaps to the lack of proper implements; also that the settler is sometimes starved off the land before he can get any returns. Does not success depend upon putting all that land into cultivation in the speediest and most scientific way possible ?—Yes.

8. Would it not be far better to do that by picking out a number of young men—strong, healthy fellows—and employing them in groups so that mass action could be applied to the land; then each of the men could be offered a section ?—I follow what you are saying.

9. I am not suggesting that there should be placed there a large number of men on the go-as-you-please system; I mean the cost of wages the men receive from the Government should be made a charge on the land, and that it should be ultimately repaid when returns are available. My suggestion is really to capitalize the wages paid, not to spend money without the possibility of a return. The man who goes on the land will know that he has to repay that money, having been given shelter, food, and clothing, with a few shillings extra while preparing his home; he will know that one day he must pay back to the Government what has been expended on him. Is not that a good idea ?—Yes, that is the only way the country can be settled.

10. You say that it is the only way the country can be settled ?—Yes, considering that private enterprise is not prepared to do the work.

11. You said yesterday that fifty cows would return a good livelihood for a family on the best of the pumice land after it has been brought into cultivation ?—Yes.

12. How many acres do you suggest would carry fifty cows, if the land is brought into proper cultivation ?—Brought up to what one terms good production as far as dairying is concerned, about 2½ acres per cow. I repeat that that is on fully improved land.

13. That would be about 125 acres ?—The holdings would really have to be larger than that.

14. Say about 150 acres ?—Yes, about 150 acres. On every holding you would probably have a certain percentage of land not properly broken in. We can say the area of the holding should be from 130 acres to 200 acres.

15. Then 200 acres would be ample to provide for the livelihood of a family ?—I hold the view that the putting of a sufficient sum into 200 acres of pumice country is immeasurably better than putting half of what is sufficient into 400 acres.

16. That is to do the job thoroughly ?—Yes. I consider that this pumice land so developed is really capable of being used for dairying, provided it is properly provided with shelter, fences, &c.

17. You regard it as more suitable for dairying than for anything else ?—That appears to be the only outlook. It is extremely unfortunate that in the settlement of the pumice country there is not a special crop which one could sell off the ground to make a livelihood in the early years. We have a very good example of what is termed a "cash" crop—that is, a crop sold off the ground—in the case of Mr. Parsons, of the Guthrie Settlement. Were it not for the fact that he is producing from 7 to 10 acres of potatoes each year he would have to walk off his holding.

18. You said something yesterday about water and the difficulty it presents on the pumice land: do you know whether there has been any boring for water ?—I do not think so. The whole question of watering and the conveyance of water is a matter requiring the most careful examination.

19. The low-lying nature of the country would not lend itself to irrigation ?—No. Thinking the matter over last night, I feel pretty well confident that the majority of the farm-watering would have to be done through pipes.

20. Why by pipes ?—The nature of the ground, in my opinion, is not particularly suitable for the conveyance of water from one point to another.

21. Do you mean it is too porous ?—Yes, it is rather porous.

22. You know that pumice country cakes up hard and becomes solid after water has run on it for a considerable time ?—I think it takes a good while. I only wish to stress the importance of knowing all about the watering position.

23. Do you suggest that there should be experiments or prospecting for water, conducted by the Government, before it is decided to make any settlement there at all ?—Yes, certainly.

24. Do you think it would be a good stroke of business for the Government to experiment on 10,000 acres of the best pumice country ?—Yes ; but I would not use the word " experiment " as being applied to the finding out of the scientific methods to be employed. I would view the matter as an experiment of group settlement from the individual and social aspect more than from the farming aspect.

25. Carrying it along the lines of the system that has been discussed ?—Somewhat on that style.

26. *Mr. Jenkins.*] Do you say that 150 acres is an ideal farm ? You are probably aware that the subdivisions there run up to 700 acres ?—Yes.

27. You say that you have nothing to do with that ?—To what are you referring ?

28. Reporoa ?—It does not matter whether these subdivisions are at Reporoa or elsewhere ; it is obvious that where there has been a 700-acre subdivision the area offers serious drawbacks to smaller subdivision.

29. On the east side of Reporoa there are four unallotted areas of 700 acres ?—I do not know them, but I suggest that if one went on to them he would walk off rapidly.

30. You are aware of what is done in Holland in bringing sand into a state of cultivation by growing lupins, and that the same result is obtained in other countries by means of afforestation : do you think that that end could be achieved in this area, and humus and soil created by growing vegetation, trees, or plants ?—A forest covering the whole of the pumice country would make it very much easier to develop into grass than it is at the present time : that is clear.

31. That would take some time ?—I referred to a forest extending over the range of life of a forest. It would be well beyond my time. But there is no doubt also that a development of what is termed green-manuring would tend to improve the character of the soil, but the expenses would be too great.

32. *Mr. Lye.*] You appreciate the fact that this Committee is seeking absolutely reliable information, and wishes to get as much as possible regarding the prospects of settlement of this country : do you seriously consider that 150 acres of the average pumice country—not special pockets and swamps—would carry fifty dairy cows ?—No, not on the average ; it would have to be selected pumice country. The average pumice land, if an excessive expenditure were applied to it, might be brought up to that standard, but it would not be payable.

33. Is there much of that land that can be described as capable of carrying fifty cows on 150 acres ?—I could not answer that from actual definite experience, taking the whole area, but I should say that the actual area capable of being brought up to that standard, with only a moderate loss on the breaking of it in, would be quite small.

34. To bring the land to a state of cultivation so that 150 acres of the best of it would carry fifty dairy cows, what period of time would be needed for the breaking-in process ?—It might be possible to get quite a large number of cows on to that ground at an early stage, but if that were done, almost certainly you would have to reduce your number very considerably during the pretty long period that elapses between what one might term the first flush of clover-growth and the final development of satisfactory permanent pasture. The final development of satisfactory permanent pasture, which is a permanent asset to the country, would, in my opinion, be achieved in a period varying from six to ten years.

35. Do you agree with the statement that to bring that land into fair cultivation it would take at least twelve years for the best of it—that is to say, to bring it to a state of cultivation where dairy cows could be pastured and would give an economic return for the cost ?—That would be so where the capital expenditure necessary to bring the land to that point could only be obtained over a period of twelve years, but where adequate capital was available, it is probable that such country could be in real fit dairying condition in a slightly less period.

36. Considering the nature and quality of this land, is it possible for a young settler to make good if he is handicapped by a shortage of cash ?—It would be impossible ; it would be disastrous.

37. Do you believe that in any scheme of settlement the necessary finance should be freely forthcoming from the State, and that the resources of the average settler would not enable him successfully to break the land in ?—The capital of the type of man likely to take up that country would be, in almost every instance, insufficient to enable him to make a job of it.

38. Do you say that that land would be more suitable for syndicates or groups of people with unlimited capital than for the intending settler ?—Yes, if they were prepared to do it. Even though some burned their fingers badly, that would be the best method to adopt.

39. Can you form an opinion as to whether there is any justification at this juncture for the building of the Rotorua–Taupo Railway ?—I should say there is none.

40. Would you say that in the process of settlement of this land good roads would be quite sufficient to meet the needs of the settlers ?—I do consider so. In point of fact, I consider that settlement should precede railway development, and that settlement should be so directed that it is not scattered over an extensive area in pockets here and there. An effort should be made to develop the land which at the present time is not very badly situated from the transport point of view.

41. A statement has been made by a witness that the whole of the pumice lands are subject more or less to cattle-sickness : do you agree with that statement ?—I do not really know. That is a matter

for the Live-stock Division of the Department. I know that inability to rear young stock is not an uncommon feature in the pumice country.

42. *Mr. Samuel.*] You are Assistant Director-General of the Department of Agriculture ?—Yes.

43. As far as the Taupo country is concerned, do you think that under a Government scheme of group settlement, taking the cost of the country as nil to begin with, and, under the scheme capitalizing wages and improvements, giving the men a start to farm the land after it had been prepared and made ready for farming, it could be made an economic success ?—I do not think so—not on the average.

44. I mean, taking the scheme over 100,000 or 200,000 acres ?—No. I think if the Government were to charge the whole of the labour costs and the whole of the expenses of breaking in the land it would be necessary to write off a very considerable amount; it would be impossible to load the final settlers with the full costs. There are, of course, certain areas which would pay quite well.

45. Take a block of 50,000 acres of fair-class pumice country: suppose we put on men to break in that land, fence it, erect cottages, plough the land, disk it, and indeed bring it into a proper clover, what would it be worth then ?—Up to the clover stage it has been worth nothing. I take the view that that would be only one of the stages towards the final development, and unless the necessary capital for the final development were available you might just as well not have brought the land to that stage.

46. Do you know that a crop of clover can be taken off that land in twelve months ?—Yes.

47. Easily ?—Yes.

48. You can go on to the land and put down your crop of clover immediately ?—You can get a good crop of clover on the first ploughing, and in many instances you can get a quite fair to good crop of turnips or swedes on the first ploughing.

49. Quite so; therefore, as soon as they go on to this country—if they go on in winter—they can get a crop of swedes and clover straight away ?—Yes.

50. Do you say that the crop of swedes and the crop of clover are worth nothing ?—I do not think that they are going to make ends meet with these crops.

51. I am asking you what the land is worth. We shall go a step further: Suppose you have thrown away your crop of swedes and hay—because you say that the land is worth nothing—the next year you can put the land into temporary pasture ?—One of the methods is to sow a clover and rye-grass with a good deal of Italian in it, to begin with, and there is a tendency to leave that down as long as the clover is growing well. When one gets to that stage one is dubious as to how to develop the permanent pasture.

52. How long will the temporary pasture last ?—On the better pumice country a temporary pasture will last from two to three years, and in certain cases for a longer period.

53. Having done away with the swede and clover crops, when the temporary pasture is in what is the land worth ?—It is a point I have not investigated.

54. Despite the fact that you have got the swedes and the clover, you say that the land as a development proposition is worth nothing at all at that stage ?—I know that it may seem rather peculiar, but I do not view the land as having become of any real value until it has on it a definite permanent pasture, although during the period of the producing of that permanent pasture a good deal of revenue from the herbage can be produced.

55. You say that it is worth nothing and yet you know that if you have a crop of swedes you can depasture other people's cattle at 3s. a head per week ?—I was thinking of the value of the improvement in the land, whereas your question is rather as to the value of the crop.

56. What I wish to know is your opinion of the worth of the land when it is brought into a state of productivity: what is it worth per acre ?—When it is finally brought in ?

57. Yes ?—When it is finally brought in the best of it should be worth about £30 an acre.

58. You view this land as being worth £30 an acre when it is brought in ?—Provided it will carry at that period a cow to from $2\frac{1}{4}$ to $2\frac{3}{4}$ acres, and that it does not require more than about $2\frac{1}{2}$ cwt. of artificial manure per year.

59. That is fair enough. As a matter of fact I do not see how you can estimate it at £30 an acre if you make that proviso, because you might as well say it is worth £60 an acre if it does not require any manures at all ?—I have no desire to give an evasive answer.

60. You say, then, that this land when brought into profitable cultivation is worth £30 an acre what is it going to cost per acre to bring it into the clover and swede stage ? I am trying to get these figures because I think the information will be of some value to the country and to the Minister of Public Works, who I am sure would welcome this information ?—I am extremely sorry that I cannot give accurate details, because the costs, of course, will vary very considerably. But one is inclined to think that the actual cost for the first crop or for the first year will be in the vicinity of £4. I must add that I am making these estimates now; no doubt I should have had them ready.

61. Having got to that stage, surely the land is worth something for the crops on it ? If the Government put the unemployed on that land, if it produced a crop the sale of that crop would certainly pay for the men's future work ?—But it cannot be sold.

62. But it could be used—other people's cattle could be depastured on it ?—Provided they were available; it would depend on the locality.

63. It does not matter about the locality; you could get the cattle from all over the Waikato. If people knew that there was a scheme of root-crop growing, they would not grow any for themselves, but would send their cattle there ?—Quite so; that is the way a lot of the Waikato land was developed.

64. They say, "If others are growing turnips we shall not bother"?—The growing of suitable root crops would be of advantage to the lower Waikato, and the ground, in the earlier clover period, might, under the Government method, be used for the production of calves of a good quality to form

the nucleus of the herds that would be later developed on the ground. I believe it might be possible to get back a good deal of the outlay on the first crop. You happen to have taken the points I have in mind when one is in the unfortunate position of having something to do with the development of this country from the homestead-settlement point of view.

65. I am not altogether discussing the matter from the railway point of view, but rather from the land-settlement point of view. Of course, the railway is closely connected with a land-settlement scheme, and I am trying to elicit information about both. If these crops could be profitably disposed of from the time you have spent £4 an acre on the land, the bringing of the land into the permanent state should be a paying proposition ?—I am afraid that it will not. Under a Government scheme to bring the land into a condition to allow of settlers making a good living off comparatively small holdings, one feels that it is going to necessitate the outlay of close on £30 an acre. In that figure, as you can imagine, there are quite large expenditures which are not connected with the actual production of crops, such as fencing. Fencing into small areas, particularly for dairy-farms, will run well over £4 an acre.

66. Surely not: do you say £4 an acre for fencing ?—Yes.

67. Have you ever worked out the cost of fencing per acre: how would you arrive at your figure ?—I have estimates. In order to get a cow to 2½ acres on a farm of 150 acres, I consider that the majority of the paddocks will require to be not more than 6 acres each.

68. Good heavens !—Yes.

69. Six-acre paddocks on a dairy-farm ?—Yes, that is the tendency on all high-production dairy-farms at the present time where the area is not large.

70. You have a wonderful idea of the Taupo lands if you are going to divide them into 6-acre paddocks ?—Unless you can get the land to that stage I do not think the outlook for success is great.

71. Do you think the land could be got to that stage ?—Certain of it, with really liberal expenditure.

72. I ought not to question you further, because I think that is an excellent answer and I am quite satisfied with it. However, under the conditions you have stated, do you agree with me when I say that there are all the possibilities of a good Government land-settlement scheme ? I am asking this information for the benefit of the Minister of Public Works and not for myself ?—I do not hold the view that it would pay.

73. You still suggest that fencing is going to cost £4 an acre ?—In the finally fully developed farm, certainly.

74. *Mr. Lye.*] Do you seriously believe that if a crop of turnips were given to Waikato farmers for nothing, they would pay for the transport of the turnips or take their cows to the turnips to graze them off ?—It is not a popular crop with cows, but still I believe you would get a certain amount of grazing. That, of course, would be a matter one would have to find out.

75. At the period of the year when it would be necessary to feed-off the turnips the cows would be in calf and would not be able to stand being transported or driven ?—That is so as far as dairy cows are concerned; the utilization of the swede crop does not enter into the matter.

76. Would it be possible to dispose of a crop of turnips if there was no stock in the Taupo district ? Would it be possible to give the crop away for nothing for animals in the lower Waitako ?—No.

77. *Hon. Mr. Ransom.*] Are you familiar with the Guthrie Settlement ?—Yes.

78. What do you consider are the prospects of the settlers on that block ?—Hopeless, unless they are adequately financed.

79. Do you consider that any of these men had capital when they went on to the land there ?—Yes. Considering the time they have been there and the resources at their disposal they have worked wonderfully well, and they represent a very fine small band of pioneers.

80. Provided these men were granted by the Government 50 per cent. on the capital improvements they have made from time to time, what do you consider their prospects would be ?—The capital improvements might be very small.

81. I do not refer to fencing, but bringing the land in under grass and so on ?—I would require to know the actual amount of money available. One can say definitely that in order to hold success these settlers will have to be financed, and financed freely, from the point of view of having proper stock for consolidation. At the present time they have a certain area in grass but no stock. Of course, the trouble is that that the grass is not going to do very much good without stock consolidation, and so on, and when it comes to a valuation of that grass that fact tends to make the capitalization by the valuer very low.

82. You referred to the fact that no special crop could be taken off this country with the exception of potatoes ?—I mentioned that as an example, but if every settler grew potatoes it would not be any good. It happens that Mr. Parsons has established a potato trade with Rotorua, and as he has an advantage of about £4 over southern potatoes, through his ability to get his produce into Rotorua without the expense that the southern people have, it is profitable to him. He gets most of his income from potatoes.

83. What is your experience in regard to the growing of grain ?—I do not really know very much about that. I have devoted my attention mainly to the pasture side. Even with regard to oats, one takes it that future development on a large scale will most likely be mainly done by tractor work, so that the necessity for growing oats need not arise. One does not view the growing of a grain crop in the pumice country as a type of utilization tending to the final improvement of the ground.

84. Would it not have a value as chaff, outside the district ?—Not outside. In regard to a cash crop of that description, it has to be transported a very considerable distance, and there the necessity for adequate transport facilities comes in. Did one consider for a moment that the pumice country was likely to develop into a grain-growing district one would require to consider very seriously whether or not railway facilities would have to be procured. But personally I do not think there is much outlook for the making of money out of grain-growing in the pumice area.

85. It was the getting over the difficult period that I had in mind. I gather that every settler has a stack of oats, although he may have only 25 acres cleared; I wondered what was the experience of your Department in regard to the possibilities of grain-growing, or whether you had heard it asserted that the growing of grain weakens the soil and is not desirable?—One says offhand that it is not desirable, but in many cases it is necessary for the transport animals on the farm. Taking it as a whole, one would deprecate the idea of grain-growing.

86. Do you know whether any water-boring operations or tests have been made?—I do not know. I understand that at Tokoroa a good deal has been done. The amount of water secured is not very great, but that does not alter the fact that I think the possibilities of water should be investigated. The engineering aspects of water conveyance should also be investigated.

87. You stated that certain areas would pay quite well: can you give us any indication of the areas that would pay quite well?—No, one could not do that without a very exhaustive survey of the district. One is viewing a particular area at the present time, an area which is represented to a certain extent by the Guthrie Settlement, as high-class pumice country. One also views a certain amount of country at the southern end of Lake Taupo and along its western fringe as being extremely high-class pumice country. For example, portions of Hautu: one views these as well above the average. The Guthrie Settlement area and all that country, which at one time, apparently, was an old lake, in which there are seams of clay running through, would likewise seem to offer economic possibilities if broken in.

88. You stress particularly the period between initial crops of clover and permanent pasture as the most difficult for the settler?—Yes.

89. What is your experience in regard to bringing these lands into permanent pasture? By way of illustration, at Hautu Prison Farm, having obtained permanent pasture in clover, they were getting other English grasses into these pastures without wasting the clover pasture, by putting the disks over the land and sowing the grass-seed amongst the clover, thus securing the other English grasses without wasting the clover crop?—I only know the Hautu experience there.

90. Is it satisfactory or not?—I would not say that it was entirely satisfactory, but the experience of Hautu would indicate that on certain types of pumice country the effort should be quite against the general impression at the present time, and that you should attempt to get your permanent pasture in to begin with by using good stock consolidation throughout and liberal top-dressing. One has to remember, so far as the majority of the settlement of the pure pumice country is concerned, adequate top-dressing has not been properly done. Even at Hautu the amount of top-dressing has been comparatively nil. I am confident that with a good deal of that country one could secure permanent pasture without having to wait a long period of years for the main constituents to develop, which occurs very frequently in what I call the red-clover flush and the final production of permanent pasture. There is a tendency when it gets from the cocksfoot stage into the Yorkshire-fog stage for it to deviate out into poor dry stock country, whereas with liberal top-dressing there is more a tendency to bring it towards the rye-grass standard. One is therefore inclined to think that with liberal top-dressing on the best pumice country there may not be that necessity to plough and replough the ground several times before you get the permanent pasture. It is one of the difficulties that in that pumice country when you get to the stage of having to plough your grass in again you pretty well start at scratch again.

91. I was interested in your remarks regarding fencing: is fencing in that district more expensive than in average country?—I have not full particulars, but as far as erection of fences is concerned it would not be.

92. Is there any fencing-material to be obtained within reasonable distance?—I have not got exact particulars at the present time.

93. *The Chairman.*] From your statement as to the Hautu Prison land I take it that you look upon that as superior to the pumice land between Rotorua and Taupo?—Yes, although I view what we are terming the upper Atiamuri basin as pretty promising material.

94. But as to the land between Rotorua and Taupo?—A great deal of it I do not like.

95. You think the Hautu Prison land is of better quality?—That is my opinion, with the exception of the areas like Reporoa and the swamp country.

96. Considerably better than the average?—That is my opinion.

97. To be brought in a much shorter time to permanent pasture?—Yes. One is viewing that that country can probably be broken in faster than any of the other pure pumice land.

98. Any evidence we might obtain from the prison camp relative to the cost of bringing in the land there to permanent pasture——?—Is relevant to the type, but not relevant to the Taupo–Rotorua land.

99. You told us yesterday that it would cost somewhere between £25 and £30 to fully develop the best pumice land into permanent pasture?—To make a real dairy-farm, not a "half-pie" one.

100. To-day you told us that a considerable portion of the cost of bringing the land into that state would have to be written off if worked under a Government scheme?—I am afraid that, just as in the case of the soldier settlements, the demand for revaluation would be so insistent that one would have to recapitalize it considerably lower than it cost.

101. Would it not amount to a repetition of the soldier-settlement revaluations? Would not the country be faced with a similar proposition to that?—I am rather inclined to say so, but I must put in a proviso. I consider that the development of the better pumice country is a liability which the country as a whole has to face.

102. *Hon. Mr. Ransom.*] The £30, of course, includes building, fencing, &c.?—Yes.

103. *The Chairman.*] To get at the value of the land, would it not be a fair way to get at it to take the £30 an acre to bring it in, less the amount of the writing-off which would have to take place?—Yes.

104. Well, supposing for argument's sake that £10 an acre had to be written off £30, that would leave the land, after an expenditure of £30, at a value of approximately £20 an acre: whatever the amount is would be really the true value of the land?—It would be difficult to estimate the average. Some of the country will be payable, some will be only partly payable, and no doubt, if the scheme goes on, an attempt will be made to break in a very considerable area, on which heavy loss will be shown.

105. From all the figures you have given I have come to this conclusion — I may be wrong, and if so I want you to correct me: that you see no justification from the present outlook for the Government to decide to reverse its action in stopping this railway, and to go on with its construction. You know no reason why that should be done?—I do not think the construction of the railway is likely to improve the position very appreciably from the settlement standpoint at the present time.

106. Do you see anything likely in the near future to alter that?—A good deal will depend on the success or otherwise of features that I understand are in the air at the present time, which will take some years.

107. For the next six to ten years the matter should be in abeyance?—From the farming standpoint.

108. *Mr. Makitanara.*] Would I be correct in saying that the proposed railway would be of no use whatever as an outlet for the produce of the Hautu land?—One is viewing that the conveyance of goods to the prison farm will come from the National Park, particularly as I understand that in the near future, with the opening-up of the forest country, not far from Ketetahi, there will be back loading.

109. *Mr. Vaile.*] Are you a practical farmer, or have you been one?—I know nothing about farming.

110. You are only a scientist?—I have been for twenty-five years in the Department of Agriculture. I have probably been on more farms than any other person in New Zealand, and I have a good bowing acquaintance with farm practice over the whole of New Zealand.

111. With regard to the cost of bringing this land in: you put it at £30 an acre. That is the essence of the whole question. I take it that in the case of £15 the chances are vastly improved?—They would naturally be improved.

112. What is the fencing required for a 6-acre paddock—how many chains?—You laid it down that it ran to about £4. I have not gone into it actually. I have got estimates.

113. Would it not be 32 chains?—Yes.

114. And that fence is useful equally with the next 6 acres?—You are taking only half the fencing—yes.

115. What is the cost of fencing-in the country?—I do not know the actual cost.

116. But you know it approximately? Is it less in that country than any other? Totara posts can be delivered to me at £7 15s. the hundred?—The cost for fencing varies from about £1 8s. a chain to about £2 5s. a chain in New Zealand.

117. If I undertook to put up all the fencing you wanted, eight-wire fencing, for £1 5s. a chain, would you accept that offer?—One would consider that that was reasonable.

118. All your figures are very extravagant?—I do not think they are particularly extravagant.

119. New buildings you put down at £750?—Yes.

120. Why £750?—That is what I want to know, too.

121. Do you think that some of the unemployed, who have been sleeping in the parks and in shelters, would be content to live in the houses which they themselves could put up?—In our opinion they should be content, if they are going to have a chance of a permanent livelihood. The amount for buildings could, in my opinion, be considerably reduced, but in discussing the matter with numerous people they are apparently extremely averse to that.

122. I think those men would be delighted to live in the houses they could put up themselves, for £150, and that £100 would provide them with a good cow-shed?—You are stating that to me, but I really do not know. I can foresee considerable discontent if we are endeavouring to settle these people on what a pioneer is prepared for.

123. You think these men would expect the State to provide them with much better living-accommodation than a free and independent citizen is content with?—I do not know what a free and independent citizen is content with.

124. Do you consider that your knowledge of New Zealand is equal to that of a man like Mr. H. M. Martin?—No. Mr. Martin gave, or attempted to give, the per-acre cost, and in very few instances do per-acre costs work out on the farm basis, or anywhere near it.

125. I am trying to ascertain how your figures are made up. Why should not your figures for fencing be £50, or £5?—Various estimates have been made by me recently. I must admit that they are mere estimates, and I may be overestimating or underestimating.

126. If practical men like Mr. Martin, Mr. Butcher, Mr. Parsons, or myself, who have actually done this work, say that the work could be done, with fencing complete, for £7?—But you mean in 100-acre paddocks?

127. In 50-acre paddocks?—That is not enough.

128. Well, say 20-acre paddocks. What is enough?—If that country is to do decent butterfat production it will have to be subdivided far more than that?—My estimate may be a very long way off the mark. The only reason why I consider that they are nearer the mark on a farm basis than some of the other estimates, is that if your estimates for fully-developed country are reasonable, why has not the place been rushed?

129. We have got to the point of £7 an acre. The buildings have to be added. On a 200-acre farm what do you reckon is necessary as a per-acre cost? I do not mean either living in a palace or living in a hut?—I do not really know.

130. Do you think it would be £3 an acre ?—I am afraid your shed estimate is rather low.

131. What do you think was the cost of the house I lived in when I went there ?—About £60 or £70.

132. It was a fair house, and did not cost anything like £700 ?—You must remember that social conditions have altered.

133. How much top-dressing would you consider necessary for each of your six dressings ?—About 3 cwt. That would be about £6 an acre.

134. Off that £6 an acre £1 is the freight from Rotorua ?—Yes. It will cost more than £6 in that way.

135. Could you give an idea of the value of this country to the settler, in the food he will produce for himself and his family ?—Of course, the settler that is really worth while can to a certain extent support himself off his holding from the start, with a good vegetable-garden. Nothing impressed me more than the statement of one of the Guthrie settlers who said, " When I have spent another £20 on this land it is mine." I asked him, " How much have you spent this year in living ? " He said, " £35." That man, with finance, will be a success.

136. With regard to raiment, have you noticed how the settlers dress ?—It is pretty rough at the time of the visit of the Land Board.

137. So that great expenditure on clothes is not necessary ?—No, apparently.

138. As regards the produce of the land, have you seen good crops of swedes on the first furrow ?—Yes.

139. And good crops of clover ?—Luxuriant crops.

140. Do you not consider this as income from the land ?—Under certain conditions, but not always. I view both clover growth and the swedes root-growing as being largely preliminaries from the development standpoint. I shall be delighted if they do pay under any Government scheme. It will certainly make the difficulty of successful settlement very much less, but I do not hold the view that they are of much value from the £ s. d. standpoint of securing money from them.

141. You have had experience of feeding off swedes with cattle : do you think the actual feeding off improves the land ?—Yes.

142. What do you think of the added advantages of community ? Do you think the country would be worth more if there were ten thousand people in it than it would be to-day ?—It would entirely depend upon whether they were satisfied—whether the conditions were right, and the indications were good.

143. Does each new settler in a district help every other settler in it ?—Of course.

144. The coming of conveniences such as stock-sales, halls, and buyers coming to the district ?—Settlement leads to development, and you can get farm amenities and social amenities which are impossible without settlement.

145. You say that watering by means of pipes is necessary. In the Waikato do they use pipes ?—On the fully developed dairy-farms pipes are rapidly coming in there.

146. Do you know any area in New Zealand cut into 200-acre sections and having running water on each ?—No, but the ability to secure water on the sections is generally there.

147. Cannot water be conserved ?—I should say that conservation is difficult. It only comes back to the point that the whole of the watering factor wants to be put on a really definite scientific foundation. That difficulty, I claim, is the one most urgent.

148. As to the reason why this country has not been taken up, can you state the area of new land broken in in New Zealand each year for the past few years ?—The only figure one can give is that in the agricultural and pastoral statistics, stating the number of acres of new land not previously ploughed. Of course it has gone down very considerably in recent years. The extent of new grassland in New Zealand on ground that has been sown with grass on land not previously ploughed has averaged during the past three years 175,000 acres.

149. In the whole Dominion ?—Yes.

150. In view of that fact, are you surprised that there has not been great settlement on this particular land ?—In the days when 600,000 acres was going in settlement, the pumice country was almost completely neglected.

151. How long ago was that ?—When we ran 600,000 acres a year would be in the period between 1900 and 1914. Then there was a very considerable amount of new country being sown each year till about 1921. Since 1921 the average acreage of new grass has been lower than any period since about 1892.

152. Do you know of any areas that are available in small sections ?—No, but I must say that one is surprised when one goes into the pumice country at the apparent difficulty of securing blocks of land, due apparently to a very considerable area being already in occupation as freehold, though very little use is being made of it, and the large amount of Native land.

153. You instanced the land twenty-eight miles out from Reporoa : do you know that the whole of that land on the right-hand side is Native land ?—No.

154. Do you know all the land on the left-hand side is forestry area, that cannot be taken up ?—Does the building of a railway automatically enable it to be taken up ?

155. Not automatically, but I say that when settlement comes the land will have to be opened ?—One would imagine that the effort of every one desirous of developing the pumice country would be, if land was not available, to see that it was available, rather than placing such tremendous stress on the necessity for a railway. It seems to me peculiar, if everything is as good as it has been painted, that there should not have been some violent agitation for the throwing-open of Native land, if it is possible to throw it open.

156. Has your Department done anything towards the development of this area ?—We have not done very much, certainly. Of course I would exclude from that anything that the Live-stock Division may have done.

157. Have any experiments been made ?—Years ago we did a little bit.

158. In your opinion settlement must precede the railway ?—Not "must" precede the railway; but I should say settlement can quite well precede the railway, as it has done in many parts of New Zealand.

159. Should it precede roads ?—No. Access is absolutely necessary. That is one of the strong features of the pumice country—the ease with which it can be roaded for giving access to the holdings.

160. Improved access will improve the chances of success ?—Yes.

161. Take the outward freight: could not you carry clover hay to market ?—You cannot anywhere in New Zealand. If you start growing it, even if you transport for nothing from the pumice country, you could not sell any very large amount of clover hay.

162. What about oaten chaff ?—Yes, it is a saleable commodity up to a certain point.

163. Have you ever known the coming-in of a railway to increase greatly the land-values of a district ?—I am afraid it does. That is one of the things one rather fears, and is in one's mind—that settlement should precede the railway. It is essential, in our opinion, that the country should be developed with the value of the land based at nil. One is rather afraid that if the railway precedes settlement, there will be an inducement to put on a quite fictitious value that will rather restrict than develop settlement.

164. Why does a railway increase the value of land ?—Mainly through the transport facilities.

165. Do you honestly believe that this country can be successfully opened up to settlement without a railway ?—I am very dubious whether it can be successfully opened up, railway or not—that is, as a whole; but I do not view that railway transport, at any rate for a good deal of the country, is essential to the development of the country. Of course, if it is true that the land at the present time can be broken in for, say, £7 or £8 an acre, and that the final value of the ground stands only somewhere about that level, well, then it means that any possible margin is small, and in order to increase that margin it will be necessary to reduce the costs of breaking it in. But if, on the contrary, the potentialities of the land are as great as I view some of it to be, I do not consider that the railway is at all necessary at the present time.

ARNOLD HANSON examined. (No. 16.)

1. *The Chairman.*] What is your position ?—I am Chief Inspector of Forestry under the Forestry Department, and I represent the Department before this Committee.

2. I understand that your experience is on the technical side rather than otherwise ?—My work has been mainly in the assessing of timber. I have been engaged in forestry operations in Europe, in Canada, and in the United States, and I have been in New Zealand for eight years.

3. You have heard a good deal of the evidence tendered to the Committee. The question is the construction of a railway from Rotorua to Taupo. That railway has been stopped by the present Government, and Mr. Vaile and others are petitioning the Government to carry the railway on. Can you give us any evidence relative to the timbers lying in the vicinity of this railway route ? We wish to ascertain whether the timbers will give revenue, in addition to any development of the land, which would warrant the Government in reversing its decision and constructing the railway ?—Our interest mainly centres in the State plantations. There are some native forests, like the Paeroa Block, and the Tauri-Tutukau and other blocks, but in my opinion they hardly affect the railway question. The Paeroa is rather an isolated block; and as to the Tauri-Tutukau, one can argue that it should be served by the Taupo Totara Co.'s line. As to the timber down the west of Taupo, there is a company treating for the formation of a line in from Kakahi. If that line is formed, naturally the proposed Rotorua–Taupo line will not affect it. We are mainly concerned with the plantation area lying from Lake Rotorua down past Taupo, and on the Kaingaroa Plains. The Rotorua plantations and the Waiotapu plantations are getting to the production stage.

4. When do you think the first timber will be available to be taken off those plantations ?—You could take the Rotorua and Waiotapu timber to-day.

5. To what extent ?—The way we calculate is this: On an actual investigation we get a survey estimate of 250 cubic feet per annum per acre—that is, from the time when the plantations become approximately twenty years old till they are forty years old. After that the plantation is cut out, and we start over again. That means that you can take an average plantation at its main productivity for small material at thirty years of age, but not for sawn timber.

6. What age would it require to be for sawn ?—We base our estimates for that on forty years. As I said, we are mainly concerned with the plantation areas. The Rotorua plantation is so close to Rotorua that it is hardly affected by the railway one way or the other. The Waiotapu plantation, we might say, would be benefited by a line running along it, while the position as to the Kaingaroa plantation is at present doubtful. When I say that the Waiotapu plantation might be benefited by the line, it all depends upon where we are going to take the timber. At present we may say that we do not know. If there is to be a paper-pulping plant, the shipping people will naturally decide where the plant shall be established. We can say that it will probably be on the coast of the Bay of Plenty, and, on that coast, probably at Tauranga, because they must have coal, and they must have a deep-water harbour. In that case it means that the timber will have to go to the Bay of Plenty coast somewhere.

7. And in that case the timber will not come along a Rotorua–Taupo line at all ?—You will find that three-quarters of the plantation country drains towards the Rangitaiki River. It naturally slopes that way. The Matahina line runs to within eighteen miles of the northern part of the Kaingaroa plantations. It practically follows the Rangitaiki River. The location is easy—there are no difficulties. I believe the line is approximately twenty-four miles long. From there there is another

eighteen miles on which there is no line, and that brings you to the northern part of our plantations. At Te Teko you strike the East Coast line. So in approximately from forty to fifty miles the timber would strike the East Coast line, which would carry it on to Tauranga. That is about all we can say at present.

8. *Mr. Lye.*] Some doubt has been raised as to the quantity of timber available in some of these areas. It has been stated that there is 110 million feet in the Paeroa bush. What is your estimate of the quantity of timber available there?—Ten millions. I think the "110" must have been a typist's mistake. The typist must have struck the figure "1" twice. Ten million feet is the estimate.

9. Would you consider that there is a large amount of timber which would go over the Rotorua–Taupo line?—Native timber, you mean? I should say there is not. Except for the Paeroa Block there is hardly anything there.

10. You heard most of the evidence submitted to the Committee: are you of opinion that the quantities of native timber available to go over the line are exaggerated?—Yes.

11. With regard to the planted timbers, are there any large quantities available for milling at the present time?—Not on the Kaingaroa. If there were, it depends entirely upon the possible utilization by some pulp-mill.

12. But you say that if a pulping industry were established in New Zealand the probability is that the timber-supplies in the area would not travel over the Rotorua–Taupo line?—Most probably it would not.

13. *Mr. Vaile.*] What is your estimate of the yield per acre of your planted forest?—250 cubic feet per annum after twenty years. We know by actual measurement that our plantations run 5,000 cubic feet per acre.

14. Well, that is 60,000 superficial feet?—You cannot say that a young plantation contains any superficial feet.

15. This is from a speech by Captain Ellis: "Where else in the world are better wood yields obtained than here, where from 75,000 to 200,000 superficial feet per acre are secured for a thirty-year rotation of *Pinus insignis?*" Do you think Captain Ellis knew what he was talking about?—No.

16. The Forestry Department gave evidence before the 1922 Commission in these words: "The indigenous forests under the control of the State Forest Service which are contributory to the Rotorua–Taupo line are of a total area of 161,769 acres. Other forest areas, either Native or privately-owned, total 34,064 acres"?—It depends on what Captain Ellis took as contributory to the line. If he took in the Ureweras he was probably right. There is quite an argument as to whether the Ureweras will be contributory to the line or not.

17. Here is a further quotation: "The total estimated stand of timber of all these indigenous forests is close on 4,000 million feet"?—I say there is very little to go except the Paeroa Block.

18. You differ from that evidence by from 4,000 million feet to practically nothing?—Very much so. I believe that Captain Ellis must have had the country to the west of Lake Taupo and the Ureweras in his mind, otherwise it cannot be explained.

19. What is the value of the evidence of your Department if two years ago they said 4,000 million feet and to-day you say nothing?—That is my estimate.

20. *The Chairman.*] That is not a fair question. The witness cannot be asked to give an opinion as to the value of his Department's estimate.

21. What do you estimate to be the cost of moving timber on a good road, with lorries, at per 100 ft.?—I could not give you that. I have had no experience.

22. *The Chairman.*] From what you have said about the cubic quantity of timber, I gathered that whilst you have that cubic content you have no timber available for sawing?—No.

23. When will you be likely to have it?—We expect to have it after forty years.

24. How long from now?—Nearly thirty years from now.

TUESDAY, 8TH OCTOBER, 1929.

PHILIP GEORGE ROUSSELL examined (No. 17.)

1. *The Chairman.*] What is your position, Mr. Roussell?—I am Superintendent of Transport to the Railway Department, and I represent the Department before the Committee. Mr. Chairman and gentlemen, I would like to place before the Committee information dealing with this question purely from the point of view of present-day railway-operating costs, and in that connection I would like to refer to the 1922 Commission and its findings. That Commission in 1922 estimated the cost of constructing the railway at £700,000, the cost of railway rolling-stock was estimated at £50,000, and the rate of interest was computed at 4 per cent., making an interest bill of £30,000 per annum. The estimated train-mileage per annum was 103,290 miles, and the cost per train-mile excluding interest was 10s. 2d., and including interest 15s. 11½d. per train-mile. The estimated revenue was £61,492 per annum; the total operating-cost excluding interest was £52,547 per annum; the total operating cost including interest was £82,547 per annum. The annual loss including interest was set down by the Commission at £21,055, equal to £386 per mile per annum. The interest charge per train-mile was set down at 5s. 9½d. I have been very carefully through these figures in order to find the present-day costs, and I make a very much bigger annual loss than the Commission did. The Public Works Department at the present day estimates the cost of the construction of the railway to be £800,000—that is, £100,000 more than the estimate of 1922. My estimate of the cost of equipping the line with rolling-stock is £65,000, as against £50,000 estimated by the Commission. That is a

quite small increase, and it is mostly made up with depreciation costs now charged, and a slight addition in the rolling-stock. I have computed the interest charges at 5 per cent. instead of 4 per cent., which I think is nearer the present-day figure, making the interest bill £43,250 per annum. I agree with the Commission regarding the estimated train-mileage—that is, 103,290. I have gone carefully through their train-mileage figures, and I think that they are pretty accurate for that day. The cost per train-mile excluding interest I make 11s. 11·2d., as against their 10s. 2d. The cost per train-mile including interest I make just under £1, or 19s. 11·69d. I have no means of checking up their expectations of revenue, and I have taken their figures as they are. I have based my calculation on their figure of £61,492 per annum. The total operating-cost excluding interest is £61,674, and including interest £103,163, leaving an annual loss, including interest charges of £42,671, approximately £783 per mile per annum; that would be the loss computed at 5 per cent. It might be of some interest to the Committee if I indicated some of the rating figures. This estimate of £61,000 was computed on an estimate of 30 million feet of sawn timber per annum from indigenous forests, and 7½ million feet from the plantations per annum: that is equivalent to 37½ million feet of sawn timber per annum. Then there are 2,614 trucks of posts; butter, 650 tons per annum; 8,500 sheep per annum; 750 cattle per annum; wool, 40 tons. Inward traffic was estimated by the Commission at—minerals (that is coal, bricks, and that sort of thing), 3,561 tons; general merchandise, 3,100 tons; grain and manures, 3,500 tons: that was the estimate upon which the Commission based its expectations of inward traffic. Now, the rate on timber from Rotorua to Auckland—these are typical examples—is 5s. 4d. per 100 ft. I have added another thirty miles to take it to Reporoa, and that would be 5s. 9d.—a difference of 5d. Rotorua to Hamilton would be 4s. 2d., and 4s. 8d. from Reporoa. Rotorua to Te Kuiti 4s. 11d., and from Reporoa 5s. 3d. Rotorua to Wellington 8s. 6d., and from Reporoa 8s. 10d. Freight on posts and sleepers: Rotorua to Auckland, per ton, 15s. 6d., and from Reporoa 17s. 3d.; from Rotorua to Hamilton 10s. 3d., and from Reporoa 12s. Firewood: Rotorua to Auckland 12s. 10d. per ton, from Reporoa 14s. 7d.; from Rotorua to Hamilton 7s. 7d., from Reporoa 9s. 4d. Live-stock: Rotorua to Westfield £4 19s. 9d. per truck, and from Reporoa £5 11s.; Rotorua to Hamilton £3 8s. 3d., and from Reporoa £4 1s. 3d. Wool, per bale, Rotorua to Auckland 8s. 9d., from Reporoa 9s. 3d. Butter and cheese: Rotorua to Auckland £2 8s. 2d. per ton, from Reporoa £2 11s. 8d. Artificial manures: Auckland to Rotorua 10s. 10d.; Auckland to Reporoa 11s. 10d. General merchandise, including sugar, groceries, and so on, an average of the four rates; Auckland to Rotorua £3 7s. 9d., Auckland to Reporoa £3 15s. 1d. Wood-pulp; Rotorua to Auckland £1 2s. 6d. per ton, from Reporoa £1 4s. 9d.; Rotorua to Thames 19s., Reporoa to Thames £1 0s. 9d.; Rotorua to Paeroa 17s. 10d., from Reporoa 19s. 7d. I do not know that there is any other information that I can give the Committee, but I will be glad to answer any questions.

2. *Hon. Mr. Ransom.*] In the revenue, did you mention passengers?—No, the passengers were estimated at returning £15,000 per annum. That is equivalent to sixty-six passengers each way between Rotorua and Taupo per day: that is computed on a basis of one first-class to one second-class passenger. Actually our proportion of second-class passengers is much higher, but this being largely tourist traffic, the proportion of first-class passengers would be larger than the average.

3. *Mr. Massey.*] How did you base your calculations: was it on the present freight available?—The traffic is based on a mileage basis—that is, travelling thirty miles on the branch line and sixty miles on the main line: that would be a total of ninety miles. That would credit the branch with thirty-nintieths, plus a feeder value of 25 per cent. of the total revenue. That is, if the total was 8s. the branch would be credited with a feeder value of 2s., and then there would be added one-third of 8s.: that is, the actual mileage plus a feeder value of 25 per cent.

4. When you were calculating the live-stock, how many sheep did you allow for?—Sixty sheep to the truck, or eight bullocks.

5. You mentioned forty bales of wool?—That was the estimate of the 1922 Commission. I was explaining how that Commission arrived at its expectations of revenue.

6. But you did not take into consideration the present-day productive values?—These are not my figures—they are the 1922 Commission's figures.

7. How many sheep are mentioned there?—8,500 per annum.

8. And also forty bales of wool?—Forty bales of wool and 750 cattle, and 650 tons of butter.

9. I would like to put this question to you: how many fleeces do you put into a bale of wool?—Well, I think it is about forty fleeces to the bale.

10. And so forty bales of wool represent 1,600 sheep?—But these are not my figures, but those of the 1922 Commission. I took it that these sheep would not all be shorn there. That was their figures to show their expectations of traffic.

11. *Mr. Samuel.*] You are quoting from the 1922 Commission's report?—Yes.

12. Do you know whether there has been any special investigation made recently by the Department in regard to the possibilities of this railway?—No, not that I am aware of.

13. *The Chairman.*] When you gave us those figures, were they based on the line from Rotorua to Reporoa or from Rotorua to Taupo?—They were based on 54½ miles—that is, from Rotorua to Taupo.

14. *Mr. Vaile.*] Mr. Rousell, the distance from Rotorua to Auckland is 171 miles?—Yes.

15. And from Rotorua to Reporoa is thirty miles?—Yes.

16. Then may we call the distance from Auckland to Reporoa 200 miles?—Yes.

17. Is 170 miles of railway a short railway, in your experience of New Zealand railways?—Well, we have two lines on the system which are longer—one in the north and one in the South.

18. Is 170 miles of line a long railway?—I would not consider it a very long railway.

19. Well, take this 200 miles: is it a long railway or a short railway?—Well, I think it is, comparatively speaking, a short railway, compared with the main-line systems.

20. Do you know the estimated cost of the railway from Rotorua to Taupo ?—The Public Works Department's estimate is £800,000.

21. £12,500 a mile ?—No, about £15,000.

22. The estimate of the 1922 Commission was £700,000 ?—Yes, but the Public Works figure is higher than that; it is, roughly, £15,000 a mile.

23. What proportion of the running-expenses of a railway are represented by interest on the capital cost ?—I could not give you the detailed figures. The interest charge per train-mile depends upon the intensity of the traffic.

24. But of the running-costs of a railway how much is represented by interest on capital cost ?—In operating-charges we do not include interest: it is shown separately. The interest charge is £2,331,000—roughly, two and a third millions.

25. But my point is that a railway costing £15,000 a mile has a very much better chance of paying than one costing £30,000 a mile ?—That is so.

26. Have you the figures for the Rotorua Branch line, when it was first opened ? Do you think that is a paying line ?—Yes, I should say it is a paying line, though there are heavy grades on it.

27. Can you tell us what load the ordinary engine can pull up a one-in-fifty grade—there is very little heavy grade on this railway ?—An AB class engine would pull 200 tons.

28. So that you are not able to compare the profits from this railway with the profits from the Rotorua Branch when it was opened ?—No.

29. The additional freight on manure is 1s.: do you think that would help the settlers ?—Yes.

30. The additional freight would be 5d. on the royalty value: suppose on the road it costs 3s. and you could do it for 5d. ?—It depends upon the volume of traffic.

31. My question is on the royalty value of the Crown forest. If it costs 3s. to take that timber to Rotorua by road and you are prepared to carry it for 5d., am I right in suggesting that it adds 2s. 7d. per hundred superficial feet to all the Crown forests ?—It would appear so—that is our figure.

32. *The Chairman.*] Have you worked out how many trains per week would run ?—I estimated one purely passenger-train each way each day—they would connect from and to the expresses; and one purely goods-train per day, and one mixed train—that is, a goods-train with a passenger car on, to meet the settlers' convenience.

33. *Mr. Vaile.*] Can you tell us how these figures were based—on the old tariff or on the new tariff ?—On the old tariff; there has been but very slight variation.

34. Forty per cent., was it not ?—No, when we altered the tariff we consolidated the war-tax charges.

35. Then it would not be right to say there would be a difference of 40 per cent. ?—Oh, no.

THOMAS BANKS examined. (No. 18.)

1. *The Chairman*] What is your position, Mr. Banks ?—I am Principal Warder, Hautu Prison Camp.

2. This Committee is considering the question of the petition of Mr. Vaile and others for the resumption of the construction of the railway between Rotorua and Taupo, which was started and stopped by the present Government, and the question is whether it should be started again. Evidence is being taken by the Committee in order to ascertain whether the Government would be warranted in resuming the construction of that line, and you have been asked by the Committee to come down and give any evidence to the Committee that you can. I think your evidence will bear chiefly upon the pumice land, but any other evidence you can give will be gladly received. Will you kindly tell the Commission in your own way what you know about the area between Rotorua and Taupo ?—Yes, I have been acquainted with the pumice lands for the last fourteen years—at Kaingaroa and Waipa. In connection with tree-planting I have conducted an experimental business in Waipa and Kaingaroa districts, and I was convinced that the pumice lands could be farmed; therefore, that was why I was asked to take on the Hautu Prison Farm. As for the land producing, I am certain and positive that it will produce. In fact, I can show what it will produce at Hautu, and we are thoroughly convinced that the land will produce if worked in the right manner. As for the railway, I have not gone into that matter; I have not taken any notice of the railway because it did not affect my part of the country.

3. Would you prefer to be questioned as to your evidence rather than to give it in the form of a statement ?—Yes, sir, I think I would.

4. *Hon. Mr. Ransom*] What is your opinion of the country about Hautu as compared with the average of the country over considerable areas of pumice country ?—I should say it was similar to it.

5. Do you regard the Hautu Valley as anything out of the ordinary as compared with the other pumice areas ?—No. The altitude might be different, but that is all. There is plenty of that class of country round about Waipa.

6. You have a knowledge of the system of costing the breaking-in of that country ?—Mentally I have, but I have not gone into it seriously.

7. *Mr. Makitanara*] Where is this Waipa you referred to ?—About five miles from Rotorua, on the Rotorua-Taupo Road.

8. You have not a plan showing where your prison camp is ?—Not with me.

9. Will you indicate on that map your exact location ?—[Indicated by witness] The Hautu starts there on the edge of the pumice country, off the river-flats and adjoining the lake.

10. Then you come to Rangipo; will you compare the Rangipo land with the Kaingaroa Plains: is that all the same class of soil ?—Rangipo is a shade better than either Hautu or Kaingaroa.

11. That is to say that the cost of producing grass would be much greater on Kaingaroa than at Rangipo ?—Not at Hautu but at Kaingaroa it would. Rangipo land is better than Kaingaroa land. Rangipo is an old totara bush, but Hautu is not; Hautu is pumice country.

12. Now, would you compare the Rangipo land with the Waiotapu country and the Taupo country, where the Taupo–Rotorua Railway is to run ?—No.

13. *Mr. Samuel*] Is Rangipo the place where you are managing ?—No, my brother is managing that.

14. *Mr. Makitanara*] Does not Rangipo come into the prison camp farm ?—Yes, but my brother in in charge of it.

15. Do you say that the Taupo country, on the other side of Waiotapu has the same class of soil as Hautu ?—The fern country there is; yes.

16. You say that most of the country is the same ?—Yes, it is of a similar nature.

17. And would you say that it would produce as much as Hautu if worked on the same principle as Hautu ?—Yes.

18. Now, in your evidence you have stated that as far as the railway is concerned, it does not affect you at all ?—No.

19. The better outlet for you would be towards Waimarino Station ?—Yes, I think so; but I have not concerned myself about the railway at all.

20. *Mr. Kyle.*] You are not here to give evidence about the railway, are you ?—I do not know anything about the railway.

21. You have had fifteen years' experience of the pumice country ?—Yes.

22. Were you in the Government service at that time ?—Yes.

23. And you have been developing undeveloped land during the whole of those fifteen years ?—Yes, my first association with the pumice country was that time ago, when the Government was going into it. They gave me 400 acres to experiment with in my spare time.

24. What conclusion did you come to, when you were experimenting with this land ?—I came to the conclusion that all that was needed in the pumice country was humus.

25. What humus did you put into it ?—Growing clover.

26. And ploughing it in ?—Yes.

27. Have you had any other farming experience besides working in that country ?—I have done farming at Pukekohe and on the Hauraki Plains. I was farming there when I came to this job.

28. What area from Rotorua to Taupo—the proposed route of the railway—do you think could be developed similarly to the development you have given to the land at Hautu—if it is similar country ?—Say, three parts of it—three-quarters of it.

29. As regards the breaking-in of this country from the £ s. d. point of view, what process did you adopt in breaking it in to the condition in which you have your land at Hautu ?—We grubbed out the manuka and cut out the fern, and pegged the farm off, and ploughed it no deeper than 3 in.—as shallow as possible. Then we thoroughly ploughed it with a double-furrow plough, and harrowed it, and sowed it down in temporary pasture.

30. In clover ?—Clover and rye-grass, and then rye-grass and turnips.

31. How long did that temporary pasture last you ?—Over four years; and then it was ploughed in.

32. To bring it up to that condition in four years, do you reckon it was a payable proposition ? You say you have only done the costing mentally ?—I am not a bookkeeper; I have not gone into the interest and other charges.

33. This area which you have got into that condition by working it—would it be suitable for the class of work that the Government perhaps might do by means of group settlement ?—Well, I should say that if it cost £15 per acre to bring it in, it is a profitable proposition.

34. Having brought it into that condition for £15 per acre would you think it profitable ?—I base my estimate on two wet sheep to the acre.

35. How long has that land been carrying that ?—I tried that for two years with no top-dressing, with 2 cwt. of superphosphate to the acre when it was put in, and no top-dressing.

36. You heard the number of sheep estimated by the Railway Department to be carried over this line—8,500—and knowing the country as you do, and what you have been able to do on the prison farm, carrying two wet sheep to the acre, do you think that is a very small or a large number that would be carried to the freezing-works or Westfield market from that area ?—Well, I reckon on putting off one thousand lambs by rail this year.

37. Off how many acres ?—About 1,200 acres.

38. Practically speaking, if this country were developed within the same time as you have taken to develop your country, it would take off practically a lamb to the acre ?—Yes, about that.

39. So that if you have 3,000,000 acres you would be able to take off between 2,500,000 and 3,000,000 lambs—instead of 8,500 ?—Yes.

40. Which is your market ?—Westfield.

41. How do you get them there ?—By motor-truck to National Park, and thence by rail.

42. How far is it from your farm to National Park ?—Forty-two miles.

43. If this Taupo Railway went through, how many miles would you have to send your stock from your farm to the terminus of the railway ?—To Taupo—thirty-two miles.

44. Ten miles shorter than at present, and therefore that would be your natural outlet ?—I would not say that; they would be longer on the truck than by way of Waimarino.

45. Why would it be longer than by any other route ?—Well, by way of National Park I presume it would be shorter. At National Park they are trucked at 2.30 p.m., and they would be in time for the sale in Auckland the next morning.

46. If you had a train service from Taupo to Rotorua would you get them there just as quickly ?—I do not know about that—I have not the necessary knowledge to answer that question definitely.

47. Upon your reckoning upon the average work done by the prisoners in your camp farm, do you think that the unemployed, if they were employed on the undevloped pumice land there, would do as much work as the prisoners ?—I could not say because I have not been acquainted with the unemployed. Our work has been done under discipline. In the prison camp our policy is simply to keep moving.

48. How many hours a day do they work ?—Eight hours a day from the time they leave camp till they return.

49. In regard to this 400 acres that was given to you to work, was it pleasant work for the men to do, or did they feel they were " up against it " ?—When a man first starts that sort of work he gets tired, but afterwards he is all right, and finds no difficulty with it.

50. What did you have to work the land ?—A three-horse team and a single-furrow plough.

51. And, roughly speaking, you consider that it cost £15 an acre to break it in ?—It would be profitable at £15 an acre.

52. Does that include fencing ?—Yes, everything.

53. And do you think that country lends itself to cattle or sheep ?—I have found it will carry both. I have taken off it bullocks which brought £18 10s. and lambs which weighed 66 lb.

54. Now, let us take on the one hand this land which you say could be brought into a state of productivity for £15 an acre and, say, Pukekohe land of the same producing-value : what would be the value of the Pukekohe land ?—£70 an acre, I would say—the same land in Pukekohe with the same access to it.

55. And £15 an acre spent on this Hautu land would make it equal to Pukekohe land now valued at £70 an acre ?—Yes, from a producing point of view.

56. So that you say that one acre of developed land in the pumice territory is equal to one acre of Pukekohe country at the present tine ?—Yes, I think so. I have just come from Pukekohe now, and the grass at Pukekohe is no better than our grass at Hautu.

57. Is the grass inclined to run out ?—That is a thing we have not yet had time to find out.

58. How long have you been there ?—Seven years.

59. And you use fertilizer every year ?—Every two years.

60. How does it respond to top-dressing ?—Exceedingly well ; only one bag to the acre is needed.

61. We have heard a great deal about the climatic conditions there, that they experience intense frost : has that been your experience ?—No, not intense frost. You get five months in the year of winter, but the frosts are not as heavy as in some other parts of New Zealand.

62. Do you know Canterbury ?—Yes, Dumgree I know ; it is no worse than that.

63. How many months do you have the grass growing ?—Seven months in the year.

64. In regard to that country of which the Government asked you to take up 400 acres, would you be inclined to take up that class of country and develop it if it were given to you free ?—I would rather get it in the developed state and pay the £15 an acre.

65. Why ?—Then you would get something off it straight away.

66. But with the assistance of the Government to work it up to that £15-an-acre stage of development there is no reason why other men should not go on the land there ?—The right class of man.

67. What sort of man ?—The man who is not afraid of hard work.

68. You think a man would be able to make a home quite comfortably for his wife and family ?—Yes.

69. *Mr. Semple.*] You went on to this prison farm with how many men ?—Four men.

70. Was the bush then in its native state ?—Absolutely.

71. And you built a camp there ?—We built a shack.

72. And you started with four men ?—Yes.

73. In the wilderness ?—Yes.

74. And you had not had much experience of pumice land ?—I had experimented on it at Waiotapu and Kaingaroa.

75. That would be just patchy experience ?—Yes.

76. How long have you been there now ?—This is the seventh year.

77. What is the maximum number of men you have had there with you ?—I could not say offhand, but about thirty.

78. You have not had more than thirty ?—That is so.

79. And you have developed your farm with from four to thirty ?—Yes.

80. How many acres have you brought into cultivation ?—Up till last year there was about 1,260 acres in grass.

81. How many sheep are you running there now ?—one thousand wet ewes.

82. And how many cattle ?—Five hundred head of cows for runner calves.

83. How do your cattle and sheep compare with those taken off other lands ?—They are better than what I have seen on the main line.

84. Have you entered them for any shows ?—No.

85. How do they compare for prices with others ?—We have got record prices for our lambs.

86. The highest price ?—Yes, the highest price—that was last year.

87. That is the result of seven years' farming ?—Yes.

88. You said you would prefer to take up developed land as a going concern rather than develop it yourself ; you say that because you would get a speedy return ?—Yes, a quicker return.

89. After your seven years' experience with prison labour on pumice land, what system would you suggest to the Government as the best for working this land ?—My answer would be that it should be developed by organized labour.

90. On a large scale ?—Yes.

91. With modern tractors and so on ?—Yes, modern farming.

92. You are of the opinion that if the Government undertook to break in 10,000 acres of this land right away, you would suggest that they should do it on a community basis ?—Yes.

93. Or mass action ?—Yes, like the prison authorities are doing now.

94. Only on a larger scale ?—Yes.

95. And you are convinced, after your seven years' experience of pumice land, that failure will be impossible ?—There could not be failure there if you had the right men.

96. And when that 10,000 acres was put in order, what would you suggest then ?—That it be divided up into farms, on the same principle as the Prisons Department is following now.

97. Do you think it would be wise to pick out some of the best men we have in the country, and give them the preference to put that country in order ?—Men who were keen and who had had experience would be better than inexperienced men, certainly.

98. Do you think that the men would learn something during the process of breaking it in ?—Yes, just like my prisoners. Some of them who come there have never seen a plough or handled a horse, yet they learn the job in twelve months.

99. If men were selected for that purpose it would give the officer in charge the opportunity to pick out the men most suitable for settlement on that land ?—Yes, that is my idea.

The Chairman: I would point out that we are getting away from the question of the construction of the railway.

100. *Mr. Semple.*] Yes, but I want to find out just what it is possible to do with that land. This witness has stated that he is not concerned with the railway, and I have had in mind the idea of getting from him some real practical evidence regarding his own personal experience upon this land. I am not worrying about the railway at the moment. I want to find out what this land can do. If we find out what the land can produce we can then discuss the possibilities of the railway. Do you think, Mr. Banks, that under supervision and with organization—under a practical man who knows this land and how to bring it into cultivation—this land is capable of producing ?—Yes.

101. How many acres, would you suggest, would return a man and his family a livelihood ?—I would say, 300 acres. My experience is that a man wants to employ labour to assist him. With one man on a farm by himself he would be killed because he has no assistance. That was the cause of my brother's death—he has just died. A man must employ labour to assist him.

102. You think that a farmer would have a better chance of success if the area was big enough for him to employ labour on it ?—Yes, just the same as your men in business do to-day; they employ labour, and the same thing applies on a farm. A man wants assistance.

103. And that would be a good thing for the nation ?—Yes, more would be employed then.

104. Are you familiar with all the area of pumice land in your district ?—Yes, I have been practically all over it.

105. Is there water in most parts ?—A fair amount of water; it can be got by boring.

106. You think that water can be got by boring ?—Yes, it can be procured by boring.

107. Do you think that that land will lend itself to irrigation ?—I do not think there is any need for irrigation there; I think you will get water there without irrigation.

108. By boring ?—Yes.

109. Apart from grazing, does the land produce other stuff ?—We are growing good crops of potatoes and other things. It is very good for growing root crops.

110. And fruit ?—Yes, it is producing good fruits.

111. What about strawberries ?—Yes, they do exceedingly well there.

112. Is it not a fact that you give your prisoners strawberry-pie ?—That is true; they have had strawberries there.

113. Have you kept any account of the cost per acre of breaking in this ground ?—Only privately; the Head Office keeps all the records.

114. What is the cost ?—Between £14 and £15 per acre.

115. That is what it cost the Prisons Department ?—Yes.

116. Well, now, if the system was extended on the lines you suggest, by using modern implements, and by selecting the best type of men available, do you think that that cost could be reduced ?—Yes, it is being reduced now, with the prisoners. The capital cost is being reduced the more land you bring in.

117. And do you think it could be reduced if the breaking-in process were extended and worked on a larger scale—with well organized labour and with modern implements ?—Yes, with picked men you could do it cheaper than with prison labour.

118. You said that the success of the development of this land depended upon access ?—Yes.

119. In other words, the speediest way possible to get the stock off the land to the market, and to get fertilizers on to the land—you think that would reduce the cost ?—Yes, that is so.

120. Then, if this pumice country lends itself to land-settlement along the lines you have suggested, it would be necessary ultimately to give access to it by rail ?—Yes.

121. That would naturally follow ?—Yes.

122. What is your opinion about this sickness amongst stock: do you think that cultivation and closer settlement would minimize if not wipe out the trouble ?—That I could not say. I know that is the stumbling-block. As far as I am concerned, I am not worried about sickness in stock.

123. Have you any of it ?—No, none whatever.
124. Have you seen it ?—Yes, I have seen it.
125. Did you ever give any serious consideration to the cause of the stock-sickness ?—No.
126. Do you think that closer settlement would dispose of that trouble—that and enriched soil ?—I do not know.
127. You do not know anything about it ?—No.
128. You say this land responds to fertilizers very well ?—Yes.
129. And real successful handling of the land, and settlement there, depends upon the settlers' ability to get cheap fertilizers. If the settlers could get as much fertilizers as are required, you are quite confident there would be no chance of failure ?—That is so.
130. You would not be afraid of taking up a farm there yourself ?—No.
131. Supposing the Government said to you, " Here are 10,000 acres, and we will allow you to pick your men "—would you take it on ?—Yes.
132. Would you take your coat off and get into it, with the certainty that you would win out ?—Yes.
133. *Mr. Massey.*] As a man who has had the privilege of taking up some of this land, would you prefer to take a man with practical experience or a man who had only been looking around this land ?—A man with practical experience, of course.
134. You also said that about 75 per cent. of the land could be economically worked ?—Yes, from what I have seen of it.
135. How does Hautu Prison Farm land compare with the average land between Rotorua and Taupo ?—It is of a similar nature. There are good patches and bad patches even on Hautu, as there are everywhere. There are flats at Hautu with no soil, but when clover has been sown there you will get 3 in. of soil.
136. If you had reduced rates and charges, would you put on more fertilizer than you are using at the present time ?—I would try them out. The secret of fertilizing on pumice country is " little and often "—not like Pukekohe.
137. How many years ago were you living at Pukekohe ?—About sixteen years ago.
138. Have you noticed any alteration there since then ?—Yes.
139. What do you consider that is due to ?—Top-dressing.
140. And if you had decent transport facilities and reduced charges, would you possibly be able to make the same changes in the pumice area as have been made at Pukekohe ?—Yes.
141. You say that, as a practical man ?—Yes.
142. You mentioned live-stock that you have sold off the prison farm ?—Yes.
143. How many fat lambs did you sell last year ?—About four hundred or five hundred ; I could not give you the exact number—perhaps a few more.
144. Did you sell five hundred at auction ?—Yes.
145. What were your top prices ?—£2 2s.
146. You are quite sure about that ?—Positive.
147. I will bring along the *Farmer*, because I think the price was £2 4s. 6d., I was there the day they were sold. Have you any idea of the difference between the price realized for ordinary lambs that day and the price realized for your lambs ?—The highest price realized among the others was £1 8s., against our price of £2 2s.
148. And those lambs of yours were bought by whom ?—By the Auckland Meat Co. I understand that the last lot was sent Home to Smithfield Market.
149. But the Auckland Meat Co. bought the lot to which I refer. What was the weight of those lambs ?—66 lb.
150. And you also sold fat bullocks that day ?—Yes.
151. How did your price compare with others sold that day ?—About the same. I am not positive whether we topped the market, but we were not very far off it.
152. You are quite confident that practically the whole area can be economically farmed ?—I am certain of it.
153. You are also certain that the railway would assist greatly in the development of that area ?—Yes, with cheaper fertilizers, that is the main point—reduced costs.
154. You are also of the opinion that you can get water in that area by boring ?—Yes.
155. What area are you referring to ?—The area between Rotorua and Taupo. Hautu, of course, is well watered.
156. *Mr. Samuel.*] What is the nature of the Hautu country ?—Pumice.
157. Similar to the general run of the Taupo country ?—Yes.
158. The same belt goes right across ?—Yes.
159. And you have made it into really good farming-land ?—Yes, that is so.
160. And if an official of the Lands and Survey Department were to say that the Taupo country could not be brought into profitable production, would you say his opinion is wrong ?—He has only to see our Hautu country to know that he was wrong.
161. And it is all the same class of country ?—Yes.
162. And what you can do other people can do ?—Yes.
163. You say that this country can be brought in for £15 per acre ?—Yes.
164. That is, under prison-farm conditions ?—Yes.
165. And you say further that as you progress the cost of bringing it in will become cheaper ?—Yes, one helps the other.
166. Therefore, if a big settlement scheme were encouraged, they could all help one another and costs would be reduced ?—Yes, the community system would bring down the cost.

167. This country—which costs, as a maximum, £15 per acre to bring in—is comparable with Pukekohe country worth £70 per acre ?—Yes.

168. That is your opinion as an expert on that country ?—Yes.

169. There is then only one other question—that is, the country can be developed ?—It can be developed.

170. Then it is a question as to the method of development to be used ?—Yes, that is so.

171. And on the railway must depend development ?—Yes, because it would give access to the country.

172. Seeing that that country is like the Hautu land, the railway going into it would make for its development ?—Yes; if Hautu was on the main line it would not be virgin country.

173. *Mr. Lye.*] Do you consider that you have a very wide knowledge of the Rotorua-Taupo lands ?—I have been all over them—pig-hunting, and looking all over it, tree-planting.

174. Is it right to say that, substantially, there are three qualities of land there ?—Yes.

175. With regard to water on the Taupo lands—not at Taupo, but at Waiotapu—do you know of areas up there comprising 10,000 and 20,000 acres with no running water on them ?—There may be. I have not taken much notice, but water can be got anywhere on the plain. They bored for it at Kaingaroa Plains and got it.

176. In large quantities ?—In fairly large quantities.

177. Do you think that in any area of pumice land, say up to 200 acres, water could be got by boring to feed stock ?—Yes, I think so.

178. Do you think that that would be beyond doubt ?—No, I would not say it would be beyond doubt.

179. Have you any idea of the depth it would be got at ?—Say 200 ft. to 300 ft.

180. You say that the cost of breaking in this land by the Prisons Department was approximately £15 per acre ?—Yes.

181. Do you think that a private individual could break it in for that money, paying for labour and the cost of doing the work ?—No, I would not.

182. Would it be correct to say that the cost would be anything up to £20 or £23 per acre to bring it in ?—They would be able to do it for £15, but the trouble would be that it would take a long time.

183. You do not think a private individual would be able to bring it in for £15 per acre—as cheaply as the prison farm land has been broken in ?—No.

184. Do you think it reasonable to suppose that the unemployed would make suitable settlers for the breaking-in of this land ?—I do not know what the average unemployed man is like.

185. The average man that might be got from the city, and was physically fit and had ambition ?—If he is physically fit and has ambition he would be able to do it.

186. About cattle-sickness: would it be correct to say that most of that land is subject to cattle-sickness ?—That I could not say; probably there are cattle-sick districts.

187. You have seen evidences of it ?—Yes.

188. Over widespread areas ?—No, only some places.

189. Would you describe this land, apart from the system of group settlement, as suitable land for settlement for men with limited means ?—No, not for a man to take up by himself.

190. You think that for breaking in that country it should be done under a group-settlement scheme, where the State finds the implements and the cash to bring it into a state of productivity ?—Yes.

191. You think that less than 300 acres would be too small a farm when it had been broken in ?—Yes, too small.

192. Under present conditions you think that good roads in the meantime would serve the purpose of development and the bringing-in of this land ?—Well, it all depends upon what you mean by "good roads"—do you mean concrete or bitumen roads ?

193. I mean a road that would carry a 3-ton load on a motor-lorry ?—With a concrete road I should say it would be all right, but this pumice will not carry heavy traffic.

194. *Mr. Makitanara.*] Are you not farming on the Waiotaka Flats, on the side of the road there ?—My farm extends to the Waiotaka River down to the Tongariro Bridge, and from there two miles up the road to the fish-hatchery, and in a straight line from Maungamapitipiti River. That is all green pasture to-day.

195. And you are on the Waiotaka Flats ?—Yes.

196. Does not that Waiotaka Stream have an influence upon your pastures ?—None whatever.

197. Are you aware what the Government paid per acre for that land ?—They paid over £1 an acre for it. Are you aware that they cannot get 5s. an acre for the Native land there ?—I do not know—but how much did they get for that land over near the fish-hatchery ?

198. *Mr. Semple.*] Mr. Banks, you stated that in your opinion it would be wise to put the land in order and to hand it over to settlers as a going concern. At what point of development do you think that a man should go on to that land ?—When the land was clean and laid down in pasture.

199. *Mr. Samuel.*] Arising out of the cross-examination by Mr. Makitanara, in reply to his question you said, I think, that pure pumice land has been turned into excellent pasture ?—Yes, into good pasture.

200. *The Chairman.*] Have you ever farmed any of the land between Rotorua and Taupo ?—For myself, do you mean, sir ? I have farmed 400 acres at Kaingaroa.

201. How far would that be from the railway ?—About twelve miles.

202. East or west ?—East—or south.

203. Have you ever bored for water in that area ?—They did bore in the Kaingaroa area.

204. Do you know for certain that you can get water on any 300 acres there ?—No, not for certain.

205. You told us that you trucked your stock from your farm for forty miles ?—Yes, by motor-truck.

206. You also said that you got top price for your lamb—42s.—and you equalled the best bullocks on the market: at what market was that ?—Westfield.

207. Then would you tell the Committee how much your stock was knocked about by that trucking—was it deteriorated at all ?—No.

208. It landed there in excellent condition ?—In excellent condition.

209. And you do not think that that forty miles of trucking was a very serious detriment to the stock ?—No.

210. You told us that you did not know the cost of working the prison farm ?—That is so.

211. You do not know anything about that ?—No.

212. That is all done at headquarters ?—Yes.

213. You only surmised what it would cost to break in the land ?—Yes, but I could make a mental estimate of it.

214. You have no concrete figures for it ?—No.

215. But you told the Committee that if the land were brought into permanent pasture for £15 per acre it would be profitable ?—Yes.

216. You do not say definitely that it could be brought in for £15 per acre ?—I am practically certain that it could be brought in for that figure.

217. But you have no evidence to prove that ?—No, that would have to come from my Department.

218. But that is your opinion ?—Yes.

219. You told us that you consider that this country which you are working at present is similar to the Taupo lands ?—Yes.

220. Does that mean that it is neither better nor inferior ?—From my observation in looking over it, when I first went into the Hautu country I thought it was exactly the same as the land off the Waiotapu Road.

221. Did you intend to include in the £15 per acre the cost of outgoings and interest on outgoings during the number of years it would take to bring the land into permanent pasture ?—That would cover the whole cost of putting it into pasture.

222. Could you tell the Committee how many years it would take ? We have had figures from the Agricultural Department showing that it would take from six to twelve years to bring it into permanent pasture ?—I reckon it takes about four years—I have seen it done in that time; I have done it myself.

223. Have you been there long enough to know when it is in permanent pasture ?—Yes, there is one paddock there in permanent pasture.

224. I understood you were not certain ?—No.

225. *Mr. Massey.*] You have stated that the lambs you sent to market carried well on the truck: how did you take your cattle ?—We drove them for three days.

226. You know that as a rule farmers have trouble with tired cattle ?—Yes, but we put feed into the accommodation-paddocks on the way.

227. Did you put your stock direct on to the rail from the farm ?—Yes, direct on to the rail.

228. Those were your cattle that had been on the road for three days ?—Yes. But if the railway was there we would certainly put them on to it.

229. You would have less risk then if they were going down in the truck ?—Yes.

230. *Mr. Semple.*] It has been stated that it would take twelve years to bring this land into permanent pasture: I want to know whether you think that is an absurd statement to make ?—I do.

231. In view of your experience you say that it is an absurd statement that it would take twelve years to bring this land into permanent pasture ?—Yes, I do.

232. *Mr. Vaile.*] The distance from National Park Station to Auckland is 206 miles, and the distance from Taupo to Auckland if this line were constructed would be 200 miles: which line would you sooner send your cattle by ?—By the shortest route.

233. Do you think the water service across the lake would benefit you ?—No, you would walk them round it.

234. Can you tell us the cost of trucking cattle to those railways ?—No.

235. Have you any idea how they could compare ?—No.

236. On the road over which you drove your bullocks is there much motor traffic ?—Only at a certain portion of the year.

237. It would not be equal to the traffic on the Rotorua–Taupo Road ?—No.

238. You brought that country in by growing clover; what do you think about using lupins ?—We have tried lupins.

239. Did you find the soil was better ?—Yes.

240. As to the time for bringing in this land, Mr. H. M. Martin, Mr. Parsons, and I have given evidence that this country can be brought in in three years: you think that is rather short ?—Yes, I think that four years would be the time it would take.

241. If you put in your grass, as is done in the Waikato, with from 5 cwt. to 10 cwt. you would get immediate results ?—Yes.

242. Do you think the effect of top-dressing would be to extend the growing-period of your seed season ?—I have not tried that. I am speaking as to facts and in regard to what I have actually tried out.

243. Do you know the rainfall there ?—We keep records, which can be furnished.

244. Have you any idea of what the rainfall actually is ?—No.

245. At Kaingaroa it is 47 in.: with a rainfall like that do you think there is any necessity for irrigation ?—No, there is no necessity for irrigation for the simple reason that the one redeeming point about pumice country is that there is no dry grass there in the summer. Even in the big drought two years ago there was not a blade of dry grass in the pumice area.

246. It looks greener and better than the Waikato ?—Yes.

247. If a railway were there the community would naturally follow it: do you consider it would improve the facilities for working the country to have a community use of machinery, so that the settlers could hire the clover-threshing machinery, the chaff-cutting plant, and so on ?—Yes, I think it would.

248. Do you consider it would be an advantage if they avoided the system under which each settler owned a separate plant ?—Yes.

DISCUSSION.

Mr. Vaile: I went home to Broadlands in the week-end and met several people there who wished me to place their view before the Committee. In particular Mr. Parsons, who feels extremely hurt about the evidence given here regarding his private affairs, has sent me a letter which he has requested me to read to the Committee.

The Chairman: You had better just hand in the letter. We cannot have letters as evidence.

Mr. Samuel: Is this letter bearing on Mr. Parson's evidence ?

Mr. Vaile: Yes, on what Mr. Galvin said about him.

The Chairman: It is not a matter to consider as evidence.

Mr. Samuel: Is it a long letter ?

Mr. Vaile: No, it is quite short.

Mr. Samuel: There is no harm in hearing it read.

Mr. Lye: Is it comment on other evidence ?

Mr. Vaile: It is to rebut certain evidence.

The Chairman: I do not think we can take that.

Mr. Kyle: I think the evidence of the witness we heard the other day certainly brought Mr. Parson's name prominently before us.

The Chairman: He will not be here to be cross-examined.

Mr. Kyle: No, but perhaps the previous evidence has been reported in the newspapers.

Mr. Samuel: There need not be any comment. It is only a matter of putting it on record. It is only to be read, and Mr. Parsons should have the opportunity of putting that evidence forward.

The Chairman: If it is reflecting on the evidence of any one else I do not think it should be given. Mr. Parsons could come here, and we could cross-examine him. I do not see any objection to the letter being handed in for the benefit of the Committee. I would be quite willing that it should be put in solely for the information of the Committee, but it cannot be admitted as evidence. The Committee could take it into consideration when coming to its decision, if it were so handed in.

Mr. Vaile: Mr. Parson's object is this——

The Chairman: We cannot let him state his objection that way.

Mr. Vaile: He is not a rich man, and cannot come down to Wellington to make the statement.

The Chairman: I cannot help that.

Mr. Vaile: He wishes to put himself right.

The Chairman: I cannot help that.

Mr. Vaile: In regard to myself, am I at liberty to give rebuttal evidence in regard to what Mr. Galvin said about me ?

The Chairman: You have cross-examined him and have given your own evidence. I can see no objection to your giving a general statement summing up.

Mr. Vaile: And you would not object to my making statements then on the ground that I am producing fresh evidence ?

The Chairman: I shall. You cannot bring fresh evidence in summing up.

Mr. Vaile: What opportunity have I ?

The Chairman: You have had it. In order to give you every possible chance I am willing, and I think the Committee will agree with me, that you be recalled, if you have any fresh evidence to give. That is fair enough.

Mr. Samuel: That is only fair.

Mr. Makitanara: I do not know about it being only fair.

The Chairman: I wish to be very fair, and give every opportunity to Mr. Vaile. With the approval of the Committee, I am quite willing, if Mr. Vaile has any additional evidence, that he should be recalled.

Mr. Samuel: I think if Mr. Parsons wishes to make a statement in rebuttal of evidence given in his absence he should have an opportunity of doing so. If it is simply a matter of placing it on evidence, there need not be comment; the letter should certainly be put in.

The Chairman: It gives one side only, and there is no opportunity to cross-examine Mr. Parsons on his evidence.

Mr. Samuel: He has no opportunity of cross-examining the witness who referred to his affairs.

The Chairman: There was every opportunity.

Mr. Kyle: He was away when the man gave the evidence.

The Chairman: It may be necessary to defer the matter and consult Mr. Speaker.

Mr. Samuel: It is not a question for Mr. Speaker; he is not conducting the proceedings of this Committee. The matter is one for the Committee.

The Chairman: It is true that Mr. Speaker is not conducting the Committee, but on points of this nature it may be necessary to have his opinion.

Mr. Samuel: We are here for the purpose of bringing out all the evidence.

The Chairman: I have given a ruling as Chairman that the evidence is inadmissible.

Mr. Samuel: You have not heard the evidence.

The Chairman: I have asked the nature of it.

Mr. Samuel: You have not heard the evidence: how can you give a ruling that it is inadmissible?

The Chairman: In the same way as Mr. Speaker asks the nature of a question before he gives a ruling, and then from the nature of the question he gives his decision, so have I, from the nature of this evidence, decided that it is a reflection on other evidence and is not admissable as evidence.

Mr. Vaile: There is no reflection; it is evidence in rebuttal.

The Chairman: It is in rebuttal of other evidence, and the witness is not here, and the latter cannot be cross-examined.

Mr. Lye: I think that there has been too much latitude allowed. A witness gives evidence and every member of the Committee is allowed to cross-examine him.

The Chairman: Is this a point of order?

Mr. Lye: Yes. Too much latitude has been given. The witness has tendered his evidence. Every member of the Committee has had an opportunity of cross-examining the witnesses, and so also has Mr. Vaile. They should be satisfied with that, but repeatedly members of the Committee have asked leave to further cross-examine witnesses. Where are we going to end? If a statement made some days ago by one witness is to be contradicted where are we going to end? The opportunity is past, and after a questioner has cross-examined a witness, if he finds he has omitted to ask certain questions he ought just to be content. We shall never finish this inquiry if this kind of thing is going to happen continually. We shall have evidence in rebuttal, then further evidence, and so on. Mr. Parsons is not here in person, and I think it would be quite improper to do anything else but accept the letter for the purpose of considering it when we are deliberating.

The Chairman: I think we are agreed on that. I cannot alter my decision.

Mr. Samuel: Speaking to the point of order, I am of opinion that as Mr. Parsons was not here when certain other witnesses were giving their evidence, and that as he read that evidence in the newspapers, he is at liberty to repudiate any statement which he considers to be of an unfair nature. As this letter has been sent in, I am going to move that it be read to the Committee. The Committee can then decide whether it shall be taken. There may be nothing in it. Personally, I do not know what is in the letter, but we are here to elicit all the evidence we can, either for or against. This letter may be the one way or the other, but there cannot be any harm in it. You have allowed examination, cross-examination, and re-examination, and I contend that Mr. Parsons has every right to put in any statement which he considers has a bearing on the evidence he has given.

The Chairman: Your motion is tantamount to disagreement with the ruling of the Chair.

Mr. Samuel: If you rule out any evidence I shall certainly disagree with that. I move that the Committee hear the letter from Mr. Parsons, and then we can consider if there is anything in it that the Committee thinks should not be put in as evidence. Then I am quite in accord that it should be considered on its merits.

The Chairman: Then it goes in whether we agree or not; the damage is done then.

Mr. Samuel: There is no damage.

The Chairman: We do not know.

Mr. Samuel: This man has been damaged in his standing. You finish with him, and inform him that you are finished with him. Then some one makes statements which are contrary to fact, and you do not give him an opportunity to contradict these statements.

The Chairman: We have not told him that we were finished with him. The Committee never called him or any others called by Mr. Vaile. I did not tell him that we were finished with him. That was for him to say. He has assumed that himself.

Mr. Samuel: The fact that he was allowed to be heard is tantamount to his being called by the Committee.

Mr. Kyle: A Field Inspector from the Lands and Survey Department came here as a witness, and I certainly took exception at the time to the matter he brought into his evidence. He was not asked for the financial position of Mr. Parsons or even for the transactions of Mr. Vaile. When he was asked who sent him here he could not tell until you, Mr. Chairman, suggested to him who it was.

The Chairman: I did not do anything of the kind. He said that his Department and the Commissioner sent him.

Mr. Kyle: He could not answer, at all events, satisfactorily to me. He quibbled, and badly quibbled.

The Chairman: I do not think it is fair to say behind a witness's back that he quibbled.

Mr. Kyle: I would say it to his face.

The Chairman: He is not here.

Mr. Kyle: No, just as Mr. Parsons is not here. Mr. Parsons should be given an opportunity to rebut the evidence. I take it that Mr. Parsons's letter should be read.

Mr. Semple: I can see no reason for refusing to allow the letter to be read. Surely if a witness has been misrepresented in his absence and desire the Committee to listen to a statement from him regarding the alleged misrepresentation, there is nothing wrong in the Committee listening to him. If there is nothing in the letter we can drop it, but in all fairness I submit if a witness has been mis-

represented in his absence and he seeks redress, the Committee should give it to him. Personally, I do not see any objection. I am not opposed to you personally, Mr. Chairman, in your ruling. I know that you desire to expedite matters, and I think it is proper that you should do so, otherwise we shall go on for ever, like the brook. It would not be fair to refuse Mr. Parsons an opportunity to put his point of view, seeing his name was mentioned in his absence and certain statements were made reflecting on his financial standing. At the time I personally thought the witness went out of his way to refer to Mr. Parsons's financial position, because no one wanted to know anything about that. All we were anxious to find out was whether Mr. Parsons had gone there under great difficulties. I think the witness had no right to say anything whatever about Mr. Parsons's financial position. Probably Mr. Parsons feels the matter pretty severely. He is a fine type of pioneer. I do not think we should refuse him an opportunity of making a statement, and I think you would be well advised to allow the letter to be read.

The Chairman: The Committee can reverse my ruling, but I still adhere to it, with all due respect to what has been said. The other witnesses will desire to put in a letter in reply, and we shall go on *ad infinitum*. It is not right and proper that the letter should be read, and I am opposed to it and rule it inadmissible.

Mr. Semple: You could have avoided this if you had stopped the witness from interfering with people's private affairs.

The Chairman: I could not do it as he was within his rights.

Mr. Makitanara: We shall be here indefinitely.

Mr. Samuel: The letter will take one minute to read, and we have been discussing this matter for a quarter of an hour.

Mr. Jenkins: If we have not read letters previously I do not think we should do so now, because we have no opportunity of cross-examining the witness. I would raise no objection to the witness being recalled, but then we should have a right to cross-examine him, which we have not if the letter were read.

The Chairman: That is the whole point. Do you wish the motion proceeded with?

On the motion being put, the Committee divided, as follows: *For*—Mr. Samuel, Mr. Masesy, Mr. Kyle, Mr. Semple; *Against*—Mr. Makitanara, Mr. Jenkins, Mr. Lye, Colonel McDonald (Chairman).

The Chairman: I feel myself in duty bound to give my casting vote against the motion.

Mr. Vaile: If Mr. Parsons should think it worth his while to come here will he be heard?

The Chairman: I personally am quite willing that he should be heard.

Mr. Vaile: You will recall me in regard to the evidence given by Mr. Galvin about my affairs?

The Chairman: You will be heard if you wish to give further evidence. I think the Committee agrees that you should be heard in that case.

CHARLES HERBERT NEWSON examined. (No. 19.)

1. *The Chairman.*] You are a Stock Inspector at Rotorua?—Yes.

2. You are an officer in one of the Departments?—Yes, I am in the Department of Agriculture.

3. You have some evidence to tender?—No, I have not. I would rather be questioned. I have not been in the district long enough to state what I would like to say, although I have made personal observations of the different parts of the district. I know the district fairly well. In regard to Te Hautu, I have only been on the boundary of that block, which the previous witness mentioned.

4. Have you any evidence in regard to the Rotorua–Taupo Railway?—If you question me I shall do my best to answer.

5. *Mr. Jenkins.*] In your opening remarks you mentioned something about what you "would like to say." Why do you not say what you wish to say? Apparently you wish to say something but for some reason you hesitate?—In the first place, to my mind, the railway is in the wrong place.

6. That is the proposed railway?—Yes.

7. Why should you not state that if you think that to be the case? At all events, thank you for your reply?—I honestly think that the railway is going into the wrong place.

8. Where do you think it should go?—From Waiotapu to Taupo it is in the wrong place.

9. Do you think that a railway is needed there now, or, say, within ten years?—Yes, I do.

10. For the benefit of farming or timber?—Farming, certainly. We have already heard that the timber is going the other way to Te Teko, which is quite right.

11. Rangitaiki Valley?—Yes. I cannot see the timber coming out Rotorua way. They have a natural fall from the Kaingaroa Plains to Te Teko.

12. *Mr. Makitanara.*] You say that that would be the outlet?—Yes.

13. That would be the natural outlet for the timber in that locality?—Yes, for timber at Waiotapu, but not in the Whakarewarewa end of the district.

14. Do you know much about the soil?—Yes.

15. Do you know much about the soil on the route of the railway?—Yes.

16. What is the nature of it?—Pumice soil.

17. Can you give any idea of what it would cost to make it a payable proposition?—No, except from the statements I have heard from others in the district. I have heard Mr. Parsons and one or two others say what it would cost to bring in the country, and that is all I have to go on.

18. *The Chairman.*] You have no personal knowledge on the subject?—No, not of that class of country.

19. *Mr. Kyle.*] You say that you only know the district fairly well: how long have you been there?—Eighteen months.

20. What are your duties ?—I am Stock Inspector, Rabbit Inspector, Weed Inspector, Dairy Inspector, and Slaughterhouse Inspector.

21. You have nothing to do with the land itself ?—No, I have nothing to do with the land itself.

22. Where are you stationed ?—I am stationed at Rotorua.

23. How far does your district extend ?—To within thirty miles of Napier.

24. *Mr. Samuel.*] Down to Mohaka ?—Yes.

25. *Mr. Kyle.*] Does it take in all the area down to South Taupo ?—Yes.

26. You say that the railway is in the wrong place ?—Yes, from Waiotapu—that is on the eastern side of the Waikato River.

27. If the whole of this territory were opened up and developed from an agricultural point of view, would the railway still be in a wrong place ?—Yes, I think so—not from a timber point of view, but from an agricultural point of view.

28. Where do you suggest is the right place ?—I think it should cross from Waimahana and through to Taupo from that side of the river.

29. Why do you consider that it should go through there ?—Because of the farming-land in the Tauri-Tutukau.

30. Is it good land ?—Yes, quite good.

31. It is being farmed now ?—Partly, by Natives

32. How many thousands of acres are in that ?—Roughly there are 30,000 acres in it. Personally, I think that without a careful stocktaking of the land no man could judge. That is only one side.

33. How far away from the proposed line is it ?—It is on the opposite side of the river.

34. How many miles ?—Five miles.

35. The matter of shifting the railway five miles east or west would not make such a big difference ?—The difference would be that the river would be between the railway and the farmable land. There would be, roughly speaking, twenty-five miles of railway which would be practically useless as far as farming is concerned, apart from the properties of Mr. Vaile and Mr. Macklow.

36. Do you find rabbits increasing to any extent over that country ?—No, they are diminishing.

37. How do you account for that—rigid inspection ?—I judge from the number of rabbiters I have there.

38. It is not on account of the feed decreasing: you are not starving them off ?—I also judge by the increase in the stock.

39. The land is more under cultivation ?—Yes.

40. What noxious weeds do you have there ?—Ragwort and blackberry, I am sorry to say.

41. Are they extending ?—No. Of course, ragwort is very hard to control.

42. Do you think they can keep the noxious weeds under control over this large area of land ?—Closer settlement is the only remedy.

43. That is the best way to do it ?—Yes.

44. Do you think that the country would lend itself to closer settlement ?—Yes, I do.

45. What makes you think so ?—For the simple reason that if you have more hands on a property——

46. What makes you think that the country would lend itself for closer settlement: do you reckon the country is good enough for closer settlement ?—Yes, if the water on the properties would allow it.

47. You mean that provided you get water there is nothing to hinder the development taking place ?—Absolutely nothing.

48. Have you seen any bores ?—No.

49. You do not know of any ?—No.

50. Any experimental work in connection with it ?—No.

51. Have you any strong reasons to disbelieve that they could get water by boring ?—Only judging by Run 60 on the Kaingaroa Plains. I have noticed the washouts, some of them 50 ft. deep, with no water at the bottom.

52. That is not to say you would not get water at 100 ft. or 200 ft. ?—It is hard to say.

53. You have no experience ?—None in that connection.

54. Given a water-supply, you think that the country would lend itself to agriculture ?—Yes.

55. *Mr. Massey.*] Dealing with the Taupo country, do you know of any cattle-sickness in that area ?—Very little.

56. How does this country compare with Tokoroa ?—I can judge from the amount of iron ammonium citrate which is supplied. Only Mr. Watt, the Stock Inspector, and I deal with it at Tauranga, and I have full information as to the amount that goes out, and can compare it with the amount going to Waiotapu–Reporoa. For every 28 lb. of iron that goes to Tokoroa I do not think that 1 lb. goes to Reporoa.

57. There is no cattle-sickness on Mr. Vaile's property ?—I would not like to say that. He has had iron ammonium citrate and other cattle-licks, but he has had very little trouble amongst his stock. If he has had any trouble it has been amongst his calves.

58. You heard Mr. Campbell give evidence the other day: is he managing Matarawa ?—Yes.

59. Is there cattle-sickness in that area ?—I do not know that district; it is outside my district. I am only judging by the amount of citrate I send out.

60. Are you of opinion that a lot of Taupo area can be economically developed ?—Yes, I am.

61. Are you also of opinion that to develop that land it would be necessary to reduce costs to the lowest possible level ?—That is so.

62. Are you of opinion also that to induce people to take up that land it would be necessary to build a railway so as to reduce costs ?—Yes; but they still need a road. They cannot do without a road,

63. *Mr. Samuel.*] You say that the railway is in the wrong place ?—Yes, that is my opinion.

64. That is the suggested railway ?—Yes.

65. But you say that in your opinion the railway is necessary to develop that country ?—Exactly.

66. For farming purposes ?—Yes.

67. Then you think that the Rotorua–Taupo country is capable of profitable development and production ?—I should think so, judging by other farm-lands I have seen.

68. You are a Government officer—a Stock Inspector in the Department of Agriculture ?—Yes.

69. And you have given us your considered opinion ?—Yes.

70. *Mr. Lye.*] You have not a very wide knowledge of the pumice country ?—Only from personal observation.

71. Spread over a period of eighteen months ?—Yes.

72. Have you noticed that there is a wide variation in the quality of the land ?—Yes, decidedly. There is a valley between Waiotapu and Atiamuru which is better than the Reporoa Valley. I do not think that many have seen that valley. Until there is a general stocktaking over the whole district I do not think that any one can tell what the land will produce or what it is like.

73. The Waiotapu land and the Reporoa land are really pockets of the best of the land in that area ?—One would think so, comparing the forestry plantations.

74. In regard to a scheme of settlement, are you of opinion that good roads meantime would serve every purpose for the prospective settlement of that land for a period of years ?—If the idle land is going to be developed I cannot see how a road will carry the freight and the traffic.

75. With regard to water, do you know areas of 10,000 and 20,000 acres of land in that block without any water whatever running on the surface ?—Run 60, which has 68,000 acres, to my knowledge has only the Rangitaiki River on the eastern boundary. There are two other patches on which I know there is water, and they are very small areas.

76. Do you know of any other areas of 5,000 or 10,000 acres without any water ?—No, apart from Waiotapu I do not know the exact position in regard to water on the forestry plantations.

77. Have you seen any water secured by means of boring ?—No.

78. You have no evidence to show whether water can be got at a reasonable depth by boring ?—None whatever.

79. *The Chairman.*] You heard Mr. Banks give his evidence this morning ?—Yes.

80. You heard him tell how well he managed to get his stock forty miles by trucks to the railway ?—Yes.

81. And the excellent condition they were in—how he got far above any other price for lambs and practically top price for bullocks ?—Yes.

82. If that could be done forty miles the one way, is there any reason why it could not be done the other way ?—No.

83. You think that could be done without a rail ?—Yes; but they would have to be trucked.

84. Do you think his plan, if adopted, would serve the purpose ?—No, I would not like to say that, particularly as time goes on, because the tourist traffic is so great on the road between Taupo and Tokaanu, especially during the fishing season, the greatest difficulty is experienced in driving stock, especially as the road is not of the widest.

85. Mr. Banks stated in evidence that he was trucking his stock forty miles from Hautu Prison camp to the Railway at Waimarino ?—Yes.

86. *Mr. Jenkins.*] He drove the cattle forty miles and trucked the rest of the stock ?—Yes.

87. *The Chairman.*] And he landed them at Westfield in the pink of condition ?—Yes.

88. If that could be done that way, could it not be done from Taupo to Rotorua, or Rotorua to Taupo ?—Yes.

89. Do you know the lands at Karioi ?—No.

90. Karioi and Waioru—the Main Trunk line is there ?—Yes.

91. There is no land in close settlement there. If with the Main Trunk Railway-line running through that area there has been no development of the pumice lands, is there any reason to expect that a line in the Taupo area would result in the development of the land ?—I think the land must be of a different class.

92. The evidence given is that it is superior to the Rotorua–Taupo land ?—What about the water ?

93. We did not get evidence on that point, nor in regard to water in the Rotorua–Taupo area: you have just said you have a doubt about that ?—Yes, that is so, in parts—in this part from Hautu to Taupo.

94. Assuming that conditions at Waiotapu and Karioi are similar to those at Rotorua–Taupo, if the railway has not developed the land in the one area is there any reason to believe it would develop it in the other ?—Climatic conditions or something else must be different.

95. In what way ?—Otherwise that land would certainly have developed.

96. But it has not been developed ?—There must be something about which I have not heard. I cannot tell you about it.

97. You do not know anything about it ?—I cannot tell you about it. I cannot give you reasons.

98. *Mr. Massey.*] Arising out of the Chairman's question, you know the Rotorua country very well ?—Well enough to find my way over it in the dark.

99. Do you know the East Coast—Tauranga ?—No.

100. You know that they send large numbers of live-stock from the East Coast direct to Auckland ?—Yes.

101. Has that trade increased since the railway was put into that area ?—Yes.

102. As one experienced in cattle, which course would you rather adopt—to put fresh cattle on the rail, or cattle driven from Whakatane to Rotorua ?—I would prefer to put fresh cattle on the rail.

103. Why ?—Because they would be more likely to stand up in the trucks.

104. You have seen large quantities of stock landed at Westfield slaughterhouse ?—Yes.

105. As a rule fresh cattle are less liable to go down in their trucks than tired cattle ?—Yes. I have seen cattle from Whakatane to Westfield all trucked after having travelled some distance to the railway, and there were four dead bullocks in the trucks.

106. The risk would be less with fresh cattle than with tired cattle ?—Yes, absolutely. Fresh cattle would not want to lie down as quickly as tired cattle.

107. *The Chairman.*] The four dead cattle were in railway-trucks ?—Yes. I would not like to say how long they had been in the trucks. There was something said about them having been in a siding.

108. *Mr. Massey.*] Would you say that there is less risk in trucking fresh cattle than in trucking tired cattle which had been driven two or three days ?—Yes.

109. *The Chairman.*] It has been suggested to this Committee that this land might be cut up into small areas varying from 150 to 300 acres: do you think it would be possible to get water on all those small sections sufficient for dairying purposes ?—There would require to be a thorough investigation over the whole district.

110. You think that the whole question of the water-supply should be thoroughly investigated before anything is done ?—Yes, if the land is to be cut up into 200- and 300-acre blocks.

111. *Mr. Vaile.*] You have seen crops in cultivation in this country ?—Yes.

112. Do you consider that this country is cheap or expensive country to work ?—I consider it is cheap country to work.

113. As cheap as any country you know ?—Yes, I think so.

114. You find the soil improves with cultivation ?—Yes.

115. How does it respond to manure ?—Just as well as any of the Waikato land as far as I know.

116. Do you consider it similar in nature to the Waikato country ?—Not exactly similar. There is more pumice in the Taupo country; and for the simple reason that I never saw the Waikato country in its early stages.

117. Do you think it fair on general principles to compare country settled for fifty years, and which has had three or four tons of manure on it per acre, with absolutely naked country ?—No.

118. You know something of the climate ?—Yes.

119. Do you consider the frosts in this area are very severe ?—I cannot say that they are.

120. Have you ever noticed any damage to pasture from frost ?—Not exactly damage. I have seen it turn yellow perhaps with an occasional stray frost—an odd frost out of season.

121. How long does that damage last ?—A very short time.

122. Have you noticed the capacity of the land for growing wonderful feed—hay and turnips ?—Yes.

123. What do you think of its capacity for growing turnips ?—Very good.

124. And for hay ?—Excellent.

125. Have you noticed the growth of home produce, vegetables and small fruits, &c. ?—Yes, I have.

126. Taking a general view of the whole country between Rotorua and Taupo, can you give any estimate of the proportion of land ploughable—would you say it was a half, or a third ?—I should say that two-thirds are ploughable. That estimate is from personal observation when going through the different parts of the blocks.

127. With regard to noxious weeds, have you noticed whether they are increasing or diminishing ?—That is very hard to say. In parts they are increasing, and then again there are parts where there are settlers—Reporoa, for instance—where we are just holding our own against the weeds.

128. In the wild country ?—They are increasing.

129. It has been given in evidence that the extra freight on manure from Rotorua to Reporoa would be 1s. by rail, whereas on the road it is £1. Do you think that a reduction in the charge from £1 to 1s. would help the Reporoa settlers ?—Undoubtedly.

130. With regard to the trucking of lambs, have you any idea of the cost of trucking lambs by motor ?—No.

131. You know the Tahora-Kuri Block ?—Yes.

132. Mr. Galvin gave it in evidence that that block was very broken: do you agree with that statement ?—No.

133. What proportion of the Tahora-Kuri Block could be ploughed ?—It is very hard to say, but I should think that two-thirds of it could be ploughed.

134. You think the proposed railway is in the wrong place ?—Yes.

135. Does that apply to the railway from Rotorua as far as Reporoa ?—No.

136. You think that it is correctly placed as far as Reporoa ?—Yes, but that could be improved upon by going from Rotomahana–Parekarangi.

137. That is an engineering point ?—Yes. It should have gone through the centre of that block and still come out at Waiotapu and Reporoa.

138. As far as Rotorua to Reporoa is concerned you think the railway is necessary ?—Yes.

139. *The Chairman.*] You did not say that ?—I do not say it is necessary, but I say it would be very convenient to have it to Reporoa.

140. *Mr. Vaile.*] It would greatly assist to promote the settlement of the country ?—Yes.

141. You disagree with the location of the railway from Reporoa to Taupo ?—I do.

142. The lack of water is the only hindrance to settlement that you know of ?—Yes, as far as I can see that is the drawback.

143. In regard to your experience of Run 60, can you say whether that land is higher or lower than the general level of the country ?—It is lower.

144. Lower ?—It is lower than the Kaingaroa Plains; we are going down from the creek.

145. Which is the higher part of the Kaingaroa Plains—the southern or the northern end ?—I should think it would be the northern end.

146. Do you know the elevation of Waiouru ?—No.

147. Evidence has been given that it is 2,660 ft.: do you think that land there is as suitable as land at 1,000 ft. level ?—No.

148. Are you acquainted with the type of country around Waiouru ?—No.

149. You do not know whether large areas held by Natives are interfering with settlement ?—No.

150. Do you know my place, Broadlands ?—Yes.

151. You have been there several times ?—Yes, I was there on the 15th January and in September.

152. Was I away at the time ?—Yes.

153. Did you see any hay being cut there ?—Yes.

154. Did you consider it a good cut or a poor cut ?—When you see hay 3 ft. high I do not think you can say it is a poor cut.

155. I have been told it was up to the top of the fences ?—It was near enough to the top of the fences when it was 3 ft. high.

156. Was that confined to one small paddock or was it over a very considerable area ?—There would be 80 acres in the paddock I saw, and one paddock of 100 acres had been cut.

157. In regard to the paddock that had been already cut, was it a good cut of hay ?—Yes.

158. You saw my swedes this year ?—Yes.

159. What did you think of them ?—Very good.

160. You have seen my cattle ?—Yes.

161. What did you think of the fat bullocks ?—Quite satisfactory.

162. Have you seen any favourable comment on them in Rotorua ?—Yes, I have. I saw a paragraph in the local *Chronicle*.

163. Is this the paragraph: "An interesting confirmation of the fattening-capacity of Waiotapu lands that should confound Wellington critics can be seen at Messrs. J. D. Sherriff's shop in Fenton Street. Mr. Sherriff purchased twenty-five young bullocks from Mr. E. E. Vaile, of Broadlands, fattened on his estate. Some of these beasts are now on the hooks. It can be stated with confidence that no finer beef is on the hooks of any butchering establishment in the Dominion. Before Reporoa Settlement came into being the bullocks fattened on this country by Messrs. Stead and Watt were famous for quality. The draft purchased by Mr. J. D. Sherriff is but a few of the stock raised on Broadlands, and a further draft is under option to the firm" ?—I saw those bullocks before they were killed, and they compared very favourably with any I have ever seen at Westfield.

164. Mr. Galvin referred to the poor appearance of Mr. Vaile's paddocks: how does that agree with your experience of my paddocks—have you noticed any poverty about them ?—No, I would not say that they were poor.

165. Mr. Galvin was also so kind as to accuse me of "window-dressing." Whereabout on my estate are the best paddocks—are they close to the road ?—No, they are not close to the road.

166. As a matter of fact are my best paddocks those farthest away ?—Yes, they will be in the eastern boundary.

167. Have you noticed any work about my estate to suggest it has been done for the purposes of a sale ? In other words, is the work substantially done ?—It is substantially done.

168. Have you ever seen better fences in New Zealand ?—No, I would not like to say that.

169. And in regard to the buildings and the work of cultivation: would you say these give the idea that they are put up for permanent use ?—Yes.

170. And not for the purpose of deceiving an unsuspecting purchaser ?—That is so. It is just a general station—a thorough station.

171. Were you acquainted with the late Mr. Robert Alexander of your Depatrment ?—Yes.

172. You knew his views about the pumice area ?—Yes. He always had a lot to say about the pumice area, and he stood up for it very well.

173. He was thoroughly convinced that it could be brought into profitable use ?—Yes.

174. He was first Stock Inspector there, and was in the area for a long time ?—Yes.

175. Prior to that he was manager of the Thames Valley Co. ?—Yes.

176. *The Chairman.*] If you had a very inferior class of land—even inferior to the Taupo pumice lands—but you had twenty years in which to develop it, and you had superphosphates and other manures *ad lib* to pile on to it, could not you grow a crop of hay 3 ft. high and get good root crops ?—I could grow it in much less time.

177. The turnips you see on the floor of the room have grown a bit of green stuff without any soil at all ?—The tops have grown.

178. However, my point is that you admit this land is capable of development and production ?—Yes.

179. But you have not qualified that by stating how many years it would take to bring the land in or to make a profit, nor how long it would take to consolidate it, and the quantity of manure that would be necessary: have you any idea ?—I have not been long enough there to state that, but from observations around Atiamuri district I have learned some particulars. When I went to Rotorua eighteen months ago there was a certain paddock which was then in its rough state, just in the process of being scrubbed. I have seen it ploughed and a good crop of turnips taken off it. The turnips were eaten off by sheep.

180. I am referring to permanent pasture: we know that you can get a good crop of clover and roots quite early, but what about permanent pasture ?—In the same district there is a patch of grass.

I am told it has been down three years, but I have not seen any stock on it, and I cannot say whether it is permanent or not.

181. You do not know ?—No.

182. *Mr. Vaile.*] Suppose you put a swede-seed on that table, how much growth would it make ?—It would not grow unless you watered it.

183. It was suggested by the Chairman that my crop of hay, 3 ft. high, had had a large quantity of manure: did you ask my manager how much he had given it ?—If I remember aright, although I would not swear to it, he said something about 2½ cwt. to 3 cwt. I am not sure whether that referred to that particular paddock or to a clover-paddock.

184. *The Chairman.*] That was per annum ?—Yes.

185. *Mr. Massey.*] You know the lower Waikato down about Te Rapa ?—Yes.

186. You know of the vast development there in recent years ?—In the last fifteen or twenty years.

187. What was that country like when you first knew it ?—It was poverty-stricken.

188. What is it like to-day ?—You would call it first-class land to-day.

189. What has developed that land ?—Manure and good farming. .

190. Do you think that this type of land can be developed in the same way ?—Yes, I do.

191. It can be developed economically ?—Providing the facilities for the carriage of manure are there.

192. *The Chaiman.*] It does not matter what class of carriage it is, so long as you get transport ?—Yes, so long as you get transport economically.

HANS PETER KNUTZEN examined. (No. 20.)

1. *The Chairman.*] You represent the Railway Department in regard to timber ?—My designation is Bush Manager for the Railway Department.

2. I understand that you have made a somewhat exhaustive examination of the bush areas round about the proposed railway-line ?—Yes.

3. That is in the Rotorua–Taupo vicinity ?—Yes.

4. Over a number of years ?—Yes.

5. Am I right in suggesting that you have examined practically the whole of the native bush—that is, the timber areas other than the Government plantations ?—Yes, I think I have, with the exception of those in the Urewera, on the east side of the railway. I have been through the timber, but have not examined it from the point of view of the amount.

6. Is that the area which, in the evidence you have heard, has been described as having a tendency in another direction ?—Yes.

7. You gave a great deal of evidence first before a Board of Inquiry in 1920, and then in 1922 before a Royal Commission ?—Yes.

8. Mention was then made of two lines, a red line and green line ?—Yes.

9. Can you roughly indicate on the map which was the red line and which was the green one ?—The red was east of the Waikato River. It is the line of the proposed railway from Rotorua to Taupo. My opinion is that the railway should never come there at all.

10. Where is the green line ?—Holmes's line was considered to be the green line. It came from Rotorua to the back of Frying-pan Flat and across the Waikato River, west of Paeroa, and then down to Whirinaki and across into Taupo right down the country.

11. What is your view in regard to that ?—I do not agree with it. It would be anything from nothing at one end to an extreme of eleven or twelve miles distance west of the red line, which is the proposed railway, at the other end.

12. In your evidence you disagreed entirely from the proposed line of the Rotorua–Taupo Railway as now shown ?—Yes.

13. And you do not agree with the green line ?—No.

14. You thought that the green line would serve the timber areas much better than the red line ?—Yes, it would.

15. Tell the Committee your reasons for that view ?—I have always thought that the term "Rotorua–Taupo line" was a misnomer. I know the country, and from a development point of view I am sure in my own mind that my view is correct. I have always held that the line should come out at the back of Paeroa and cross the Waikato River at Kokuki, or else follow this line as far as Reporoa. This will be on the right-hand bank of the Waikato River, and it will cross it.

16. Do you mean the east or the west of the Waikato River ?—Here it would be north of the Waikato River, the right-hand bank. It would go from Reporoa on the right down to Orakeikorako; it would cross at the Kokuki Stream, and would roughly follow the Native track at Puketerata. It would be on the east side of Puketerata and would go into Oruanui.

17. That is the State forest ?—Yes. It would almost go due west across the Tihoi plains up the Kakaho River, where there is a pass. The question of that pass was raised at the last Commission, and a man was sent to investigate, but unfortunately he was lost. It would go up the Kakaho River to this pass into the Waimokamoka branch of the Okuaka Creek, which itself is a branch of the Ongarue. I made a rough survey of the country for Mr. McVilly ten years ago.

18. Where was it to strike the Main Trunk line ?—At Waimiha Station.

19. That is your idea of the railway ?—Yes, it is the same as I proposed on the last occasion in 1922. I have seen nothing to make me alter my opinion.

20. How far would it be from Rotorua to Waimiha ?—It would be ninety miles or a little more. It may be necessary to deviate, but there are no engineering difficulties in the way.

21. You think that if a railway is constructed at all that is the route it should take ?—Yes, that is my opinion.

22. Tell us about the timbers that would be available for carriage by this railway if it were built where it is proposed to build it: what prospects are there for getting timber for railway carriage, so far as you know from your experience ?—When this railway was proposed from Rotorua to Taupo in lieu of the railway from Putaruru to Taupo it was my business to go over the ground again to find out how we could get the timber to the proposed railway. The General Manager asked me to see what could be done. I made a cursory examination from Reporoa, following the track on the right-hand bank of the Waikato back to my old point where I had crossed before. I informed the General Manager what exactly we were involved in, supposing we had to bring the timber from Maroa, Kirihono, and Oruanui on to the proposed railway. I found it was 12½ miles, following that line. It had to go through the lower end of the Tauri-Tutukau Block.

23. Is that block owned by the Rayner brothers ?—It is now Dr. Rayner's property. I think he bought out his brothers.

24. What did you report ?—I told the General Manager it was feasible to put a line along there at reasonable cost. A bush line there would cost £3,500 to £4,000, including the bridge over the Waikato River.

25. That is between £3,500 and £4,000 a mile ?—Yes. It is 12½ miles from Reporoa to the southern portion of the Tauri-Tutukau Block.

WEDNESDAY, 9TH OCTOBER, 1929.

HANS PETER KNUTZEN further examined. (No. 20.)

1. *The Chairman.*] When the Committee adjourned yesterday, Mr. Knutzen, you were describing the suggested railway across from the proposed Rotorua–Taupo Railway, touching the southern end of Tauri-Tutukau Block and on to Oruanui, and on to Waimiha. Will you continue your evidence, please ?—I am quite prepared to answer any questions, Mr. Chairman; I would sooner answer questions—I have no statement to make. It is only my own personal opinion as to where the railway should go. It is a question of whether it is to be a dead-end or branch railway, or one of the main lines in the North Island—the question of whether the railway through this country should be more than a branch line; that is why I have considered that it should go right across the country and at some point come in contact with the Main Trunk Railway. It also raises the question as to whether the railway will take in the timber-bearing areas in the Tuhoi Block.

2. Which the proposed railway would not touch ?—That is so.

3. Perhaps you could tell the Committee how far on either side of the proposed railway you think the land would be influenced so far as the timber is concerned—on how far east or west of the proposed line ?—Yes, I could give you my opinion on that.

4. That is that we want ?—My own opinion is that the Rangitaiki timber, and all the timber in the watershed—that is, up to Te Whaiti—will never come into this proposed line; it will all go down the Rangitaiki and out to the East Coast line.

5. Will it come out by the Matahina Block ?—Yes, most likely.

6. Do you consider that there would be very much in the way of timber to go by that eastern line ?—If it stopped at Taupo, well, I have already made a rough survey so as to get our own timber from in there—that is, the timber from our Kirihona-Maroa Block, and the Tauri-Tutukau Block, which contains about 400 million feet. There is also the Oruanui Block, which contains about 42 million feet.

7. The State does not own the Tauri-Tutukau Block ?—I am aware of that, but as soon as this proposed railway was authorized our Department was the Department responsible for finding out what amount of freight was likely to accrue to this railway. It is part of the duty of the Railway Department to look forward to see what amount of freight would be available, and they also suggested that they should buy this block from Dr. Rayner, who now owns it.

8. Who suggested that it should be bought ?—I do not know who suggested it, but they had to take that into account. As a matter of fact, there was some sort of agreement to purchase entered into by the Minister to acquire that block so that Dr. Rayner should not have the increase in value of that block which would accrue through the railway being built.

9. In which year was that done ?—Only last year it was done.

10. I do not think we had better go far into that question. If you are speaking now of some undertaking made last year as between the Government and Dr. Rayner, I think we will have to cut that out, because it is a matter that is *sub judice*, since it is before the Supreme Court.

Mr. Jenkins: Judgment has been given against him, and he has appealed.

The Chairman: Well, while there is an appeal pending it is still *sub judice*.

Witness: I am not concerned about that, but to see whether this timber could come out that way.

11. *The Chairman.*] That is the route that you recommend, if any railway is to be constructed ?—I recommend the route which I described and pointed out yesterday—down the right bank of the

river, and across at Kokuki Creek. It will roughly follow those Native tracks. I have been all over this route from end to end—and down to Waimiha.

12. Have you measured the timber in the Tauri-Tutukau Block ?—I have.

13. Thoroughly ?—Yes, I had a big staff there for eleven weeks in 1918 or 1919.

14. That was long before this suggested deal between the Government and Dr. Rayner took place ?—No ; I measured it on behalf of the Government.

15. But long before last year's arrangement was entered into ?—Oh, yes, it was in 1919.

16. Therefore it would have no effect upon that ?—But the Government proposed to buy it then.

17. Did you make a report to the Government on it ?—I did.

18. What did you say about it then ?—I have a copy of my report here.

19. Were you not asked for a statement as to the quantity of timber there ?—I said there was 351 million feet of timber in the Tauri-Tutukau Block.

20. In the log ?—Yes, but I found afterwards that 353 acres had been taken in twice, which I did not know at the time when I reported, and that will affect the quantity. If you will allow me to read that portion of my report, as the question has been raised, it will clear up that point. The report here reads : " I am not quite clear if the above sections [that is, Tauri No. 1, 320 acres, and Tauri No. 4, 33 acres] are to be included in the Tauri Block." I may say here that the last section is on the north-west side of the block. I had only a plan which showed no subdivisions of any kind, and I had to do the best I could at the time, but I found afterwards that this piece had been included, and so I wrote in my report as follows : " I am not quite clear if the above sections are to be included in the Tauri Block. I have therefore separated them from the main Tauri Block. The plan sent me shows one continuous block only, and includes the above sections, but on obtaining a plan from the Survey Office at Rotorua it shows the above subdivision, and shown also on my plan. I included them in my inspection, as they are quite equal to the balance of the forest, and slightly better as to the average of totara. As the acreage is small I have allowed the same proportion of rimu, totara, and matai per acre, viz. : Rimu (net), 43,604 ft. ; totara (net), 21,057 ft. ; matai (net), 7,325 ft. : total, 71,986 ft. per acre. Section 1 (320 acres) has 115 acres of forest. Total quantity of rimu, 5,014,460 ft. ; totara, 2,421,555 ft. ; matai, 842,375 ft. : total for Section 1, 8,278,390 ft. Section 4 (33 acres, all forest) : Total quantity of rimu, 1,438,932 ft. ; totara, 694,881 ft. ; matai, 241,725 ft. : total, 2,375,538 ft." That is the gross measurement, without allowing for 12½ per cent. that I later took off as having to be allowed for on account of any invisible defects in trees, which a man cannot see.

21. What quantity did you find on the Tauri Block proper, the main block ?—340 million feet.

22. That is measured roughly ?—I made it 351,147,708 ft.

23. That is the timber in the Tauri Block as a whole ?—Yes, as a whole.

24. None of which, you say, would influence the proposed railway from Rotorua to Taupo ?—That is so. It could only be brought in by building 12½ miles of railway or tramway.

25. *Mr. Samuel.*] All that 351 million feet of timber from this block could be brought in by a railway, you suggest ?—Yes. My report is dated the 2nd May, 1919. While on the subject of measurements of this block I would like to point out that in order to get an estimate of this block I cut thirty-six miles of survey lines through the block and cut it into twelve blocks. The lines are shown here [indicated] showing how it was cut up. I then thoroughly inspected each block separately. I had a big staff with me, consisting of men who were used to that class of work, men whom I could trust. I measured every tree in one acre which I considered to be an average acre of that particular block, and it was upon that that I based my calculations for the amount of timber in the whole of the block.

26. *The Chairman.*] Now, you might tell us about Maroa and Kirihona Blocks : tell us what you estimated them to contain ?—I did not have to estimate that. The timber was not bought on my estimate, but I have since had to report to the Department, as they were the buyers.

27. I understand that the Railway Department sent you to report on it before they bought it ?—Yes, but it was bought on the estimate of Mr. Kusabs, of Rotorua.

28. That was after your report ?—Yes, after my report. I had made no recommendation.

29. What did you say in your report ?—I shall have to refer to my report. Will you require my instructions.

30. Yes, I think the Committee ought to hear them ?—My instructions are dated 1st July, 1918. The instructions are addressed to myself and the Chief Timber Supervisor, Mr. Austin. They are as follows :—

> " Maroa Totara Block.—An area of 1,000 acres, known as the Maroa Block, and stated to contain 20 million feet totara, 30 million feet rimu, 5 million feet matai, is under offer to the Government, and it has been decided to have an inspection of the property made. The situation is about thirty miles from Putaruru and three miles from the Taupo Totara Co.'s line. Please arrange to make an inspection in conjunction with Mr. Knutzen, and report as follows : (1) Quality of the standing timber ; (2) physical features of the land from bush to company's railway-line ; (3) method you recommend of bringing the timber to a sawmill ; (4) most suitable situation for a sawmill ; (5) if there is a siding on company's line which trucks can be loaded at ; (6) or the position on the company's line you recommend as most convenient for constructing a receiving and loading siding ; (7) length of tramway required to connect bush with company's line ; (8) whether the appraisement of the bush appears approximately correct in the various timbers ; (9) attention to be drawn to any apparent difficulties in logging and general working of the area ; (10) a general idea as to the merits of the bush as a milling proposition ; (11) any other matters bearing on the subject your experience suggests. Plan herewith, which please return."

31. Did you make a summary of your answers to those questions and send it in to the Government ?——

Mr. Samuel: Mr. Chairman, I think that the witness should be allowed to give his evidence in detail, as the other witnesses have been allowed to do. There is no necessity to cramp the discussion.

The Chairman: There is no question of cramping the discussion.

Witness: It will not take long to read the report. It is dated 30th July, 1918, and is as follows :—

"As per your instructions we left Auckland on 9th July to inspect the above block (Maroa Block). We were most unfortunate in having to go through the bush in the worst weather that has ever been experienced by the oldest inhabitant living near the block. Besides our being wet through every day, the snow and cold made it most unpleasant and difficult to make as thorough an examination as we wished to do. We were considerably hampered through the boundary-line not having been opened up. Altogether we slashed about four miles of lines : this took up time that should have been used in traversing the block. However, we gave the bush a good overhauling. With the exception of Sunday, the 14th (on which it rained so heavily that it was quite impossible to go out even for an hour), we were in the bush every day. The timber met with is of first-class quality, the trees being very lofty and of good girth, the rimu and matai being in very dense clumps, whilst the totara, with the exception of about 100 acres, is scattered throughout the bush. When timber is scattered through the bush it is most difficult to arrive at even an approximate estimate. We consider that it would be necessary to measure the totara to get an estimate of it. The measuring would take between nine and twelve months. After viewing the physical features of the country we abandoned the idea of trying to use the Taupo Co.'s line for taking out the logs. The natural lay of the block is towards the Taupo–Putaruru roads, on which we consider a log motor-traction system, similar to those now in use in some of the American forests, would be the most suitable and economical method of dealing with this bush. The logs could be taken to Putaruru and thence by rail to one of the Department's mills. If the Department decides to erect a mill, then there is a good site with water on Section 1454A. This is about half a mile from the edge of the bush. Should the Department decide to acquire the Maroa Block, then it could be worked in conjunction with their bush at Oruanui, which is only seven miles distant by a first-class piece of road. The logs could be dealt with by motor traction to Putaruru. We are not in favour of the erection of a mill at Maroa. The difficulties in getting men to work in such an isolated spot is so great that there would always be trouble in filling up the different positions. With getting out the logs only a few men would be required."

That is signed by us. The clauses that had to be dealt with separately were answered as follows :—

"(1) The quality of standing timber is first-class.

"(2) The physical features of the country from bush to company's line is of a very rough nature, and it would be very costly making a connection.

"(3) We recommend motor transit as the best method of dealing with the bush.

"(4) The most suitable site for a sawmill is on Section 1454A. There is a stream of water on this section, which is about half a mile from the edge of the bush.

"(5) There is no siding near the bush on the company's line.

"(6) As the whole of the timber would have to be hauled up to an elevation of over 600 ft. we abandoned any idea of using the company's line, therefore did not select a position for siding.

"(7) See paragraph 6.

"(8) The aggregate appraisement of 55 millions seems to be well within what is actually standing on the block. Rimu (30 millions) and matai (5 millions) will, we estimate, turn out more than the original appraisement. With regard to the totara, we found this hard to estimate owing to its being intermixed with the rimu and matai throughout the whole of the bush except along the eastern boundary, where totara predominates. This area is not more than 100 acres, on which we estimate there is approximately 4 millions of totara, and only by measurement could the total quantity be gauged.

"(9) There is no apparent difficulties in logging or working the area towards the Taupo–Putaruru Road.

"(10) The merits of the bush from a milling proposition are quite satisfactory, but whether the bush would be a payable commercial undertaking depends entirely on the price being paid for the several classes of timber. As we have not been advised on this aspect of the question we are unable to express and opinion.

"(11) See covering memo."

When the Department received our report they were not satisfied that that report was as full as they would like to have it, and so we received instruction to go back and go more fully into the whole question, because they were absolutely satisfied that there was some method of bringing the timber in to the Taupo Totara Timber Co.'s line. We got fresh instructions to go over the whole question again. These are the fresh instructions received by us, about a month after we had reported. They are dated 2nd August, 1918 :—

"Re *Maroa Block.—Re* the joint report of Mr. Knutzen and yourself on above block, I should have this more amplified. In the first place, there is no indication of the practicability of heavy motor traffic over the existing roads between Maroa and Putaruru, or whether the road itself is sufficiently hard and well formed, or whether the existing culverts

and bridges are capable of bearing the wear and weight of such heavy traffic. You state that the physical features of the country from the bush to the Taupo Totara Timber Co.'s line are of a very rough nature and that it would be very costly to make a connection, but you do not give the distance between them. Mrs. Hoyes gives the distance as three miles only. Does the 600 ft. elevation extend sufficiently far to cut off the whole Maroa Block from the company's line? Would it be too costly to bring the logs over by the use of stationary haulers and so connect with the company's line? The question of working the Maroa and Oruanui Blocks together and milling on the latter site requires consideration. Is it possible to do this and so save the transport of heavy logs over long distances?

"I require some information on the following points: (1) Distance by road from Maroa Block to railway at Putaruru. (2) Distance by road from Maroa Block to a mill-site on Oruanui Block. (3) Character and grades of each of these roads, also whether there are any bridges and culverts. Are the existing roads sufficiently well formed and graded to bear heavy motor traffic in all seasons? (4) Practicability of milling both Maroa and Oruanui Blocks on site on latter block. (5) Could a light line or tramway be laid between the two blocks? (6) Is it practicable to put in a tram connecting the Taupo Totara Timber Co.'s line at any point between the Maroa Block and Putaruru direction? If so, what would be the length of tram-line required? (7) What is the distance between the Taupo Totara Timber Co.'s line and the Maroa Block at the most practicable point for making a connection between them?

"With regard to clause (10) of the report: Basing the royalty on totara at 2s. 6d., matai at 2s., rimu at 1s., kahikatea at 9d., do you consider the Maroa Block a payable proposition from a commercial standpoint? The principal charges would be the cost of logging, transport, and milling. This includes cost of preparation, tram-lines, and all plant and structural work necessary to obtain sawn timber. The proposition requires to be examined in a comprehensive way, and what I require is an idea of the probable cost of working the area and producing the sawn timber as apart from the royalty, as the royalty itself would only be a small proportion of the total cost. Please consult again with Mr. Knutzen and let me have your further joint comments as early as possible."

Those are the fresh instructions we received to go down and inspect this property again.

32. Have those questions been answered by you?—Yes, in accordance with those instructions we reported as follows on the 4th September, 1918:—

"Comptroller of Stores, Wellington.

"*Maroa Block.*—As instructed by you, we left for Maroa via Rotorua on the 20th August, and now report as follows:—

"In our previous report we stated that owing to the rough state of the country it would be very costly to make a connection between the bush and the Taupo Totara Timber Co. The distance given by Mrs. Hoyes is taken in a straight line from the back boundary of the bush, and is approximately correct. The elevation of 600 ft. referred to extends right along the back of the bush, and therefore leaves no suitable opening for putting in a direct connecting-line between the Taupo Totara Timber Co.'s line and the back of the bush. We were not aware when making out our first report that the block known as Kirihono was included. The addition of this block has altered the whole situation, as it is the key to the successful working of Maroa. The Kirihono Block contains some 600 acres, and we estimate that there is between 9 and 10 million feet of very fine milling-timbers. This now brings the total estimate to approximately 64 millions. The addition of the extra timber, together with the land for a mill-site, and the facilities it gives for working out the timber from the 1,000 acres, has altered the position to such an extent that we now consider it will pay to lay a tramway from the block to the Taupo Totara Timber Co.'s line, connecting up the Oruanui Siding. This tram-line will be approximately eight miles in length. The line as shown on attached plan passes through a piece of bush belonging to the Taupo Totara Co. thence across open scrub land to the siding. There are no engineering difficulties in the way and no heavy grades; in fact, there is only a difference of about 80 ft. between the level of mill-site and Oruanui Siding. We estimate that there will be no grade heavier than 1 in 60; the incline falls from mill-site towards the siding. Altogether this is an excellent tram route, and we are of opinion that the profits from the extra timber will cover the cost of construction. The class of timber on the whole of these blocks is exceptionally good, the trees being very large and well matured, and should produce a high percentage of heart timber. This fact would, so far as rimu is concerned, help the Department out of the difficult of supplies of heart timber to the various Departments. The totara and matai would prove of great value to the Department. At the present time the whole of this class of timber has to be purchased from outside mills, and very great difficulty is experienced in getting supplies. If we were milling totara, then the South Island could be supplied with this valuable timber for ground work. We would also save the salary of a Timber Inspector, which amounts to some £200 per annum, he only being required in connection with the purchase of totara and matai. After giving the whole position careful consideration, we can confidently recommend the Maroa and Kirihono Blocks as a first-class milling proposition from a commercial standpoint, providing suitable arrangements can be made for transport of timber on Taupo Totara Timber Co.'s line, or arrangements made to have the road to Putaruru repaired and deviation carried out as surveyed."

That was our report on that particular block at that particular time. The detailed answers to the questions set out are as follows:—

"(1) Distance of road, Maroa to Putaruru, forty-three miles.
"(2) Distance of road, Maroa to Oruanui, eight miles.
"(3) The road Maroa to Putaruru has one very heavy grade, rising some 350 ft. in one and a half miles; besides this there are four small pinches which would require some little expenditure. There is one large bridge, which is in good repair; the approach to this bridge would have to have some alterations made to it; besides this there are some six small bridges which would have to be stiffened up; these bridges are only about 16 ft. long, and would cost very little to make quite safe. One stream requires a low bridge, about 20 ft. in length. The road from Oruanui to Maroa is in fair condition, and would require very little expenditure to put it in good repair. There are no bridges or heavy inclines on this piece of road. The whole of the roads in these districts are of pumice formation.
"(4) It is quite possible to mill both blocks at a mill-site at Oruanui. We recommend the milling at Maroa, it being the most suitable situation for a mill.
"(5) It is quite possible to connect up both blocks with a light line—that is, Oruanui and Maroa.
"(6) It is quite practicable to put in a tram connecting the Taupo Totara Timber Co.'s line and Maroa. The line is shown on attached plan, and would approximate eight miles in length.
"(7) Eight miles.
"With regard to clause (10) of our previous report, see attached report of estimate."

Attached to this report we also made an estimate of the cost of milling, &c. It is a pretty lengthy and exhaustive one, giving the details of cost of mill-construction.

33. I think the Committee will take that as read?—Very well, they can have it.

34. You still stand by that report: do you endorse that report to-day?—Yes, sir.

35. You have no wish to change your opinion?—I have been through the block a good many times since—my duties compel me to go through very often—and I do not see any reason to alter my opinion as to the quantity or quality of the timber in the block, or the suggested methods for getting it out. When I said we could get it to this Rotorua–Taupo line, of course that aspect of the question never cropped up in the first instance; it only cropped up when the Rotorua–Taupo line was started. Then we had to consider the best means of getting the timber to the line, and had to deal with it. We had to report to the General Manager.

36. *Mr. Makitanara.*] Therefore, all the Crown timber could be got out through the Taupo Timber Co.'s line?—Yes, sir; but they would not carry it.

37. They would not carry it? Perhaps they have come to their senses now?—Perhaps so.

38. That is to say, it would be much cheaper to get it out through that way than to bring it down by the proposed railway from Taupo to Rotorua?—It is all a question of what freight the Taupo Totara Timber Co. will charge.

39. You have the line there direct—but it is still in the air?—But that has nothing to do with it. There is 4s. 8d. freight to be paid for thirty-two miles, which is out of all proportion to the service rendered. We could build a line for half of that and save 2s. a hundred feet.

40. With the charges likely to be made by the Taupo Totara Timber Co. you would say that it would be cheaper to take the timber to the proposed Taupo–Rotorua line and bring it down that way?—Well, half the freight we would have to pay to the Taupo Totara Timber Co. would build our own line, and we could connect it up with the Rotorua–Taupo line.

41. *The Chairman.*] By the route you suggested?—Yes.

42. That would be a light line of railway to connect up with the Rotorua–Taupo line?—Yes—a tram-line to connect somewhere about Reporoa. It all depends upon where the Government line would be located in that locality. I made a flying survey of that route and reported upon it to my Department. I have not got that report with me, but you could get it if necessary.

43. *Mr. Jenkins.*] You say that the Taupo Totara Timber Co. charge 4s. 6d. per hundred feet. Is that for just odd lines of trade, or do you think they would have a special contract if they were to cart 300 million feet of timber?—Before the Department bought the Maroa bush the Comptroller of Stores consulted the Taupo Totara Timber Co. upon that point, but the company would not give way. They would not as much as give a guarantee that they would lift our timber at all, because they said that under their Order in Council they were not compelled to carry any timber on any account.

Mr. Dalziell: May I intervene here, Mr. Chairman?

The Chairman: You had better wait, I think, Mr. Dalziell.

44. *Mr. Jenkins.*] Who owned the Tauri-Tutukau Block when you reported on it in 1918?—Dr. Rayner; he bought if from the Natives.

45. Do you know the price at which the Government could have bought it at that time?—I have no idea. The price that I understand was agreed to by Mr. Hiley was 11½d. per 100 ft. royalty.

46. *Mr. Semple.*] You say that the Taupo Totara Timber Co. refused to carry the timber?—They refused in this way: they pointed out that it would be impossible for them to carry it owing to their not having sufficient rolling-stock.

47. Is it not a fact that they also refused to carry timber for other companies?—I do not know about their refusal, but they did not carry it. I am quite sure that other companies did their best to try to get them to carry it, but it was quite impossible to do so.

48. Did not one company go out of business as a result of that?—I believe so.

49. Did not the Government buy a lot of timber that a certain company had, and which the Taupo Timber Co. refused to carry ?—The Government bought some timber. To give you some idea of the trouble we had : We could not buy totara at any price at all ; the Department was stuck for it, and the Taupo Totara Timber Co. could not supply it. They would not take further freights at that time. But we found that Mr. Palmer had a mill there cutting quite a lot of totara ; we saw him and placed with him an order for 75,000 ft. to be delivered at Putaruru. He said, " I will only undertake to deliver this timber if you can make arrangements to convey it over the Taupo Totara Timber Co.'s line " ; otherwise, he said he would not take the order. I was instrumental in trying to get the Taupo Totara Timber Co. to carry it. We saw Mr. Cooke, the general manager of the company in Putaruru, but he could not give us any satisfactory answer. Mr. Baxter, the Comptroller of Stores, saw Mr. Dalziell and asked what chance we had of getting this timber. We were stuck for it—it was during the war, and we could not get timber. He said he would not refuse to take it, and he did not refuse to take it, but he said it might be a considerable time before we would get it. Eventually Mr. Baxter got hold of their Order in Council, which dealt with the Taupo Totara Timber Co.'s line, and tried to compel the company to carry this timber under the Order in Council, but he found he was up against a stone wall—we never got delivery of that timber, though Mr. Palmer was quite prepared to take the order. He had already had some difficulty. You will find reference to it in the report of the 1922 Commission—Mr. Palmer gave evidence about it before that Commission.

50. What timber was that ?—Totara.

51. From where ?—Mr. Palmer's mill at Oruanui. Mr. Palmer gave evidence to show that he had already had some trouble, that he had already taken an order from the Government for some timber, which he had had cut and stacked at Oruanui siding to be taken away. This timber was left there, and we could not get delivery of it because the Taupo Totara Timber Co. would not carry it. They simply hid themselves behind the clause which provided that they were to carry timber for other people " if they had sufficient rolling-stock." They never had sufficient rolling-stock. The timber was lying there at the siding for months, and Mr. Palmer was ultimately forced to sell that timber to the Taupo Totara Timber Co. at 14s. per 100 ft., and the company sold it back to us at 42s. per 100 ft. the next day—so you see we were " up against it."

52. And they carted it then, of course ?—They carted it the next day ; that was the only way we could get it.

53. Do you know anything about a proposed land transaction or exchange of a block of land between this company and the Government—a block of 1,000 acres belonging to the company that was to be exchanged for another timber area that belonged to the New Zealand Railways Department—do you know anything about that ?—That came out before the Commission set up by Mr. Massey to inquire into all the purchases on this Maroa-Kirihono Block. Mr. Riddell, the senior Magistrate in Wellington, was the Chairman of that Commission, and associated with him was an ex-Magistrate, Mr. Thomson. A lot of things came out before that inquiry which were quite foreign to the Commission's actual order of reference, and amongst others this land transaction came out. That is how I know about it. The transaction arose out of a proposal by Mr. Dalziell for the company to exchange a piece of land valued at 5s. per acre—1,000 acres—for a block of totara bush, the Oruanui Block, valued at £63,000. They tried to get that beautiful block of totara for land worth £200.

54. The land they wanted to give in exchange was worth £200 ?—Yes.

55. And they tried to get from the Government in exchange for it a block valued at what ?—£63,000.

56. *Mr. Samuel.*] Who made this proposal ?—The documents are signed by Mr. Dalziell on behalf of the Taupo Totara Timber Co.

57. *Mr. Semple.*] You say that that proposition was upset ?—Yes, I think one of the officers of the Lands and Survey Department upset it.

58. Did the late Mr. Massey know anything about this proposed swindle ?—Yes, I think so.

59. What did he say about it ?—I would not like to repeat what he said.

60. He was very indignant about it, was he not ?—Yes.

61. And he said there was a multiplicity of mud-slinging to it ?—Yes, he did.

62. And he dropped it like a hot brick ?—Yes ; and that will give you an idea as to why he dropped the Tokoroa settlers.

Mr. Dalziell : The witness is not giving evidence of his own knowledge. If this is to go on the evidence, I submit that it is entirely unjust to my company. None of these statements are within the witness's own knowledge—not a single one of them.

The Chairman : I think I shall have to rule that it is quite in order.

Mr. Dalziell : I am quite prepared to answer any questions asked me.

Mr. Semple : I am asking whether the witness knows anything about this proposed transaction, and the value of the areas proposed to be exchanged, and the morals of this great company.

The Chairman : I do not think this inquiry is to investigate the Taupo Totara Timber Co.

Mr. Dalziell : I have no objection.

The Chairman : I think we should not carry that too far. Let us get back to the railway.

63. *Mr. Semple.*] There has quite enough been said. Do you, Mr. Knutzen, know anything about the possibilities of developing the pumice lands—I mean from a farming and dairying point of view : have you watched or studied it ? I know that you are associated with the timber industry, but I want to bring you back to the land. How long have you been in the pumice area ?—About twenty years.

64. And during that time, I suppose, you have taken notice of the way in which the land can be worked ?—I have done my best to observe the conditions there.

65. Can you tell us what you think about it ?—Yes, the result of my own observations is this : they have undergone a remarkable change. When I saw the pumice area first I would not have

given you twopence for the whole area, but from personal observations—and I have been through it a lot—I am confident that this pumice land can be worked up to such a pitch that it will give really first-class results. I am quite sure of that. I have seen the results myself, and have observed them, particularly on the Atiamuri–Taupo Road. I have listened to the evidence given, and one thing has never been mentioned here—that is, about a little place that Mr. Mackenzie has got at Atiamuri. He has a lease of that land from Mr. Dansey, of Rotorua. Mr. Mackenzie tackled this piece of land without any capital, just with the idea of making some sort of home on it for himself. He could not afford to buy any land, so he managed to lease this piece of land from Mr. Dansey—100 acres it was—and also the accommodation-house. He told me that he proposed to tackle this pumice land and try to make something out of it, if he could get a lease long enough to help him over the initial difficulties, to enable him to get some return. I said "Mr. Mackenzie, you are off your head to tackle a job like that without money." He answered, "Well, what can I do? I have no money. I can get a job on the road in my spare time, and at nights I can bring in this land." I have seen him working there year after year, and I think that if this Committee came up to Taupo, the members should see Mr. Mackenzie's place, and the results of his labour there. I may say that I have seen the two of them—him and his wife—working in the moonlight, ploughing and harrowing, and have told them quite a few times that it was too much for them. They said, "We have got to do it." To-day he is living on that land quite comfortably, though the land does not even belong to him. That is one of the examples that the members of this Committee should really see—to appreciate what actually can be done with this pumice land. I was quite struck with it, and every time I go to Atiamuri I go there. That man had no help from anybody.

66. Only just himself and his wife?—Yes.

67. What is your opinion about putting a railway through that country?—Would you consider that the people there deserve some consideration? What route would you suggest for the railway?—I have already given the Committee my idea of the proper route for that railway.

68. I am sorry—I was not here at the time?—I reckon that the route should go either through Reporoa or crossing below Orakeikorako: that will eventually be the route, I am quite sure. It will eventually go to the east of Puketarata. It will go south of our railway block, and then right across the Tehoi Plains to the Kakaho River, and across the pass in the main ranges, then down the Waimokomoko River and into the Okuaka River, and down to the Waimiha Station. The distance is from ninety to a hundred miles, from Rotorua to the Main Trunk line. That will lift it from a secondary line into the category of a first-class line, as one of the main traffic lines of the North Island. That is why I have always looked upon it that it should join the Main Trunk line, and the most convenient point for its junction with that line is Waimiha Station. I have already reported that to the then General Manager of Railways, when he asked me to go over the whole route. That was my report to him.

69. What class of country is there through that hundred miles?—The class of country improves wonderfully the moment you pass a point west of a point almost due north of the middle of the lake, or west of Oruanui. For eighteen miles across the Tehoi Plains there is no difficulty. It is rather better country than the pumice country between Rotorua and Taupo, but the moment you strike the foothills the country instantly changes. Though it is pumice country it has a top soil of 8 in. or 9 in., and instantly raises the land to a higher value than ordinary pumice land. This railway would tap that country. I surveyed the line myself from Waimiha Station for eighteen miles. There are already a few settlers up that valley—they are mostly returned soldiers; and the land is better and better as you get up into the ranges. Also, the railway would tap 40,000 acres of forest; at that end it would be part and parcel of the freight to be carried over that line. That forest would help to provide freight for the line over one continuous route, which would be connected with the Main Trunk line. That is the nature of the report I gave to Mr. McVilly.

70. *Mr. Massey.*] With regard to the Rayner block you mentioned, there are 351 million feet of timber in that block, I understood you to say?—Yes, but that figure has to be discounted by reason of the fact that 320 acres were gone over twice, though I did not know it at the time.

71. That would be about 20 million feet?—Roughly, yes.

72. I notice that Mr. Palmer, giving evidence before the Commission of 1920, estimated it at 375 million feet: you are quite definite in the correctness of your estimates?—Yes.

73. Would that timber come out to the proposed Rotorua–Taupo line?—It could be brought out to that line.

74. What is this timber worth?—The value of it to-day, as it stands, without any railway connection, you mean. Well, sir, according to the price that has to be paid—it is a question of royalty. But it could not be bought from the Forestry Department at less than £250,000. That is their appraisement: that is, if the Forestry Department owned it, that is what they would place upon it to-day.

75. *Mr. Samuel.*] What is the name of this block?—Tauri-Tutukau. That value is without any railway or anything.

76. How do you base your estimate—is it upon a royalty basis?—Yes; that is the only way in which you can estimate values.

77. *Mr. Jenkins.*] The witness has stated that that area of bush is worth £250,000. Are you aware that that was purchased for £5,000 not many years ago, and that it was offered to the Government at that price?—I myself asked that it should be purchased, and particularly Mr. Austin and I went to the Commissioner of Crown Lands in Auckland, Mr. Skeet, and urged that that particular block should be secured by the Government. It was a block that Dr. Rayner got afterwards.

78. What year was that, about?—In the beginning or the latter end of 1917.

79. Just before you examined it?—Yes. We asked him to secure that block for the Crown, and he said it was not worth a snap of the fingers. That was all the thanks we got.

80. Then, within a year you went and examined it with a view to its being bought by the Government at 11d. per 100 ft. royalty ?—Yes, sir.

81. Do you know anything about the Tongariro Block ?—I do.

82. It has been stated that there is more than ten times the timber in the Tongariro Block ?—Yes.

83. Therefore the Tongariro Block is ten times more valuable than the Tauri-Tutukau Block ?—There is about 1,600 million feet in the Tongariro Block—that is, between three and four times the quantity of timber that there is in the Tauri-Tutukau Block.

84. There is 350 million feet in Tauri-Tutukau and 1,600 million feet in the Tongariro Block ?—Yes.

85. Then that would make the Tongariro Block worth £1,000,000 at least ?—Yes.

86. Then it would be better for the Government to purchase the Tongariro Block at £1,000,000 than Tauri-Tutukau at £250,000 ?—Yes.

87. You are aware that there is overproduction in timber to-day ?—Yes.

88. And that it is not necessary for the Government to buy timber for present-day use ?—Exactly ; I am aware of that.

89. Therefore they are purchasing with a view to looking ahead, which is wise ?—It is quite wise.

90. In your opinion it would be better business for them to acquire the timber rights in the Tongariro Block if it could be acquired for the same price as Tauri-Tutukau ?—Yes, it would be wise for the Government to acquire every block they could get. That is why I have reported as I have done on several occasions, particularly to Mr. McVilly. I advocated that they should get for their own departmental use not less than 800,000 ft. of standing timber somewhere where the railway could get it. I pointed that out in regard to Tauri-Tutukau Block because it is such an easy block to work, and it is clear of fires—there is no chance of its being burnt.

91. *The Chairman.*] You described to us yesterday the red and green routes referred to in your evidence given before the Commission of 1922 ?—Yes.

92. Just show us on the map where the green route is ?—It came in, roughly, from Frying-pan Flat, west of the Paeroa bush, down the Whirinaki Stream, and across the Waikato River about the mouth of the Whirinaki Stream—which is a small stream running into the Waikato River ; thence it would come down the east side of the Tauri-Tutukau Block, and then carry on roughly on the same line that I have now suggested to the Department to carry out.

93. Down to where from the east side of Tauri-Tutukau Block ?—The east of Puketarata ; and come eventually down into the Township of Taupo through the Waikari bush and plains.

94. That was the green route you spoke of then ; and the red route was the route of the present proposed railway to Taupo ?—Yes.

95. You said that this timber would benefit the railway if constructed on the red route ?—Yes.

96. Now, how do you piece that up with this statement made by you before that Commission. In your evidence before the 1922 Commission the Chairman asked you, " The information we have of the railway is that which you will see marked on the plan on the wall (Plan No. 31677) ? " and your answer was, " I have had a good look at the map, and from my point of view I am quite sure that the route indicated in red is not going to benefit the timber holdings, or the timber holdings are not going to benefit the red route. With respect to the green route, if adopted, all the timber in the district will go over that route. I may say I am quite positive of that." Do you still stick to that ?—No, sir, not quite, because times have changed a lot since then. We have also a very much better knowledge of that country now. When this railway was suggested and actually started, from Rotorua to Taupo, and authorized to Reporoa, I was instructed to go and see what possibilities there were of connecting up this railway with the Tauri-Tutukau, Maroa, and Oruanui Blocks.

97. Tauri-Tutukau was not then the property of the Government ?—No.

98. Nor is it now ?—I believe not.

99. Whose property was it ?—It is Dr. Rayner's.

100. Now, further on in the evidence given by you before the 1922 Commission the Chairman said to you, " We have no evidence as to where the line will go—what I want to ask is whether a railway on the eastern side would serve these forests you have been speaking about and pointed out on the map ? " and your reply was, " I do not think it would, sir " ?—Neither I did at that particular time.

101. You have changed your view, then ?—Yes.

102. I want to ask you what it would cost, in your opinion, to bring the line across from where you suggested—that is, at Reporoa—twelve miles across to get to the Maroa-Kirihono timber ?—I only made a flying survey just to see what possibilities there were to get this line through. I reported that it would cost between £3,500 and £4,000 per mile.

103. That is, a light tramway ?—I estimated the cost of a bridge across the Waikato River at £6,500, which I included in the estimate of £4,000 per mile ; so that it would cost about £50,000 to connect the proposed railway by a light line from our bushes to a point about Reporoa.

104. And that would be essential to enable you to handle that timber in Reporoa ?—Yes, that is so.

105. *Mr. Jenkins.*] Did you recently report favourably to the Government regarding the acquisition of the Tauri-Tutukau Block ?—I have not been asked to report upon it ; it is a question for the General Manager to decide.

106. But he looks to his officers for his reports, does he not ?—He has my report of 1918. I am not so high up in the Service that I would be called in to advise as to acquiring that block.

107. But you said there would be a royalty of 11½d. per 100 ft. on the timber : did you take into account its inaccessibility ?—But it is not inaccessible.

108. Did you take into account the cost of building a line to this proposed railway from that block—a distance of 12½ miles ?—Exactly ; if that line was built to-day the totara would be worth 6s. per 100 ft. royalty.

109. *Mr. Samuel.*] You only furnish reports to your Department's senior officers when requested to do so ?—Exactly.

110. You do not furnish reports without being asked to do so ?—No, they do not take any suggestions from me.

111. You would not go to your senior officers and suggest that they pay a certain price for a certain bush, without being asked for a suggestion or a report ?—I would not dare to do so.

112. *The Chairman.*] Is this Committee to understand that you have never been asked to make a report on Tauri-Tutukau ?—Oh, yes, I have made a report on it—a most extensive report.

113. And following upon that report the recommendation was made to purchase that property, but it never came off. Do you know whether the Government offered to purchase it following your report ?—I believe they did offer to purchase it.

114. Did you make a report upon Maroa-Kirihono Block ?—Yes.

115. Were you formerly employed by Dr. Rayner ?—Yes, for some time before the war. In fact, when Dr. Rayner sold his bush and milling proposition it was specially stipulated that I should go with it, but since then they have thought fit to keep me in the Service until now. Though I tried to get out of the Service I do not wish to do so now. I did not wish to enter the Service at all—I could have got a much bigger salary outside than from the Government, so it was no advantage to me to go to the Government.

116. When you were taken over from Dr. Rayner, just prior to that or about that time, did you retain any interest in Dr. Rayner's profits ?—Not the slightest.

117. In his profits or welfare by way of bonus or otherwise ?—Not the slightest.

118. You did not stand to benefit if he made a profit or completed cutting out Piha bush ?—Were you to get anything out of it ? Supposing I suggested to you that you had an arrangement with Dr. Rayner whereby you were to receive 10 per cent. of the profit he made out of the Piha bush, or a bonus of £1,000 ?—No, sir.

119. If it was in evidence what would you say ?—No, sir.

120. If I tell you that in that report which is lying on the table—that report by the Committee of a Magistrate and an ex-Magistrate—they say you actually received the sum of £500 about six years afterwards from Dr. Rayner—after you had left his service and joined that of the State, what would you say ?—I do not think that is correct. If that was correct—and I am sure it is not—then it is a direct insult to the Department which employs me, and also to Mr. Sterling, who was the Secretary of that Committee. He would never employ me for one minute if that was correct. I would instantly have been dismissed.

121. I want to give you a good opportunity to clear up things that are suggested about this matter, and I suggest that in your evidence before that Committee you admit the statement that you were to receive a bonus or percentage of profits ?—I did not, sir.

122. Well, it is for the Committee to investigate the point that it is in that report there that you admit that you had an arrangement with Dr. Rayner whereby you were to receive a bonus or 10 per cent. on his profits—I am not certain which—on condition that you remained with the Department until the Piha bush was cut out ?—Of course I deny it. That is a most unfair statement to make.

123. That is not a statement that is being made by me now—I am only suggesting to you that that is in the evidence which you gave to that Committee ?—It is not in the evidence—no, sir.

124. The Committee will be the best judge of that when they read it ?—You must permit me to explain it.

125. *Mr. Samuel.*] If it is in the evidence let us have it, Mr. Chairman, and let us ask the witness if it is true.

The Chairman : I believe it is there. [At this stage the Chairman made a search of report for the statement referred to.] I think we had better proceed, and give me time to look this up.

Witness : Mr. Chairman, before you go any further I would like to make a further statement upon this point. This thing has to go into the press, and I am not satisfied to leave it at this stage. That Committee of Inquiry was set up by the Government, with Mr. Riddell and Mr. Thomson as the members of the Committee. They had to inquire into the dealings of the Railway Department with timber and timber lands. The then General Manager of Railways, Mr. McVilly, insisted upon having that done, because pressure was brought to bear continually by the Taupo Totara Timber Co. on Mr. Massey, the then Prime Minister. This came out in the evidence attached to that report which you have before you. The Government eventually had to set up that Committee of Inquiry to satisfy the demand to see what had happened. Mr. McVilly insisted that the inquiry should cover not only the purchases in the Taupo district, but the whole transactions of the Railway Department from beginning to end, which the Committee dealt with. They went thoroughly into it. I was there every day, as was also Mr. Sterling, the present General Manager ; he was then the Law Officer of the Department, and he watched the case on behalf of the Department. If Mr. Sterling for a moment thought—or even had it in the back of his mind—that such a thing had ever happened, that I took £500 as a bribe, as you may call it, to induce the Government to buy this bush, or to influence the Government, I would not be five minutes in the service of the Department, I can assure you of that. Furthermore, I ask you to read the report of that Committee, so that the members of this Committee can hear the full report, as to what were the findings of that Committee. Now, when the inquiry was over Mr. McVilly was good enough to call me into his office and personally congratulate me upon the outcome of the inquiry. That was some compensation for the worry I had had in connection with it ; but better compensation

was given to me when Mr. Massey himself thought fit to take the unusual course of having me taken up to the House and personally congratulating me in the room of the then Speaker, Sir Frederick Lang, which was quite unprecedented at the time; I thought very much more of that than of anything else that ever happened.

126. *The Chairman.*] If there is any suggestion of a bonus or a percentage in the Commission's report or the report of 1920 you would deny it?—I deny it most decidedly, because that was put up by certain parties against not only myself but other persons; indeed, one of them worried himself so much about it that he went into his grave.

127. It was put up, then?—Most decidedly it was put up.

128. The suggestion was put up at the inquiry?—Yes, and it was put up to Mr. Massey before the inquiry.

129. And in your evidence you did not admit any such arrangement had been made?—No. I never had one single penny from Dr. Rayner except by way of salary when I was in his service, during the two years.

130. My point was whether you had an arrangement to receive a bonus or 10 per cent. on the profits made when the Piha bush was sold?—No, there was no suggestion made by Dr. Rayner or any one else, until it cropped up at this Commission. I denied it in a manner that cannot possibly be misunderstood. Furthermore, I stated that I received £500 from Dr. Rayner, which I was entitled to.

131. You admit you received £500 from Dr. Rayner?—But not for 10 per cent. profits from Piha.

132. What was it for?—It was part of my salary when I was with Dr. Rayner.

133. Not a bonus of 10 per cent.?—No.

134. When did you receive that money?—About that time I received it.

135. In which year?—I could not remember now, but the statement will be in that report, and no doubt you will be able to find it. As a matter of fact, in order to make quite sure, that Committee impounded my bank-books and those of my wife, and the whole of my correspondence at that time, so as to get at the bottom of that particular question.

136. How did this £500 become your money? It was paid you some years after you left Dr. Rayner?—Yes, five or six years afterwards. The explanation is quite a simple one. I was twice with Dr. Rayner. The first time I resigned from his service because I was not then in accord with the attorney who was put over me at the time when Dr. Rayner went to America, and I cabled my resignation to him in America. When he returned from America I was in charge of a timber company in the King-country, and he wired me to come to Auckland, where he asked me to go back to take charge of the whole of his operations. I said I would not have anything more to do with them as long as the attorney had anything to do with it, because I considered that the waste of capital was greater than I could possibly dream of permitting. Then he said, "Well, I must induce you to come back." As a matter of fact, he came at me again—and I proved this to the Committee. My position was this: He said, "You can write your own figure for your salary, but you must come back; the undertaking is so big and I cannot find a man to do it, and you know it from A to Z." The arrangement was that I should take a salary, and that if I brought it to a paying-point within a year I should get £1,000, or he should build me a brand-new house in any locality I selected—provided I brought his business up to a paying-point.

137. *Mr. Samuel.*] That was to retain your services?—That was to retain my services. That was my arrangement with Dr. Rayner when I went back to him again. A year afterwards he thought fit—which I personally opposed at the time—to sell his business to the New Zealand Railways, and even in consultation with him I told him not to do so. I did not think that he was getting sufficient for the timber and for his mill, according to the amount of money he had already expended. Our capital then stood at £80,000. I did not think he was getting sufficient at 10s. per 100 ft. royalty, including all machinery and plant and railway for the timber. However, he thought fit to overrule my objection, and he sold out to the Railway Department at that figure, on the understanding that I should go over as well. I did not want to go over because I could do far better elsewhere, but the question of my bonus came up with Dr. Rayner.

138. There was a bonus, then?—That was in 1912; but it had nothing to do with that at all.

Mr. Semple: A point of order, Mr. Chairman. What has all this to do with the Taupo Railway?

The Chairman: This is one of the witnesses who gave important evidence before that Railway Commission—before the previous Committee—and now he has given evidence before this Committee, and it is upon his estimate in regard to the quantity of timber in the district that the Railway Department relied, and various big areas of bush were purchased upon reports made by him, and it is a question of testing the value of his evidence. That is a very proper question.

Mr. Semple: But, sir, it is quite a legitimate thing for any employer to give a competent employee a bonus if he cares to do so—without any one attempting to infer that that gift was a bribe.

The Chairman: There is no implication made at all. The point is whether Mr. Knutzen, prior to going over to the Government, had an arrangement with Dr. Rayner that he was to receive 10 per cent. of the profits, or a bonus, provided he remained with the Government, and whether he received the sum of £500 about five or six years afterwards, and shortly after, or about the time of the sale of Maroa-Kirihono to the Government, on which this 55 million feet of timber stood—whether he received this £500 years after entering the Government service, and after making all these recommendations for the railway line to go down past Dr. Rayner's property. I am trying to find out whether that arrangement was entered into and that money was received long after he had ceased to be employed by Dr. Rayner. This is money which he may or may not have received years after he entered the Government service.

Mr. Samuel: Is it not a question for a departmental inquiry?

The Chairman: It is a question of testing the value of the evidence of the witness. I may say that the same test was applied when the two Magistrates were on that Committee. They did not hesitate to get all the information—there was then no question about it being not quite the right thing to do.

Mr. Samuel: What was the Committee's finding in connection with that?

The Chairman: I am going to look it up.

Mr. Samuel: But you have made imputations though you have not the evidence before you.

The Chairman: The witness has denied it, and it is for me to turn it up and produce it at a later stage.

Witness: But you have put an unfair inference on the whole thing, because you have said that it was received as 10 per cent. of profits or a bonus if the sale of Maroa was made to the Government: that is the suggestion you made.

The Chairman: No: there is no suggestion emanating from me. I am putting a question to you *re* Piha, not Maroa, which requires an answer. Now, you will be further examined upon this when I have turned up the evidence.

Mr. Samuel: Mr. Chairman, you should have had the evidence before you when you made the statement.

The Chairman: I have seen it and read it.

139. *Mr. Semple.*] Mr. Knutzen, did you receive the £500 afterwards?—Yes, but the Chairman will not allow me to explain. When I would not go to the Government at that time when he wished me to go over I said "No, not under the conditions." I do not want to go over to the Government service because I could do very much better outside. "The salary is far too small," I said. I also said to him, "What about the arrangement I have with you? because now it is up to a paying-point and I have actually earned the bonus, and that was the arrangement made as to payment when I came back to you"—which he admitted at that particular time. It came out in the evidence of Mr. Collins, who was present. I spoke about it then. I said, "What about my £1,000; how do I stand over that?" Dr. Rayner said, "I will make this arrangement with you, that if I sell to the Government, from time to time my payments will be coming due, and when I have worked off my bank overdraft I will pay you the £1,000 in cash." Now, that is the reason why I had to wait for years for it. I was quite satisfied to take Dr. Rayner's promise. I had been two years in his service, and he had not made me a promise which he had not kept. I did not "make any bones" about accepting his promise then, that I should get the £1,000. The moment he got the money he was to pay me the £500, which was mine—it was not Dr. Rayner's—I had earned it in the two years when I was working for him. It was my own money. I have never had one single penny—in the form of a 10-per-cent. bonus—except what I had earned.

140. Did Dr. Rayner sell to the Government on your recommendation?—No, sir, I was opposed to it. It was detrimental to my own interests as well as, I think, detrimental to his. I had brought the whole thing up to a paying-point, as he acknowledged, but the war had come on, and when a man with an overdraft sees his way to satisfy his bankers he takes it.

141. Did he get his payment from the Government in instalments?—Yes.

142. *Mr. Makitanara.*] Who recommended the Government to buy Dr. Rayner's bush?—I have not the slightest idea.

143. *The Chairman.*] Did you recommend the purchase of Anawhata soon after you got into the Government service?—Yes.

144. And this was before you received the £500?—Yes, sir.

145. And you did not receive the £500 until five or six years afterwards?—No.

146. I put it to you, did you have an arrangement, prior to going into the Government service, with Dr. Rayner, that he was to pay you a bonus of approximately 10 per cent. on his profits, provided you remained with the Government, and that the timber was cut out at Piha: you deny that?—No, that is not the question you put to me; you asked me whether I received 10 per cent. on the Maroa Block.

147. No, whether you received 10 per cent. or a bonus from Piha—not from Maroa?—I never got one cent.

148. Not from Piha?—I was in Dr. Rayner's service then; how could I advise the Government to buy it?

149. I suggest to you that it was on your recommendation that the Government bought Anawhata. You received £500 from Dr. Rayner. I put that to you, and you have admitted that you had an arrangement before leaving Dr. Rayner's service that you were to receive a certain sum of money, and then you admit that you received £500 about five or six years after leaving Dr. Rayner's service. That is all the information I want out of you, but I will endeavour to turn up the evidence and read it to the Committee—the evidence that you gave to the previous Committee on that particular question. I cannot turn it up just now because it is scattered through this volume, but during the luncheon-hour I will turn it up so that you can clear yourself, if possible. Then the Committee will know what value to place upon your evidence, when you recommend this proposed line not to go from Rotorua to Taupo, but to pass Dr. Rayner's bush. It has an important bearing, and if any party recommends a particular route for the proposed railway I want to get for the information of the Committee why this recommendation was made. I want to give you ample opportunity to clear the air in regard to that.

Mr. Semple: In other words, you want to know whether the witness's palm has been "greased."

The Chairman: In other words, I want the Committee to know that.

Mr. Makitanara: Is he recommending the line to go through the native bush?

The Chairman: I recommend the Committee to turn up his evidence,

Mr. Kyle: There is a bribe suggested.

Mr. Samuel: It ought to be cleared up.

Mr. Semple: Your charge amounts to a charge of receiving a bribe.

The Chairman: There is no charge.

Mr. Semple: If what you say is true, this witness has been bribed. He is in the Government service, and he is not fit to be there if the allegation is true.

The Chairman: You say that it amounts to a bribe; I do not say what it amounts to. I am going to produce the evidence.

Mr. Samuel: You should produce the evidence when you make the charge.

The Chairman: I shall produce the evidence.

Mr. Semple: It is a very bad procedure. I object to the charge being made without the evidence being produced, because there are reporters present. When a charge is made against an individual citizen you ought to have evidence.

The Chairman: You are not in order in suggesting a charge. There is none suggested.

Mr. Makitanara: Mr. Semple is creating a charge in his own mind.

Mr. Kyle: We are not school-children, and we understand plain English when we hear it.

The Chairman: The witness has admitted, substantially admitted, what I suggested.

Mr. Samuel: I wish to raise a point of order. I submit that the witness has not admitted anything that you have suggested. He has denied everything, and the fact of your putting words into the mouths of this Committee is altogether wrong. The procedure is wrong.

The Chairman: In your opinion.

Mr. Samuel: You have asked the witness certain questions. He has denied them all. You have made certain suggestions of bribery to this witness and he has denied them. Then you follow it up by stating that he has admitted the thing. It is very wrong, and it comes very badly from you as Chairman.

The Chairman: Just as this comes very badly from you, suggesting that I am doing wrong.

Mr. Samuel: This is a point of order.

The Chairman: You must not reflect on the Chair.

Mr. Samuel: I am not reflecting on the Chair. Members of this Committee are just as intelligent as you, and are just as able to judge of what you are saying as you. You have deliberately suggested that a bribe or something in the nature of a bribe was given to this man. He has denied it. That is all right. I do not question your right to ask questions.

The Chairman: You are questioning it now.

Mr. Samuel: But after he has given his denial you have no right to say he has taken a bribe when he has not.

Mr. Makitanara: Are you talking to the press?

Mr. Samuel: I am not talking to you. I would not waste my time talking to you.

The Chairman: The witness has admitted that he received the sum of £500.

Mr. Samuel: As wages.

Mr. Kyle: As a bonus on bringing Dr. Rayner's position into a payable one.

Mr. Samuel: This is going too far.

The Chairman: Whether or not, the evidence will be turned up and read to the Committee, and then you will probably think differently from now.

Mr. Semple: My point is that you ought to be in the position to read the evidence before making the statement, and that you should not make a charge by innuendo and suggestion. You have created the impression in the minds of everybody in the Committee that this man has been guilty of shabby conduct. I submit when you made that statement you should have had the evidence at your disposal to prove conclusively that your statement was backed by facts.

The Chairman: My statement is backed by the fact that there was evidence given by him to that effect, and I shall turn it up, but I must have time.

Mr. Samuel: The report of the 1920 inquiry contains this evidence given by Mr. Knutzen: "The reason why I remained with the Department at a salary of £6 per week was in order that I should have the opportunity of obtaining the £1,000 bonus from Dr. Rayner. I was to obtain the bonus when the area had been worked out by the Department exactly as if it had been worked by Rayner, and I was to do my best for the Department the same as if I had continued to work the area for Dr. Rayner."

The Chairman: The fact that I have been looking in another document for the evidence accounts for my failing to find it.

Mr. Kyle: You would have saved a lot of trouble if you had got on to the facts.

The Chairman: I said I would read the evidence, and I am going to read it to you now. It is as follows:—

> "When the Department took over from Dr. Rayner the salary I had been receiving from Dr. Rayner was £5 per week and the Department fixed my salary at £6 per week. I could have got a position at a better salary outside if I had cared to leave the Department. I did not notify the Department that I could do better than £6 per week. I did not know that they wanted me. Mr. Baxter and Mr. Collins and Dr. Rayner came over to Piha on the Good Friday before the Government took over the mill. It was then that it was put to me that I should remain on as manager for the Department. It is probable that the salary I was receiving was discussed. I think that Dr. Rayner recommended me to the Department. Dr. Rayner had previously asked me if I would accept work with the Department. That was in the general discussion. I declined and said that I did not wish to work for the

Department. The question of my bonus came up for discussion between Dr. Rayner and me when the Railway Department contemplated taking over Piha, as our agreement about payment of the bonus would then be broken. Dr. Rayner had evidently recommended me to the Department as suitable to carry on the work and pressed me to accept service with the Department, he being anxious that the Department should be successful with Piha. It was eventually mutually agreed that the bonus of £1,000 should hold good if I accepted the Department's offer of employment and continued the work to completion. Dr. Rayner then pressed me to work the proposition as advantageously for the Railways Department as if I had continued working for him. The reason why I remained with the Department at a salary of £6 per week was in order that I should have the opportunity of obtaining the £1,000 bonus from Dr. Rayner. I was to obtain the bonus when the area had been worked out by the Department exactly as if it had been worked by Rayner, and I was to do my best for the Department the same as if I had continued to work the area for Dr. Rayner. At that time Anawhata had not been taken over. Dr. Rayner held an option over it. I was not to get the £1,000 bonus until the whole of Dr. Rayner's holdings, including Anawhata, had been cut out. Assuming that my arrangement with Dr. Rayner had not included Anawhata it would not have affected my recommendation that the Department should work Anawhata. I was to get my bonus from Dr. Rayner even if he did not take up his option over Anawhata. The question of the bonus I was to get from Rayner did not affect my judgment in regard to the working of the timber on Anawhata. Any one would have taken Anawhata at that time if he was sawmilling at Piha. Dr. Rayner did not suggest to me that if I took employment with the Department the arrangement regarding the payment of the bonus to me was off. He said that if I continued with the Department the bonus would be paid. He said that he would look on it as if I were carrying out my agreement with him. The question of the bonus was discussed between Dr. Rayner and me before the Department took over Piha. At that time the Department did not contemplate taking over Anawhata. When the negotiations *re* Anawhata did not come on there was no further discussion between Dr. Rayner and me about the bonus. I know that later on Dr. Rayner offered a further area to the Government over which he had an option. I reported on that area. It was not taken by the Government. The question of the bonus was not then discussed with Dr. Rayner. I understand that Anawhata and Piha have been worked by the Department at a loss. Generally I would ascribe this to the following circumstances,"

and so on. There, then, is the evidence of Mr. Knutzen, signed by him, just as I stated when I suggested that there was evidence here that implied or stated an arrangement before he went to the Department that if these bushes were worked out by the Department he would receive a bonus of £1,000, and that that money, or part of that money, earned after he joined the Public Service, was paid to him years after he left Dr. Rayner and joined the Public Service.

Witness: It is wrong to make that suggestion. It is not right for you to make the suggestion.

The Chairman: I am reading your own evidence.

Witness: No, it is not my evidence. You have put on the whole thing a different construction that does not and never did exist.

The Chairman: I make no suggestion; I have simply read over the evidence.

Witness: But after you read the evidence you tried to put on it a construction which never existed, and I object to it. I must object to it both on behalf of myself and on behalf of the Department.

150. *Mr. Semple.*] It seems to me, if I may be permitted to say so, that this man was employed by Dr. Rayner prior to Dr. Rayner selling this timber area to the Government. Dr. Rayner entered into an agreement to pay him so-much a week and to pay him £1,000 at the end of a certain term, if he could make a success of the undertaking. (To the witness) Is that correct?—That is correct.

The Chairman: I do not think we should discuss that.

Mr. Semple: I wish to give my impressions. You have given yours, and surely members of the Committee have a right, now that you have read the evidence, to put their construction on it.

The Chairman: That is a matter for the Committee in committee.

Mr. Semple: This man is here, and I submit that in view of the fact that you have made a statement and left a certain impression that there was something shabby or crooked——

The Chairman: I have never done anything of the kind.

Mr. Semple: Then I must have a very crooked mind.

The Chairman: You must have.

Mr. Semple: I could not help thinking there was a suggestion that there was something behind the scenes not clean, and I wish to review what may have led to that.

The Chairman: I must rule you out of order.

Mr. Semple: I shall do it later on.

The Chairman: You can do it later.

Mr. Semple: And I shall do it with a vengeance, too.

Witness: It is only fair to me that you should read the report of the Commission held in 1920—that is, the full report of the Committee as far as I was concerned.

The Chairman: That will be read to the Committee.

Witness: Have it read to the press.

Mr. Semple: Why not have it read to the press?

Mr. Lye: I have been absent for a little and therefore have not been in the position of hearing the evidence of the witness. I would like to ask one question. Has any suggestion been made to the witness that he induced the Government to purchase any of the properties held by Dr. Rayner?

The Chairman: There is no suggestion. No suggestion has been made by any one, so far as I know.

151. *Mr. Samuel* (to witness).] How long have you been in Government service?—Since the 1st April, 1913.

152. Have you improved your position since you entered the Service?—Apparently my services are satisfactory. I am still with the Department, and I am trusted implicitly in anything I do.

153. Have you risen in the Service?—Yes, as far as I can rise. I cannot rise any higher.

154. Do you consider that any unfair suggestion or inference has been made this morning?

The Chairman: I do not consider that is a fair question.

Mr. Samuel: I do.

The Chairman: I do not.

Mr. Samuel: Why not?

The Chairman: It is a reflection on the Chair.

Mr. Samuel: It is not a reflection on anybody. I am asking the witness whether he considers that any unfair inference has been made against him or against the Railways Department.

Witness: I do, and very much so.

155. *Mr. Samuel.*] And you resent certain suggestions that have been made this morning?—I do.

156. Have any imputations been made against you previously in connection with your service with the Railways Department and Dr. Rayner?—Yes, they have.

157. They have been disproved?—Yes, they have been disproved. The same thing happened in the Commission of 1922, when I was under cross-examination by Sir John Findlay for nearly two days on the same question as has been raised to-day.

158. On the same suggestion?—Yes.

159. As to your having received a certain amount of money which was not considered to be in the nature of a bonus or salary?—It was never suggested exactly, but the imputations were behind all the questions I was asked.

160. You were under cross-examination by Sir John Findlay for two days?—Yes.

161. Concerning this suggested bribe?—Yes.

162. What was the finding of the Commission so far as you were concerned?—I do not know; I have not the slightest idea; but as far as my Department is concerned, I am still there.

163. Mr. McVilly was General Manager of the Railways Department at the time?—Yes.

164. When the Commission ended and the finding had been given, did Mr. McVilly congratulate you?—Yes, he did.

165. And you were also congratulated by the late Mr. Massey, who was Prime Minister of the country at the time?—I was. He took the unusual course of calling me to the rooms of Sir Frederic Lang, where he congratulated me on the outcome of that Commission.

166. You stated before that Commission that any moneys you received from Dr. Rayner were on account of a bonus promised you if you made a success of the Piha bush, then owned by your employer, Dr. Rayner?—Yes, it was part and parcel of my salary.

167. Dr. Rayner paid you this money years afterwards because he was then able to pay?—Exactly.

168. He did not pay you before because he did not have the cash?—That is the position.

169. When the Government paid for this bush as it cut out the timber, and Dr. Rayner got his money back, he paid you when he was able?—Yes.

170. Do you know that Dr. Rayner had a big overdraft with the National Bank of New Zealand?—I am quite aware of it, because I was his manager.

171. That was with the National Bank of New Zealand at Auckland?—Yes.

172. And he could not pay you £1,000 or £500, or whatever sum it was, until he had reduced his overdraft?—Exactly.

173. Then the reason why you waited five years to get your money was because Dr. Rayner could not pay you until he had received the money by way of progress-payments from the Government?—Yes.

174. You have been in the Government service for sixteen years?—Yes, since the 1st April, 1913.

175. And you are still in the Government service?—Yes.

176. If there had been any suggestion of corrupt practice, and if such had been proved, the Government would have been wrong in keeping you all these years?—I am quite sure I would not have stopped there five minutes.

177. Seeing that certain suggestions have been made this morning, do you feel that an inquiry should be made into these suggestions?—I am quite willing that these suggestions should be inquired into in any way. The matter was the subject of a very strict inquiry lasting for six weeks, as can be seen from the evidence.

178. When that Commission was sitting, Mr. H. H. Sterling was then the Law Officer of the New Zealand Railways Department?—Yes.

179. And he was present during the sitting of that Commission?—During the whole of the Commission, watching the interests of the Department.

180. He heard all the evidence?—Every word of it.

181. And he did not recommend your dismissal?—He did not—apparently not.

182. And Mr. Sterling is now General Manager of the Railways Department?—Yes.

183. You are still in your position with the Railways as Bush Manager?—Yes.

184. Then apparently the whole of the Railway Service from the General Manager down, and the Government, are satisfied with your services?—Apparently.

185. And with your past services?—I have often been commended for my services.

186. *The Chairman.*] Was the money paid to you by cheque or in cash?—It was paid to me in cash.

187. *Mr. Makitanara.*] In regard to this bonus arranged between you and Dr. Rayner, was the understanding that it should be given to you if you were successful in negotiating with the Government ?—I do not follow the question.

188. What was the object of the arrangement that you were to get a bonus ?—It was part of my salary.

189. What exactly was the bonus ?—I do not understand the question.

190. There was an arrangement between you and Dr. Rayner for a bonus ?—It was part of my salary, arranged as such matters are time and again between private individuals. I have had bonuses from other people as well, just to carry out their wishes in a proper manner.

191. Here is a bush in an isolated place, with no outlet to any market and no prospect in view, and yet there is a bonus sticking out ?—I do not understand your question.

192. Mr. Massey congratulated you on your bargain—your successful bargain ?—I do not think you have the right to say that about Mr. Massey.

193. You said that he congratulated you and took a very unusual course in doing it—that he congratulated you on making the arrangements about this bush ?—I did not make such a statement. I stated that Mr. Massey took the unusual course of taking me to the rooms of Sir Frederic Lang and personally congratulating me on the outcome of that inquiry, where the suggestions had been made that I had been taking a bribe, if you like to so term it. He congratulated me on the fact that my character was cleared. Unfortunately, the other man against whom the charge was also levelled by the same party lies in his grave. He did not long survive the inquiry, although the allegations were disproved just as they were disproved in my case.

194. *Mr. Kyle.*] After being absent attending another Committee, I returned here just in time to hear you state that you resigned from Dr. Rayner's service on account of trouble you had with the attorney when Dr. Rayner was in America ?—Yes.

195. Dr. Rayner came to you to see if you would go back and manage this timber company for him at a salary ?—Yes.

196. Plus a bonus of £1,000 if you made a success of it ?—Exactly.

197. Or build a home for you ?—Yes, I think you will find the letters included in that evidence.

198. The sum of £500 which you received later from Dr. Rayner was part of the £1,000 ?—Part of my salary.

199. Agreed upon as a bonus if you made a success of his sawmilling business ?—Yes.

200. *Mr. Semple.*] You entered into an agreement with Dr. Rayner for a salary of £5 a week ?—Yes.

201. With the understanding that if you made a success of the business you would receive £1,000 ?—Yes.

202. In the interval Dr. Rayner sold to the Government ?—Yes.

203. Did you recommend the sale ?—No.

204. Were you opposed to the sale ?—I opposed the sale.

205. You believed that Dr. Rayner would not sell ?—Yes, he asked my opinion, and I told him I did not think the bargain was a good one from his point of view.

206. Did you think he was not getting sufficient for his property ?—From what he told me it was not sufficient.

207. And you were opposed to the sale ?—Yes.

208. Of course, you would naturally expect Dr. Rayner to keep his agreement with you ?—Yes.

209. And Dr. Rayner did do that ?—He did.

210. He told you the agreement would still stand good, conditional on you going over to the Government and working as energetically and honestly as you would for him ?—Yes.

211. And in the end, when he got some money and redeemed his mortgages, &c., that he would make good his promise to you ?—Yes.

212. That promise was fulfilled ?—Yes.

213. So it was really a continuation of his promise ?—Yes, it was carrying out his promise.

214. He liquidated his promise to you ?—Yes.

215. At the time he sold to the Government Dr. Rayner was not in a position to pay you the balance of the money he promised you ?—No, he was not; I know that.

216. He did not allow his sale to destroy the agreement that he had with you—he kept that agreement ?—Yes.

217. And the money you took subsequently from Dr. Rayner, when you were in the employ of the Government, had nothing to do with any business transaction between Dr. Rayner and the Government ?—Nothing to do with it in any shape or form. It was simply money due to me.

218. In fulfilment of the agreement ?—Yes.

219. Did the Government want you to come over when Dr. Rayner sold ?—The Government insisted on me going over.

220. You did not seek a position with the Government ?—No.

221. You were part of the transaction ?—It was simply part of the transaction, because they had not a man in the Service at that particular time that could carry out the tremendous work there was at Piha.

222. You had to give your consent to go over ?—Yes.

223. And you gave it ?—Yes.

224. You were informed that Dr. Rayner would keep his agreement with you if you put the same energy, skill, ability, and enterprise into the business for the Government as you would put into it for him ?—Yes.

225. And that if you helped to make good there he would eventually keep his promise with you ?—Yes.

226. *Mr. Jenkins.*] You managed the Piha mill for the Government ?—Yes, after it was taken over by the Government.

227. The Government lost a fair amount of money in connection with Piha or the sawmilling ventures there ?—They made an apparent loss, but actually they did not make a loss at all. On the system of accounts there was a loss.

228. It was certainly very apparent ?—Actually, the Government did not make a loss at all. I pointed out long before Piha was exhausted that the system of selling the timber from the Milling Department to the various other Departments was wrong. For instance, we sold timber to the different Departments at 33s. a 100 ft. for first-class kauri timber, when to buy it outside we had to pay up to 47s. per 100 ft.

229. You sold it too cheaply ?—Yes. Consequently, at the end of the year it was impossible not to show a loss. Costs were continually going up during the war, and I asked the Department to keep that fact continually in mind. I pointed out that some alteration or adjustment would require to be made in the prices charged to the different Departments. It will be understood when we sold at 33s. per 100 ft., and it was wide timber, 23 in. or 24 in. wide—beautiful kauri—that it was impossible to produce it at that price at that particular time when costs had gone up.

230. As manager you had no control over the selling part of the business ?—I had no control because prices were fixed in Wellington.

231. I see now how you can reconcile the fact that there was a loss with the fact that you advised Dr. Rayner not to sell ?—At that time one had to pay 47s. per 100 ft. outside, against 33s. charged by us, and in my correspondence I continually pointed out that it was impossible to balance accounts at the end of the year and show a reasonable profit at the prices we were charging.

232. *Mr. Semple.*] You had nothing to do with the selling part of the business ?—No.

233. Your end of the business was conducted all right ?—It was to produce the timber at the lowest possible cost and deliver it to the Department as required.

234. And you did that ?—Yes.

235. Where was the loss ?—It was due to the low price charged to the different Departments.

236. In that case, if you sold to the various Government Departments at a very low price, there was not really a loss because the Departments were gaining ?—Yes.

237. Government institutions were gaining ?—Yes.

238. *Mr. Massey.*] If a private individual had run that sawmill, what would he have received for his timber at that particular time ?—He would have received 47s.

239. *Mr. Semple.*] As against what ?—As against 33s.

240. *Mr. Samuel.*] How many feet ?—There were 29 million feet of kauri—all kauri.

241. It was sold to the Government at 33s. ?—At an average of 33s. Indeed, 33s. was the highest price we got.

242. If that timber had been purchased outside from private mills they would have had to pay 47s. ?—Yes.

243. What was the Government loss on that ?—It was £60,000.

244. How many feet of timber did you state ?—It was 29 million feet.

245. If that timber had been purchased from a private company or from private vendors, the sellers would have made a huge profit over the return your Department got—namely, the difference of 14s. per 100 ft. on 29 million feet ?—Yes.

246. *Hon. Mr. Ransom.*] Does that apply only to a certain grade ?—It applied only to first-class timber.

247. *Mr. Samuel.*] What was the quantity ?—Two-thirds of the timber at Piha was practically first class.

248. That would be 20 million feet ?—Yes.

249. That was sold to Government Departments at 33s. ?—Yes, on an average.

250. If it had been bought outside it would have cost them 47s. ?—Yes.

251. That was a difference of 14s. per 100 ft. ?—Yes.

252. Which would have given you a huge profit ?—Yes.

253. *The Chairman.*] When the Railways Department purchased the Piha and Anawhata properties, they paid for them respectively a royalty of 12s. 6d. and 10s. per 100 ft. ?—Yes.

254. It was 12s. 6d. for the use of the mill at Piha and 10s. per 100 ft. royalty at Anawhata ?—Yes.

255. In that contract which the Government made with Dr. Rayner the Government had to cut and pay for some 4 million feet per annum ?—Yes.

256. What was your position in regard to the cutting of the timber: had you any say as to what timber was passed and what was not ? Who had practically the sole say as to what timber was cut ?—I was the responsible officer.

257. Was there any written agreement between you and Dr. Rayner regarding the bonus ?—No.

258. There was nothing in writing ?—No.

259. It was purely oral ?—Purely oral, because a written agreement was not required. Dr. Rayner's word was good enough for me at any time anywhere.

260. Was there any reason why he should have paid you so large a sum as £500 in cash ?—I do not know. I have not the slightest idea.

261. You cannot account for that ?—No.

262. You are satisfied that the route you described to us is the best that you know for a railway, should one be built ? That is practically the green line, except that it goes off to Reporoa ?—That is my personal opinion.

263. *Mr. Vaile.*] What is your estimate of the total quantity of bush in the Mokai region ?—My estimate is 580 million feet, exclusive of the Taupo Totara Timber Co.'s property.

264. You say there are 580 million feet in that area. You told us that in existing circumstances, without the railway, the royalty value of the totara is 2s. 6d., matai 2s., rimu 2s., kahikatea 9d : how much would the royalty be increased by the presence of a Government railway ? You have suggested a branch line twelve miles long going into that bush ?—I should say it would be increased by at least 2s. per 100 ft.

265. You estimate the cost of that branch line at £50,000 ?—Yes.

266. On 580 million feet 2s. per 100 ft. would be £580,000, so that would pay for the branch and for the whole of the railway to Rotorua ?—I do not know what the railway to Rotorua would cost.

267. Besides these bushes, do you know Tumunui, which is eleven miles from Rotorua ?—I do not know it.

268. You know that there is a bush there ?—Yes.

269. You know something of the Paeroa bush ?—Yes.

270. What amount of millable timber is in the Paeroa bush ?—That bush was offered to the Department by Mr. Forrest for milling, and it was submitted to us that there was 70 million feet there ; but I looked over it and I estimated that there were 25 million feet.

271. Do you know the bush at Opepe ?—Yes.

272. Have you any idea of the quantity of timber there ?—No, except from hearsay.

273. Do you know the bush at Pahautea ?—These blocks have so many names that it is difficult to identify them. Where is this one ?

274. On the road to Runanga ?—I do not know it.

275. Do you know the Runanga bush ?—I have been over it, but I do not know the bush.

276. Have you been over the Wharetoto bush ?—Where is it ?

277. In the upper Rangitaiki Valley ?—No, I do not know it.

278. Do you know that there is a considerable area of bush in that country ?—Yes.

279. You are a Dane ?—Yes.

280. Can you give us a little information as to how you think the Danish dairy-farmers would do on the pumice area ?—It is a very hard question to answer, but personally I believe that I could easily get a hundred settlers from Denmark for group settlement in the pumice area, if the conditions were something similar to the group settlement suggested to this Committee. I am quite sure they would fly at it.

281. What sort of area do the dairy-farmers in Denmark occupy ?—Very small. Most of them are able to live off a section of not more than 10 acres. The principal farms are possibly from 10 to 20 acres.

282. If these farmers had 200 acres of pumice land they would think themselves well fixed ?—I am quite sure, with the proviso that it was put into some sort of order so that it would then be reasonably self-supporting, they would do well.

283. How does the climate of Denmark compare with the climate of the pumice area : is the winter longer there ?—There is no comparison between the climates. Climatic conditions in Denmark are very hard for farming, compared to the conditions here.

284. How long do they keep the cattle in sheds and feed them by hand in Denmark ?—Not less than five months.

285. Do they feed the cattle on crops grown on the 10 acres or do they have to buy feed ?—They mostly buy feed.

286. So you think that if they were given a larger area in a climate where it is not necessary to house or feed the cattle the Danish farmers would succeed very well ?—I think they would. That is my personal opinion.

Mr. Jenkins : I should like as a member of the Committee to make a statement here. It may be assumed that a reflection has been cast regarding the integrity of this witness. I would like to tell the witness before he leaves the room that I, and I believe the other Government members, accept his evidence and accept him as an honest man. I believe personally that he has cleared himself here. I would not like him to go out of this room thinking that we personally felt that there was anything dishonest. I believe the other members are with me. We feel, Mr. Knutzen, that you have cleared yourself, and we accept you as an honest man. That has nothing to do with our finding and determining in regard to the railway, but I wished to make the statement, and I believe it is in accord with the view of the other members.

Witness : Thank you very much.

DISCUSSION.

The Chairman : Mr. Vaile, do you wish to give further evidence, or do you wish to address the Committee now ?

Mr. Vaile : I wanted to give a little rebutting evidence in answer to the evidence given by Mr. Galvin.

The Chairman : You have given rebutting evidence, but you wish to add some new evidence to what you have already given ?

Mr. Vaile : Yes, that is my idea.

Mr. Dalziell : May I make this statement : I do not know what is going into the press in regard to my company ; but if the accusations are going into the press it is only fair that I ought to be permitted now to reply, so that the reply may be published along with the accusations.

The Chairman : I think that that is a fair proposition. You have no objection, Mr. Vaile, to waiting a little ?

Mr. Vaile : No.

The Chairman: Is the Committee agreed?

Mr. Semple: Has every witness the right to come back and make statements after he has given his evidence?

The Chairman: My reason for putting this forward is that the same privilege was offered to another witness, and every member of the Committee agreed to it.

Mr. Semple: Was Mr. Dalziell summoned here in the first place?

The Chairman: No; he was a volunteer. In my opinion we cannot really refuse him. If he volunteers to give further evidence it would not be fair of us not to allow him to do so.

Mr. Semple: He does not wish to give further evidence, but to enter into a controversy regarding evidence given.

The Chairman: He will not be permitted to do that, but if he wishes to add something he may do so.

Mr. Semple: Are we entitled to question him?

Mr. Dalziell: I wish to be cross-examined.

Mr. Semple: I do not know whether it is worth while.

Mr. Dalziell: That is for you to determine.

The Chairman: I do not think it is fair to comment on the witness's evidence.

FREDERICK GEORGE DALZIELL, further examined. (No. 21.)

1. *The Chairman.*] What evidence do you wish to give?—The witness had made two main accusations against my company. He said that we would not carry Mr. Palmer's timber and would not carry the timber of other companies. With regard to Mr. Palmer the position is this: He is a very hard-working man and a very decent chap. He was "right up against it" there. The manager of the company knew him well, and we all liked him. The manager took upon himself to give him a help by carrying his timber, contrary to our policy. We ran a risk in carrying that timber, because our policy was not to carry timber for any one, we having no surplus rolling-stock, until we came to an arrangement as to who was to finance the purchasing of the rolling-stock. We were prepared to find the finance if they would undertake to provide us with the freight. We were quite prepared to do that, and we made that offer. My letter to the late Mr. Massey, Prime Minister, is in evidence, and shows that we urged that the whole question should be investigated and the whole of the timber co-ordinated in one scheme in connection with the railway, all to be carried over the railway so that there would be the one sinking fund. That was our proposal made to the Prime Minister in 1918. We were prepared to consider any scheme of co-ordination. We, my board, as business men all recognized that the sound thing to do was to get that timber together into one arrangement so that the whole of it could be worked most profitably to the owners. That has been our policy, and it has been our policy the whole of the time. The suggestion that we would not carry people's timber is false. We have been always willing to carry timber, provided an arrangement was come to as to who was to provide the capital for the rolling-stock. They admitted they could not ask us to provide a good many thousands of pounds and put it into rolling-stock unless we were sure of the traffic, and we could not be sure of the traffic unless they entered into a contract. The reason that has been delayed has been because there have been so many suggestions about alternative routes. That has held up the negotiations; and the Rayner transaction is also holding up the matter. That is part of the difficulty. Efforts have been made to take the Rayner timber by the Rotorua–Taupo line. The Commission was set up in 1921 to investigate the problem. You will find nothing in that Commission's report suggesting that we dealt in any way unfairly with anybody there. Royal Commissions and departmental inquiries have been set up, but not on one occasion has there been any finding that we have done anything unjust to anybody there. That is our record. Now, there is a suggestion by a member of this Committee who referred to "this scandalous proposition of exchange." I suppose that is permissible in a parliamentary Committee, but these are the facts.

The Chairman: The word "scandal" is not permitted, as a matter of fact, but it is gone, and we cannot catch it up.

Witness: Before the 1921 Commission we showed that there were certain of the Government bushes interlocked with our bushes, and I suggested that it was foolish for us to have two mills, one each, in the two bushes. I said it was far better that we should each work one bush. There has been no suggestion of exchange except an exchange of bushes on an ascertained equality. There has never been any question of money involved. Before and since the 1920 Commission it has always been a question of exchange of timber, foot for foot, in accordance with quality. That has been the only proposition. The Right Hon. Mr. Coates was present. I put that proposition to him. I put it to him that it was a fair thing and that it was a sound business proposition, and that it was what should be done. He agreed that on the surface it was the right thing, but he could not commit himself because it was something that required to be gone into. A little time ago I put the same proposition to Mr. Sterling. He looked at the map and said, "Yes, on the face of it, we ought to make this exchange." I have already told you in evidence that when he sent for Mr. Guiness, head of the Sawmilling Department, Mr. Guiness advised that they ought to hold that bush as a reserve, because it was such a valuable totara bush. It has more totara in it than the block we proposed to exchange, but the exchange was to be made on a basis of values—so-much totara at so-much, so-much rimu at so-much, and so on. That was to be the basis of exchange. That is the basis of a small exchange we made with the Government. We had no difficulty there. Mr. Guiness went into the matter with our manager. That is the exchange which has been called by a certain term.

2. The contemplated exchange?—Yes. It has been stated here that we were very disappointed at something Mr. Massey did. That is quite contrary to the truth. Mr. Massey has never made any

complaint or suggestion of any unfairness on the part of my company. On the contrary, he has helped us, and Mr. Coates, since, has helped us in every way possible to try and bring about an arrangement by which that line should be made a permanent line for traffic and settlement. That has been our purpose all through. In regard to the exchange, it is merely a question of what is the best method of working that timber. Our whole desire all the while is to have an investigation. Let us get at the facts. You will not settle this country unless you first ascertain the facts. We have been urging that the facts should be investigated.

3. That is not a matter for the Committee ?—No, but it is an answer to the suggestion that we are trying to do something unfair to anybody on the line. That is all I wish to say.

4. *Hon. Mr. Ransom.*] Do you consider it is correct that Palmer sold the timber to the company at a very low price and that the company resold it to the Department at a higher figure ?—The witness who made that statement does not know anything about it. He was telling you what somebody had told him.

5. Was it correct or incorrect ?—I do not know whether it was correct or not. It was a very small lot of timber. It was a trivial matter which was not referred to us at all. I assume that what the manager paid him was what it was worth there. We know what timber costs to get out, and I assume it was a fair price having regard to the circumstances. But to say that we sold the Department the same timber afterwards or charged so-much is ridiculous. I have no doubt that they did not buy the same timber. There was no transaction of that kind. It certainly never came before the Board. I cannot think that the manager, being the man of high standing that he is, would enter into a transaction of that kind. You, as Minister of Public Works, will find that that question was referred to the Public Works Department. It looked into the matter and said that we were quite right.

6. *Mr. Makitanara.*] Are you prepared to co-ordinate with the present Government in the same way as you proposed to Mr. Massey in 1918 ?—We went before Mr. Coates in 1928 and urged him to have this question settled as to where the timber was to go—whether it was to go over our line or to the Rotorua–Taupo line. Mr. Knutzen will agree with me in regard to distance. He gave you the figure of 12½ miles to the Tauri Block.

7. Will the Committee be right in assuming you will be prepared to co-ordinate with the present Government ?—Yes. We are prepared to pay half the cost of ascertaining what will be the cost of transporting that timber from the Government bushes and Tauri-Tutukau to the Rotorua–Taupo line. We are anxious to get it settled, because we wish to know what traffic we are going to get over the line.

8. *Mr. Semple.*] Over your own line ?—Yes, so that we can shape our business accordingly. That is what any business man would do.

9. You are looking for business for your own line ?—Yes, of course. Do you regard that as wrong ?

10. *Mr. Makitanara.*] We want details: so that there is an outlet for the farming produce ?—Mr. Massey himself, the Commission of 1921, and the 1925 departmental Committee advised that our line should be retained—that some arrangement should be made whereby it might be retained as the permanent railway for settlement traffic.

11. Would that be cheaper for timber than the proposed Rotorua–Taupo line ?—Nobody can say. Mr. Knutzen has not gone into the figures, and no one else has done so. He has gone over it and examined it, but he has not taken out the quantities, and that must be done before you can ascertain the cost.

12. *Mr. Jenkins.*] Could your line handle all the timber, both the Government timber and your own adjacent ?—There would be no difficulty about that. In what sense do you ask ?

13. Without duplication ?—Yes. We only run one train four times a week.

14. Your capital value in that line is £110,000 ?—It cost us about £120,000.

15. Would you sell the Government a half-interest in that line, with the right to use it to the same extent, for half the capital value ?—We would be glad to; but there is this difficulty. I have never thought to ask the Government to do it, because I was advised by the Government departmental officers that if they took the line over they would be pressed to make it up to Government standard, so I have never thought it could be done. Our proposition in 1918 was not that the Government should take it over, but that we should co-ordinate it with the timber.

16. I do not know if it was the intention of the Government to put a standard line over the 12½ miles, but it seems to me that it would cost as much as it would cost to purchase a half-interest in your line, which would enable the timber to be got out ?—I think it would cost at least as much as it would cost to buy a half-interest in ours.

17. And half the haulage between that point and Putaruru ?—It would cost as much to build that connecting-line as it would cost to construct the whole of our line, because of the increase in construction costs mentioned by Mr. Knutzen—namely, from £3,500 to £4,000; and it must be remembered that he has not taken out the quantities. Our line cost £2,000 a mile.

18. *Mr. Semple.*] You say that you did not refuse to carry timber for other companies ?—Yes.

19. Is it not a fact that Dr. Rayner wrote a letter to your manager asking the company to carry the timber and trying to make an arrangement for prices, and a reply to that letter was sent to him positively refusing to carry the timber, and adding that he would be sorry for the day he entered the territory ? Do you swear there is no letter of that kind on record ?—I say it is a lie.

20. Do you say that these letters cannot be produced ?—I say so.

21. Do you say that you never refused, in black and white, to carry Dr. Rayner's timber ?—I never wrote such a letter.

22. I do not suggest you personally wrote it ?—Or the manager.

23. You have no knowledge of any letter of the kind ?—I am sure that no letter was written from my company to Dr. Rayner refusing to carry his timber, unless it was accompanied by a suggestion of an alternative.

24. Or accompanied with the suggestion that he would rue the day he went there ?—That is a lie.

25. We shall see if we can produce the original letter ?—Yes, do.

26. What is the condition of your line ?—It is subject to Public Works supervision, and they say it is in very good condition indeed.

27. What are the rails like ?—At the corners they are a bit worn. They have been in use since they were put there.

28. Have you never contemplated selling to the Government ?—No. The facts are all before you in the report of the Royal Commission.

29. You would have sold to the Government if it would have bought ?—Yes.

30. Were not you contemplating going into liquidation ?—That is rather a personal matter. I was away in England in 1906, and when I came back I had to reconstruct the company.

31. It was pretty shaky ?—Yes, we were having a hard row. I think that we as pioneers should have your sympathy.

32. You say any offer your company has made was on a "fifty-fifty" basis. You heard the statement this morning that the land you offered to exchange had a top value of 5s. per acre and that the land you tried to get from the Government was worth £60,000, the total value of your land being £200: do you call that a "fifty-fifty" bargain ?—I call it a lie.

33. You say that any offer you made to the Government by way of exchange was on a "fifty-fifty" basis ?—Yes.

34. And you defy evidence to the contrary ?—Yes.

35. You say that what the witness said this morning was a lie ?—He said that some one had told him.

Mr. Semple.] Does Mr. Knutzen know anything about it personally ?

Mr. Knutzen.] I have Mr. Dalziell's letter here.

The Chairman.] We shall hear Mr. Knutzen afterwards.

36. *Mr. Semple* (to witness).] You say that any offer your company made to the Government for an exchange of land was on a "fifty-fifty" basis ?—Yes.

37. Any one saying anything to the contrary is not telling the truth ?—That is so. I did not imagine we could have any influence with the Government Departments to give us anything better than that.

38. You say that Mr. Massey was always pleased with the business transactions that he had from time to time with your company ?—He always helped us.

39. Did he not contemplate assisting, or did he not make a promise to assist, settlement on the land there ?—No. The assurance he gave them was that they could rely upon this line always being a permanent line available for settlement.

40. You say it would be untrue to say that Mr. Massey was absolutely disgusted with some of the business proposals submitted to him by the company ?—I do not know what he thought. He certainly never expressed it.

41. Not to you ?—Not to any of us. On the contrary, he set up Committees and Commissions which always reported favourably towards us. The findings are on record.

42. Did you volunteer to give evidence before this Committee for the country's benefit or for the benefit of your company ? It is a personal question perhaps, but you have been very interested in the proceedings, coming here for days, and I wish to know whether the marked interest you display in the proceedings has been prompted merely for the national benefit or for your own private company's gain ?—I am here on business on behalf of my company

43. That is all ?—That is all.

44. *Mr. Massey.*—You have stated that your company has never refused to carry freights on your line ?—Do you mean timber ?

45. Yes ?—What do you mean by refusal ? I have already explained the position. We have refused except on that condition.

46. Mr. Palmer in giving evidence before the 1922 Commission made the statement that "Although we were only six miles from the Taupo Totara Co.'s line they refused to take our timber out": is that correct ?—I have explained our policy. The legal position is this: We cannot carry for one and not for another. No common carrier can do that. If you carry for one you have to carry for all. That is the difficulty, and we said we cannot take the timber except under some general arrangement. For ten years—since 1918—we have said, Let us get together and make some arrangement.

47. Mr. Palmer's evidence is clearly that the Taupo Totara Co. refused to carry timber over their lines ?—That does not go quite far enough, because it does not give the reasons.

48. On one occasion there was a petition presented to Parliament from the settlers protesting against the attitude of your company in refusing to carry timber on the line ?—I do not know of it. I was away for three years. It has not been so in my time. Who were the petitioners ?

49. I do not know; I heard about it ?—We cannot refuse to carry any goods that we hold ourselves out as carrying. We only have refused to carry timber, and for the reason stated. There may have been something happened when I was away during those three years, but I never heard of it, and the settlers have never brought it up.

50. What about Danzie's petition ?—He sold his property to Dr. Rayner. We could not carry his timber for the same reason that we could not carry other people's timber unless there was some definite arrangement.

51. *Mr. Semple.*] He sold because you would not carry his timber ?—We were willing to carry his timber, and he would have made a bit more out of it than he did.

52. *Mr. Lye.*] Do you suggest that your line is more favourably situated for taking out the native timbers from the Taupo area than the proposed Rotorua–Taupo line ?—Yes, I should say there is no question about the Government bushes. No one knows the cost that will be entailed in transporting the timber to that line. We made an offer to Mr. Coates to share the cost of ascertaining that, so as to know whether the timber would go that way or our way.

53. *Hon. Mr. Ransom.*] That is on record ?—Yes.

HANS PETER KNUTZEN recalled and re-examined. (No. 22).

1. *Mr. Semple.*] This morning when I asked you about the proposed exchange of land between Mr. Dalziell's company and the Government I asked you a question as to the value of the two sections of land. You stated that the piece held by the Taupo Totara Co. was worth 5s. an acre, the total value being £200, while the area that the company was trying to obtain in exchange was worth approximately £60,000. What do you know about that?—I have the letters here. In answer to an inquiry from the Comptroller of Stores, New Zealand Railways, regarding this particular deal, the Commissioner of Crown Lands, writing under date 25th June, 1918, sent the following reply to the Comptroller of Stores:—

> "Re *Oruanui Forest.*—In reply to your letter, 16/50, of the 18th instant, I have to state that some years ago a proposition was submitted to this Department by the Taupo Totara Timber Co., Ltd., for an exchange of an area of bare pumice land, being the severance between the river and a Crown grazing-run, for an area of land adjoining the company's bush at Oruanui. Upon an inspection being made it was found that the Crown lands referred to contained a valuable totara forest, and consequently the proposition was declined. Subsequently the Crown had the timber measured, and in the interests generally of the State it was considered by this Department that, owing to the high market prices ruling for totara timber, this forest should be reserved for the State use, and a recommendation to that effect was made and approved. Furthermore, the Post and Telegraph Department was desirous that the area set aside in the forest for that Department some years ago should still be retained for its use, and it is very probable that effect will be given to such request. Under the circumstances, and in view of the fact that this Department suggested the reservation, and has already declined several applications for this same timber, I am unable to consider favourably recommending the disposal or exchange of any portion of the forest to outside sawmillers whilst the State are urgently requiring large supplies of timber. Should your Department, however, consider that the bush is too remote for its purposes at present, and are desirous of withdrawing from the option offered, the timber can still be reserved for State use under this Department."

When the offer was made by Mr. F. G. Dalziell this is the letter he signed and sent to the General Manager, New Zealand Railways, Wellington, on 1st June, 1918:—

> "I am directed by the Board of the Taupo Totara Timber Co., Ltd., to approach you with reference to a block of timber land adjoining the company's bushes near Mokai, which is, I understand, now under the control of your Department. My company is at present constructing a tramway for the working of this portion of its timber area, which in a great measure surrounds your timber, a portion of which has been cut out of the blocks purchased by my company in payment for survey charges. Negotiations took place some time since between the company's manager and the Commissioner of Crown Lands for the exchange of this area of land for an area of about 1,000 acres of the company's freehold which the Commissioner wanted for the purpose of saving the cost of fencing one of the Government runs. This negotiation fell through, I understand, because your Department desired to have this timber for railway purposes. It appears to my company, however, that in the interests of all concerned it would be well to have the whole of the timber in this locality worked as one block, as it forms a compact area for that purpose, and I would be glad if you could see your way to instruct your timber expert to go into the matter with the company's manager with a view of arriving at some mutually satisfactory arrangement of this kind."

That admits exactly what I said, and it was given in evidence before the Commission of 1920 that the company actually tried to get a bush valued at £63,000, which we have to pay for it. That is not a fictitious value. There are 42 million feet of timber, of which 23 million are totara. That is not a mere calculation, but is an actual measurement. On the 611 acres there are 42 million feet, being an average of 70,000 ft. per acre. That is the bush the company tried to get for 1,000 acres of land valued then at 4s. per acre.

2. There is no timber on the land the company offered?—No.

3. *The Chairman.*] Do you sugest that there is anything in that correspondence to show that that is an unconditional offer of the one piece of land for the other?—That is exactly what it says there.

4. I did not see anything there to intimate that. Have you anything more to amplify that statement? That letter seems to be a letter asking for some arrangement to be made?

Hon. Mr. Ransom: That is how I take it.

Mr. Massey: About this exchange——

Mr. Dalziell: It is a misunderstanding on Mr. Knutzen's part. There were two proposed exchanges. That is a very old one. What is the date of the letter?

Mr. Massey: It is dated 1st June, 1918.

Mr. Dalziell: That is not the proposed exchange we have been dealing with ever since.

Mr. Semple: You made an offer to give 1,000 acres of pumice land for a valuable timber area——

Mr. Dalziell: Yes, but if you——

Mr. Semple: You call that a "fifty-fifty" offer?

Mr. Dalziell: Yes, it was made on that basis. This was the position: The Crown at that time had a block of land beside the Waikato River, and it is to be used for proposed settlement. It lies near a stream which the Government desires to get for the watering of the area. The stream runs through our land, which piece of land they were anxious to get. It was they who originally ap-

proached us, I think, and the manager suggested that it would be a good thing to exchange our land with the stream for the Crown's area which included the bush, thus giving the Crown access to the water for several miles, and that that would be a fair exchange.

Mr. Semple: There was no timber on the land you offered?

Mr. Dalziell: No, what they wanted it for was water.

The Chairman: We must conclude this, as it has nothing to do with the Rotorua–Taupo Railway.

Mr. Dalziell: Mr. Knutzen was confused between the exchanges.

THURSDAY, 10TH OCTOBER, 1929.

ERNEST EARLE VAILE further examined. (No. 23.)

The Chairman: Mr. Vaile, it is now proposed, with your concurrence, that you should make a general summing-up of the evidence which has been taken, traversing the evidence in any way, within reasonable bounds, which you deem advisable.

Witness: In opening, may I extend to you all an invitation to come up to the pumice country. I do so most respectfully, but with a slight challenge, because statements have been made in the course of evidence which can so easily be refuted by your seeing the country, and then you would be able to form a good, independent judgment from your own observation, and decide which evidence is correct and which is incorrect. I hope you will be able to see your way to visit the district.

The Chairman: As I promised you before, when the Committee deliberates upon the petition I will put the question to members.

Witness: I cannot bring down the country to you, so you must come up to it. Gentlemen, I would like to begin by thanking you one and all very sincerely for the patience with which you have listened to the evidence in connection with this matter, and the great amount of time you have devoted to it. I and the other petitioners feel very much obliged to you for your goodness in that respect. I hope that I have not in any way wearied you or transgressed the rules of evidence. I am purely an amateur advocate, but I feel that I have a very strong case. You know that the Scotch have a proverb that "A poor case must be well pled." The converse of that is that a strong case need not necessarily be very well pled; and I hope to win purely on the strength of my case, and by no means relying on the way it has been placed before the Committee. I want to draw your attention to the fact that although it is in my name the petition is really from the public bodies of the district. We have not sought outside signatures, but you will find there nearly all our representative men and representative bodies. Again, I want to draw your attention, gentlemen, to the silent witnesses which I have produced, the actual produce of the country, the prizes which have been won from my own individual farm, and the photographs which show you the growth which can be obtained upon that country, with very little treatment. I would like here to stress the points of agreement in the evidence given before the Committee. All the witnesses are agreed that the land is the cheapest to work that they know of, that it may be worked in all weathers—when it suits the farmer, and not only when it suits the weather; that it produces wonderful roots and hay, equal to any country in New Zealand; that it yields well to cultivation and responds wonderfully to manure, and that the soil produces garden crops and small fruits in abundance and of excellent quality; that the country is more suitable for settlement in small areas then in large areas; and it is also admitted that a vast area would be opened by the proposed railway. Even the most hostile witness put the area at well over 1,000,000 acres. All were agreed that there is no useless land in the area, that trees can be cheaply planted, and that their growth is extraordinarily rapid. All are agreed—must be agreed—that the saving in freights due to the railway would be—in the region of Reporoa—about £1 per ton on manures, which would reduce the cost of manures by 23 per cent., which is a most vital element. All are agreed that the cost of droving fat stock, and the risk of damage and deterioration on the road, is very great. These are the points of agreement. Now, there are also points of great contrast. There is a marked contrast between the evidence of the independent and experienced witnesses on the one side and the theorists and scientists coming from the Government Departments on the other side. There is also a most marked contrast between the evidence that has always previously been given by officers of the Forestry Department and the evidence placed before this Committee on behalf of the same Department. If you turn to the agricultural possibilities of the land—and that is the point which is nearest to my heart—the witnesses whom I called were all experienced practical farmers, men of the first standing in the district: Mr. Butcher, the first settler in the district, and a Justice of the Peace; Mr. H. M. Martin, the first man who cultivated land on the pumice area — he has told you that he started with a capital of £150, and now he has achieved independence; he has occupied every position in the district in the gift of his fellow-citizens; Mr. Parsons, a pioneer settler and for many years Chairman of the Rotorua Co-operative Dairy Co.; Mr. Parnham, an experienced Canterbury farmer; Mr. Eustace Lane, a prominent farmer of Hawke's Bay, who came here entirely on his own initiative and at his own expense; and myself. Beyond that, we have had the evidence of Mr. Banks, who has so ably broken in the Hautu country, and Mr. Newson, the local representative of the Stock Department. We also have Mr. Patterson's letter, with regard to the lands around the shores of the lake—he is late Instructor of the Department of Agriculture. Now, none of these witnesses, except Mr. Butcher, has the slightest personal interest in any accretion of values that may result from the construction of the railway. All these practical men, who have themselves worked the soil and lived in the district and experienced the hardships inseparable from breaking in the country, are agreed as to the great potentialities of this area, and that there is no useless or

inaccessible land in it. Beyond that we have the evidence of Mr. F. C. Rollett, who is a man of remarkable experience and vision. About 1890 Mr. Rollett came to Auckland from Canterbury, and he addressed a meeting of business men, when he said that he considered the average soil of the Auckland District equal to that of Canterbury. He expressed the opinion that Auckland would be the greatest dairying country in New Zealand. We who were Auckland citizens laughed at him, for we thought he did not know what he was talking about; but his statements have come true, and I say that his prophecy with regard to this area also will come true. He made a statement which has been taken advantage of, and which I think is a little exaggerated—that 50 acres of this country would maintain a family. I do not think that Mr. Rollett meant to say that at the present time 50 acres of this land would maintain a family, but that in years to come, when this country has been settled as long as the Waikato, 50 acres of it will maintain a family. There are at the present time in the Waikato farms of 35 acres which are maintaining families. As for myself, I think that the area to be allotted to a settler should be between 200 and 300 acres—perhaps a little more than a man will actually need; and I do say that those who first venture into that country and undertake the solving of its problems, if there is an increment in the value of the land, are better entitled to it than anybody else. So that I think we should give them an area somewhat more than they will actually need, in order that in the future they may sell a portion and make a profit. Now, all the witnesses are agreed that progress with a road would be very slow, but that progress with a railway would be rapid. All express the fear of the spread of noxious weeds, and none can suggest any remedy except closer settlement. All the witnesses I have named, except Mr. Banks, put down the cost of breaking in this land and putting it into pasture at between £6 and £7 per acre, independent of the cost of fencing and buildings, and they all agree that the return would be immediate, and that there is no occasion for waiting. All the witnesses seem to think that 200 acres would be ample to maintain a family in comfort. Upon that basis there would be room in that district for no less than five thousand families. They agree that the country is eminently suited for dairying, and that it has an abundant rainfall, which is one of the essentials for dairying. Those who remember the Matamata district prior to subdivision have said that they consider the average land in the pumice area to be equal to the land in its original condition in the Matamata country. The evidence of Mr. Banks fully dispels the theory that Hautu is different from the other pumice areas, and he showed clearly that the marginal swamp which has been referred to is not on the Hautu farm at all. He has shown you that he carries on this new pasture two wet sheep to the acre; that he topped the market at Westfield with lambs averaging 66·6 lb. in weight, and making 42s. each upon a market where other lambs sold for 28s.; also that he made top prices for beef. He was emphatic that the greater part of the pumice area could be brought in for settlement economically. Mr. Newson was entirely favourable as to the economic possibilities of the pumice area. Now, against these witnesses there are two theorists and scientists from the Department of Agriculture, Messrs. Galvin and Cockayne; and we also had the opposition of Mr. Campbell, of Tokoroa. I want to point out that neither Mr. Galvin nor Mr. Cockayne is a man of practical experience; they have done nothing in the way of working farms themselves. Now, we read in Holy Writ that envy, hate, malice, and all uncharitableness are the cardinal sins, and I respectfully submit that they mark the attitude of Michael Joseph Galvin towards the pumice country. His evidence was for the greater part nothing but an attempt to belittle the achievements of those who have broken in this country, and to discredit them, and he threw mud at them—if I may say so. Now, if I may be permitted to say a word on my own behalf: I was accused of "window-dressing," of having done very little on my own country, and of various other crimes. Now, gentlemen, I had the opportunity, with one witness, to show you that my best paddocks are not in the window at all, but in extreme rear of my property, where they cannot be seen unless you are taken to them, and that all the work on my place has been done in the most substantial manner, and not for the purpose of selling the land. My fences are all of the best English wire and heart totara timber. When it is said that I have done very little, I would point out that I went to that country without any experience, straight from a business in Auckland. When I first went there the country was absolutely in a state of nature; we had to swim on to the country; I had, without any assistance from anybody, to erect a bridge, and make my own roads, and culverts innumerable—twelve miles of drains and twelve miles of roads; my fences, if placed end to end, would reach from Auckland to Mercer. That in itself, I modestly submit, is no small achievement. Then, to plough twice 1,700 acres of land, and some of it four times, is no small achievement. When I ride my boundary hills and look down upon my fields I feel that I deserve well of my country, and that I am entitled to exclaim with the old Horatius Haccus—"*Exegi monumentum aere perennius.*" I most strongly resent Mr. Galvin's remarks about myself. With regard to Mr. Parsons, here is a man who with £600 took up 11,000 acres of land with nobody near him and brings it into productivity.

1. *The Chairman.*] All the 11,000 acres?—No, sir. He had only £600, and he slaved away on that 11,000 acres, and when his £600 was exhausted that man went to work with his hands for the Rabbit Department—and to make out that he was bankrupt I say was a disgraceful proceeding.

2. *Mr. Lye.*] Was that statement made—that he was bankrupt?

Mr. Samuel: It was not a nice thing to say.

Witness: I do not wish to cause any disagreement about it, but I feel very strongly about this matter. Then Mr. Parsons surrendered 8,000 acres of his holding, and undertook the payment of three times his former rental to the Crown in order to get a renewable lease title to 3,000 acres. He then obtained a loan of £3,000, and it has been suggested that he has very little to show for it. On the contrary, he has an estate valued at over £8,000; his grass is put not at the £30 suggested by one Government witness, but at £6 an acre, and his fences, the cost of which the same witness put at 45s. a chain, are valued at 22s. 6d. per chain. Upon a reasonable valuation his holding is well worth £8,000. He has had to board his family in Rotorua to get them educated, and for a man like that to have fought his way through is a great and creditable performance, and I look upon Mr. Parsons as a hero. To have any one come here and decry him—well, I do not want to say too much, because

I cannot say just what I feel. Now, gentlemen, my title has been searched. Anybody can search my title, but not for 1s.; the evidence of Mr. Galvin shows that he did not search it himself, because a search such as was disclosed here costs 5s. Now, anybody has a right to search my title but he has not the right to publish the result of that search to the world, though there is nothing in what was disclosed which I have any reason to feel is an imputation upon my character.

3. *The Chairman.*] He could publish it before this Committee?—Yes, under cover of privilege; that is the advantage he holds; but what was the point of the publication of those transactions? There is nothing discreditable about them. If anybody gives me a piece of land and I can sell it for £5,000, is there anything discreditable about that? I bought this land for——

4. The Committee is not concerned about what you paid for the property, Mr. Vaile?—At the same time, I would like to tell you that I became possessed of this land in the course of my business as a land-agent. I was employed by the trustees of the late Smellie Grahame to advise them about an offer they had received. I examined the country and was fully seized of its advantages, and advised them to reject the offer made for it. The board of trustees in London was rather annoyed; they were spending money in taxation and rabbiting, and they thought that the offer should have been accepted. I had a discussion with the board of trustees in Auckland, and said, "If that is your opinion I will back my opinion by adding 3d. an acre to the offer and taking it myself." The board of trustees was for accepting my offer at once, but I said "No, I have been employed to advise you, and I will not complete the transaction unless a letter is sent to London with a full explanation, and they cable their acceptance." They did so, and that is how I became possessed of this land. It has been said that I am a better salesman than a farmer. I hope that that is not true. One sale of my property was that of 25,000 acres at £1 an acre. People approached me for an option over this land at £1 an acre, which I granted. They were to pay a deposit of £500. When my brother advised them that the documents were ready they failed to pay the £500. Then another group came forward, and offered the same conditions except that the price was to be £1 5s. per acre, and the rate of interest 5½ per cent. instead of 5 per cent., making the total difference about £7,000. Then my brother wired me that he would not conclude the matter without my coming up. I went up and saw both those groups. As the result of my inquiries I found that the excuse of the first group for not paying the deposit was quite genuine, and though they had not the scratch of the pen to show I felt that it would be too much like sharp practice to accept the better offer, and so I let them have it at £1 an acre. Those men sold the same country for £2 4s. an acre—the land which I sold to them for £25,000 they sold for £55,000. I will not go further into this matter, because I feel that I have said sufficient. It really does not affect the question, but as evidence was admitted against me, I thank you for the opportunity of saying a few words in rebuttal of it. Now, sir, the only excuse for this evidence is that I have not had the courage or confidence to spend upon the land the money I have derived from it. But you will find that these transactions took place in 1925. I took up the country in 1907, and I will ask you how in the interval I could possibly know that I was going to receive this money. The only land that I sold in the meantime was 13,000 acres for £6,500. I did not immediately receive the money, but I have since received it. Out of that money I took a sum to buy a property in Auckland, which I presented to the Auckland Grammar School to endow a library; the property is now bringing in £100 a year and has provided the school with six thousand volumes. I hope that that will not be twisted to my discredit. The whole of the balance of that money has been spent on improvements on my country. I am bound to confess that for a long time I did not know whether I should succeed in breaking in the country, or whether it would break me. Now, what has the Agriculture Department done? An officer of that Department blamed me and said I have done too little; but his Department has not spent a farthing on this area to develop it, and still they carp at me and others who have put the whole of our resources and lives into it. The best twenty years of my life have been put in there, developing that country. With regard to Mr. Cockayne's evidence, Mr. Cockayne is a theorist and a scientist. In answer to a question I put to him he said "I know nothing about farming." That is a most extraordinary statement to be made by a man who comes here to represent the Department of Agriculture—and he amply justified his estimate of his knowledge of farming by saying that it would cost £30 an acre to bring this country into a farming state.

5. Did he not say that he had not done any farming?—No, sir, he said, "I know nothing about farming." His estimate of the cost of bringing in this country was £30 an acre, and he added that a long time would be necessary for the consolidation of the country. He told you also that it would be necessary to fence this country into 6-acre paddocks; but to any one who knows the rudiments of agriculture that statement will be ridiculous. I have made inquiries in the Waikato and I find that the average size of paddocks in the dairy-farms there is 25 acres, and the average cost of fencing is £1 5s. per acre, as against £4 stated by Mr. Cockayne. There are one or two farms in the Waikato which are fenced into these minute paddocks, but the average dairy-farm in the Waikato is fenced into paddocks of about 25 acres and the cost of fencing them is £1 a chain, in place of £2 5s. as stated by Mr. Cockayne. Under examination he was unable to justify his estimate of £30 an acre for the cost of breaking in the land; he said the buildings would cost £750. I submit that an ordinary settler going on to an area of 200 acres of this country would be an imbecile to spend £750 in buildings. The sort of house that he wants could be built by himself for £150, and a milking-shed for £100—that would be ample. It is not necessary for the Government to develop the whole of the farm; if one-half of the area is put into good pasture before a man takes up a place there, it will carry, say, thirty to thirty-five cows, which will maintain him while he is given the opportunity to develop the rest of the area with his own labour and that of his family. Now, during the week-end I travelled one thousand miles for the sake of having a day and a half at home, and to soothe my soul after the bickering and battling before this Committee. I was reading a little philosophy when I came across this remark: "It is the disposition of mankind to condemn what it does not understand." Now, I say that that is the root of the condemnation of this country by Mr. Cockayne and Mr. Galven. They have not the slightest understanding of the possibilities of the pumice area—therefore they condemn

it. I respectfully ask you to dismiss from your minds the evidence of Michael Joseph Galvin and Mr. Cockayne. The claim for this railway, I respectfully submit, can be defeated only by misrepresentation and ignorance—by the misrepresentation of Mr. Galvin and by the ignorance of Mr. Cockayne. They seek to compare country which has been developed for three-quarters of a century, and upon which an average of from 3 to 5 tons of manure to the acre has been used, with country which is undeveloped, and upon which no manure has been put. The comparison is by no means a fair one. We want to get before us one of the old Waikato farmers who knew Matamata and similar country before it was settled and developed. I want to instance the opinion formerly held of the Waikato, Matamata, and Karaka land. I have sold Karaka land at 1s. an acre, and Horsham Downs land for 2s. 6d., and again for 10s. an acre—land which to-day is worth a great deal more, simply through the application of manure and skilful farming.

6. *Mr. Samuel.*] It is worth from £40 to £60 an acre to-day ?—Yes ; and I say that if we have faith and foresight the same expenditure and treatment will give the same results in the pumice area. In Emerson's great essay on "Power" he remarks: "A feeble man can see the farms that are fenced and tilled, the houses that are built. The strong man sees the possible houses and farms ; his eye makes estates." Now, sir, these Government witnesses are the feeble men ; they cannot see any possibilities in this country. The early pioneers are the strong men who have seen the farms and made the estates. They are there to be seen if you will come to look at them. Then we have the evidence of Mr. Campbell. I have told you of the views of the Tokoroa people, that if this large area of country comes on to the market it will interfere with the sale of their land. Mr. Campbell's company does not farm, it is purely a company to break in that country and sell it to actual settlers at a profit, and his business will be interfered with, naturally, if a million acres comes on to the market at a cheap rate. I submit that the viewpoint of people in already settled areas has something of this implication in it. The owners of those lands would sooner give up portions of them for close settlement, and thereby increase the value of the rest of their land, than see people going into entirely new territory. Now we come to forestry: We have the evidence of Mr. Goudie, late Conservator of Forests, who knows more about these forests than any other person on earth. He has shown you the immense quantities of timber available ; he has shown you that these forests will yield 540 million feet per annum, equal to about twice the cutting of all the mills in New Zealand to-day. Mr. Knutzen has shown you by unshaken evidence that in the Mokai Valley there are 580 million feet of timber in addition to the Taupo Totara Timber Co.'s holding. He has also shown you that there are other bushes —Tumanui, Paeroa, Runanga, Opawa, and others. The Government's estimate of the Paeroa bush was 10 million feet. I have produced letters from Mr. Langguth, who has been milling in this bush, but whose mill was shut down. He has shown that his actual cutting was 11,000 ft. to the acre, and that there are 22½ million feet of timber in his portion of the timber.

The Chairman: The letters referred to are not evidence before the Committee.

Mr. Samuel: Which letters.

The Chairman: The letters which this Committee permitted Mr. Vaile to hand in for its own information when deliberating on the evidence.

Mr. Vaile: But he can comment on them.

The Chairman: That is so.

Mr. Vaile: I am quite an amateur at this, as I said. I seem somewhat in the position of the witness in the Supreme Court at Auckland: under cross-examination he became bewildered and turned to the Judge saying (referring to the lawyers), "These men are experts, but I am only trying to tell the truth." I am somewhat in the same position—trying in my amateur way to bring out the truth of this matter. May I say that Mr. Langguth estimates the timber in that property at 22½ million feet ; and it is portion of this same bush which the Forestry Department says contains only 10 million feet. Further, a portion of Langguth's bush was assessed by the Forestry Department itself for payment to the Natives for the timber at 9,000 ft. to the acre : there is about 10,000 acres in the bush, and it is easy to work that out. Now, the Government witnesses from the Forestry Department have admitted that immense quantities of thinnings are immediately available for transport, but they say that they are unsaleable. Under cross-examination they admit they have not made any effort to sell them ; they have not advertised them or offered them to anybody: they are waiting for people to rush them for these thinnings. But that is not the way to do business. Any business firm would see that they are put on the market. They have not even taken the trouble to go to places in the district where these thinnings have been used and have proved of great value, and to see the result of the use of this timber. I submit that their evidence to the effect that these thinnings are unsaleable is valueless. But the most remarkable thing about the evidence of the Forestry Department is that it is not only different but absolutely contradictory to the evidence that officers of the same Department have always previously given. Captain Ellis, who was the Director of Forestry, the head of the Department, in giving evidence on oath before the 1921 Commission, said, "Felling is now available" ; and he added that by 1930 or 1932 from 12½ million to 30 million feet of timber per annum will be available.

7. *Mr. Jenkins.*] Was that thinnings or timber ?—Timber : he said, "Felling is now available." Now this junior officer of the Department comes forward, and when I asked him the question he said that Captain Ellis did not know what he was talking about. Before the 1922 Commission Mr. Goudie gave evidence for the Forestry Department, and he produced a plan marked into squares upon which the timber in each square was estimated, the total being 4,000 million feet. Now the Forestry Department says there is not more than 113 million feet within reach of the railway. Which evidence are you going to believe ? One or the other is glaringly false : there can be no compromise possible between 113 million and 4,000 million feet. Again, the Forestry Department stressed the necessity for this railway, when 27,500 acres were planted with exotics. How much more necessary is it now that 153,000 acres have been planted. I ask you to regard the evidence given before this Committee as valueless on that point. Now we come to the tourist traffic. We have a letter from the Wairakei Company showing the very large number of tourists that stay at the hotel in each year : that is one

hotel out of four in the Taupo area. This railway will link up in one continuous run Rotorua, Waiotapu, Rotokawa, Aratiatia, Huka Falls, Wairakei, the lake, Tokaanu, the mountains, and the Wanganui River—I submit, one of the most remarkable, if not the most remarkable, natural series of scenery in the whole world. If you wish to attract overseas tourists to this country you must not simply concentrate everything on one spot like Rotorua. A man after travelling thousands of miles wants to see more than one place. Beyond these sources of revenue from the railway I have mentioned there are other extraordinary sources, such as sulphur and oil; and there was one other aspect mentioned by my enthusiastic friend Mr. Eustace Lane—the possibilities of Taupo as a military centre. There he was voicing not his own but General Sir Andrew Russell's views; and when Lord Kitchener came to New Zealand he advised the authorities not to place their military establishments at Wellington, Auckland, and such places, but he recommended Waimarino, in the centre of the country. Another great advantage is that this railway taps the great lake with its 100 miles deep-water frontage. Now, there have been a great many attempts before this Committee to fog the issue, by the suggestion of other lines for the railway. It has been suggested that this country might be developed by the Taupo Totara Timber Co.'s line, by the Tongariro line, by a railway down the Rangitaiki Valley, and by other fancy routes. I have no quarrel with the Taupo Totara Timber Co., except that their freights are so high as to be useless and that they refuse to carry the goods of other concerns. They charge freights which are more than double the Government freights. If I were to go to a carrier and say, "What is your price?" and he threatened to charge me double the ordinary rate, adding that he had not got the proper rolling-stock and I must provide it myself, I should recommend that man to a climate where summer frosts, of which we have heard so much, would not trouble him. The Commission of 1921 reported that it would cost £1,000,000 to bring this line up to the standard of a Government secondary railway and extend it to Taupo. Then, we have the Tongariro Timber Co. I want to point out to you that this concern, although it has been in existence for twenty years, has done not a tap to develop its resources. This railway is completely in the air, like the coffin of the late Mr. Mohammed, which a member of this Committee has mentioned more than once. It is not there, nor is there any prospect of its being there; and if it were there they are not bound to carry anybody else's timber. There is nothing to bind them to carry any other timber but their own. Then, there is the railway down the Rangitaiki Valley: well, there is no present prospect of it; and in future, when that railway is required to carry timber, the quantities offering will be so immense that it will be required as well as the Rotorua–Taupo Railway. Then, there were various fancy routes, such as that suggested by Mr. Knutzen. He mentioned that as being Mr. Holmes's route. But that is not correct; Mr. Holmes was instructed to report upon four different routes for connecting Rotorua with Taupo, and this is his summing-up: "From the above remarks it would appear that whether the question be viewed from the standpoint of cheapness of construction, suitability of the line when constructed, future working-expenses, probable traffic (and therefore revenue), or from the point of view of satisfaction to the travelling public and the greatest good for the greatest number, the route from Rotorua via Waiotapu is unquestionably the one to be adopted."

8. *Mr. Semple.*] How does that compare with Mr. Knutzen's route?—Mr. Knutzen would follow the same route to Reporoa, but he would there cut across the hills towards the Main Trunk line. Mr. Holmes recommended the route to follow the red line. Of course, this is a matter for engineers. I do not care a fig where this railway goes, as long as it is built. Now, the suggestion has been made that a light railway will serve the area. We do not mind a bit—the petitioners do not care a bit whether it is a light railway or a heavy railway, or any other kind of railway, as long as it carries our manures and takes away our stock at the same price that other people similarly situated are paying for similar services. So that if this Committee finds that a light railway is sufficient, we are quite pleased. Then, again, the question is raised that a road will serve the district as well as a railway. I have pointed out—and the evidence cannot be challenged—that the average freight per ton per mile on the New Zealand railways is 2·41d., and upon the road it is 1s., a ton. Now, we want our freight to be carried at that 2½d., and we do not want to pay 1s. That is the essence of our contention. Last year the railways carried 7,367,000 tons of goods, while the lorries carried 85,000 tons; so that the traffic on the railways was ninety times the traffic on the roads. The railways carried 586,000 tons of manure, and the lorries carried 7,500 tons; the railways carried all the heavy necessary traffic which we require for the development of the district, and the road is practically useless for that purpose. We want the benefit—if the country is to be developed we must have the benefit—of the long-distance through freights on the railway. The Public Works Department has failed to produce their estimate of the cost of this road, so that we have nothing to rely upon, except the estimate of Mr. Dyson, the late Public Works Engineer in that district. He estimated that the cost of the road would be as much as or more than that of the railway, and that for a road only 12 ft. wide. Well, if the railway can be provided as cheaply as the road, surely the former is the better proposition, since the ratio of road freight to railway freight is as five to one—1s. per ton as against 2·41d. Now, there is one practical test which one would apply if he were in business: it is that a railway into a country will greatly increase values. It has been said that it will raise values from 2s. 6d. to £2. I think that is extravagant, but it certainly increases the value of land, and that is because it gives added facilities. Another thing that has been brought to your notice is the effect of road traffic: all our supplies of benzine, oils, tires, motors, even the bitumen of which the road is made, are bought abroad, and from a country which will take nothing from us in return—one of the main causes of unemployment. If we could supply the United States with £5,000,000 worth of butter there would be employment for a great number of people, but they will not take it. Now, in regard to the construction of this railway, it is said, "Oh, put it off," or "It will be time enough in ten or fifteen years." "Why," I say, "why not have this benefit at once?" You are asked to put off the construction of this line till a more convenient season, but "Now is the accepted time." It has been shown to you—and it needs no demonstration—that if this railway is not constructed now,so as to permit of agricultural development, the whole of that area will be under trees or under weeds. This railway has been assailed from time to time with a bitterness and hostility such as would be incredible if it had not actually occurred. No ohter railway has been subjected to the same amount of inquiry. There is a great prejudice against

it—the prejudice against the pumice area. Say "pumice," and a man falls down in a faint. Give a dog a bad name and hang him. "Can any good thing come out of Nazareth?" That is the mental attitude of most people towards the pumice area; but I think the evidence brought before this Committee will very largely dispel that idea. This is the cheapest railway by far which is suggested in the Dominion to-day. The estimate of the Public Works Department before the Commission of 1922 was that the railway would cost £11,000 per mile — that is to say, £600,000 altogether. That Commission added another £100,000, making it £700,000. Now, it is said, the Public Works Department's estimate is £800,000. Why, I do not know. The work that has already been done over eight miles of the heavy construction work has, on the evidence of the Prime Minister, cost £35,000, including the erection of huts, which is less tha £4,000 per mile, for the heavy work; and on the evidence of Mr. Butcher we know that it was done with hand-shovels—with not even a horse-scoop put to work on it. The evidence of the Railway Department given before this Committee raised the rate of interest to be earned by the railway from 4 to 5 per cent., and increased the operating-costs from £52,500 to £61,600. I cannot say why. By this means the profit previously estimated, amounting to £9,000, is turned into a loss of £1,674. If we compare this with the road the loss in interest would be the same; but the maintenance of a first-class road in New Zealand, being at the rate of £120 per mile per annum, the loss would be £6,000 a year, as against a loss of £1,600 on the railway. How else, I ask, are we to provide access to this large area of country, constituting about one-fourth of the North Island of New Zealand? At the present time there is no adequate means of access either by land or by water. Now, gentlemen, you have the support of previous Committees and Commissions in a favourable finding for the construction of this railway. Two parliamentary Committees and two Royal Commissions have previously unanimously recommended the Government to proceed with the work as far as Reporoa. This much-quoted minority report by Mr. Munro in itself shows that the other members of that Commission were in favour of the railway being constructed to Taupo, and that Mr. Munro himself was in favour of it being taken to Reporoa. Otherwise he would have said, "I object to the railway altogether." You have the report of this 1922 Commission: "Should it be decided to assist settlement in the district under the provisions of section 11 of the Land Laws Amendment Act, 1919, a railway would be necessary." You have the considered favourable recommendations of three Engineers-in-Chief—Messrs. Holmes, Blow, and Furkert—and of the present General Manager of Railways, Mr. Sterling. The only things that this railway lacks are money, votes, and influence. The slowness to recognize the advantages of this country is very irritating to me.

9. *The Chairman.*] Did you say that Mr. Sterling favoured this railway?—Yes, certainly. I know the possibilities of the country. It is not theory with me. "I speak that I do know and testify that I have seen." It may be said that I have too much enthusiasm in this matter. Well, it is far better to have too much enthusiasm than to have a miserable pessimism: pessimism and cold-water treatment never get you anywhere. Enthusiasm carries the country on its back, and I am not ashamed to say that I am an enthusiast for the pumice country. But, on the other hand, I submit that I have discretion in this matter. I am not carried away by my enthusiasm for this country. A challenge was made to me, "Will failure be impossible?" I do not say failure is impossible. All great and worthy objects need great effort and courage, and possess the possibility of failure. The ascent to the heights is always difficult: it is only the descent to Avernus which is easy. But I ask: At this juncture in this country have we abandoned enterprise? Let us compare the suggestion of the Rotorua–Taupo Railway with the building of the railway in to Rotorua in 1894. At that time the tourist traffic was undeveloped; timber was worth nothing; the lands of Rotorua were considered worthless for farming purposes. But we built that railway, developed that area, and we have there now a great colonial asset. The same thing will happen again if you continue the railway to Taupo. I say that railways, if they are to open up the country, must be into the interior away from the sea. A railway along a sea-coast is like a man with one arm—it is getting traffic from only one side. It has been said—and I think correctly—that this is not a political question; but actions will speak louder than words. The weight of evidence is entirely in our favour. If the Committee finds with the weight of evidence, I respectfully submit it can come to only one decision, and that is to recommend the immediate construction of this railway. A solemn test was put to me the other day in regard to this matter. It was said to me, "If you are advocating the expenditure of £700,000 of public money, and you feel that it will be a failure, do you not think you should be given twenty-five years in gaol?" I have accepted that challenge, and I put the same challenge to you: "If any one of you, believing in his heart that this railway would be a benefit to this Dominion, votes against it, then, sir, he should have the same term that was suggested to me."

10. You are pronouncing sentence?—No, not sentence at all, because I believe you will vote for the railway. I want most solemnly and sincerely, and with all the force of which I am capable, to put before you that a great responsibility rests upon your shoulders to do the Dominion a great service by recommending the Government to construct this line, thereby giving not only me, but every well-wisher of the Dominion cause to sing—

> At last, at last, O steadfast soul,
> Luck takes the tiller, and foul tides turn;
> Serene throughout the pumice plain
> The roofs of happy homes arise.

The Chairman: On behalf of the Committee, I think I am justified in expressing to you, Mr. Vaile, their very sincere thanks for your expression of appreciation of the way in which the Committee has placed every possible facility at your disposal in connection with this inquiry, and at the disposal of your witnesses, so as to enable you to place your case as fully and as effectively as possible before the Committee. This is an expression which I am sure the Committee will be very pleased to have from your lips to-day. I think I can say also for the Committee that, whichever way the Committee decides the matter, the Committee will regard as very valuable the large amount of evidence that has been placed before it, touching both upon the question of the railway and upon land-settlement in the district. I thank you very much for the evidence your witnesses have given to the Committee.

APPENDIX.

EXHIBITS.

EXHIBIT No. 1.

STATEMENT OF ACCOUNTS OF MR. H. M. MARTIN, OF NGONGOTAHA.

Statement of Receipts and Expenditure on Dairy-farm of 224 acres, situated in Rotorua County. (Land broken from fern and tutu eight years ago.)

	£
Unimproved value, £4 per acre	896
Improvements	3,584
	£4,480

Capital value, £20 per acre.

100 cows produced 27,000 lb. butterfat during season 1927–28.

	£	s.	d.
Receipts for butterfat	1,936	14	8
Pigs sold	205	0	0
	£2,141	14	8

	£		£	s.	d.
Value per head, 100 cows at £12	1,200	Interest on land at 5 per cent.	224	0	0
Three bulls at £20	60	Stock and implements	89	10	0
Four horses at £25	100	Rates and insurance	30	16	0
Five sows and one boar at £5	30	Manure	250	0	0
Implements and machinery	400	Seeds	30	0	0
		Cartage	84	7	0
		Replacement ten cows, plus eleven heifers reared	120	0	0
		Incidental	10	0	0
		Depreciation	144	10	0
		Power	30	0	0
		Labour	400	0	0
		Value in labour, hay and turnips consumed	173	0	0
	£1,790		£1,586	3	0

	£	s.	d.
Receipts	2,141	14	8
Expenditure	1,586	3	0
Net return	£555	11	8

224 Acres—95 Cows.—Butterfat produced, 1927–28 Season.

	Pounds Butterfat.	Advance Payments per Month. £	s.	d.
1927—June	515	31	12	7
July	201	12	4	7
August	925	63	6	0
September	2,172	152	15	5
October	3,098¼	202	17	1
November	3,520¼	204	11	6
December	3,905¾	209	1	4
1928—January	3,527¼	204	1	2
February	2,700	177	13	0
March	2,450	164	2	9
April	2,636	182	10	11
May	1,455¼	101	3	4
	27,105¾	£1,705	19	8
Plus	51			
	27,156¾			
Supplementary butter payments		230	15	0
		1,936	14	8
Pigs fattened		205	3	5
		£2,141	18	1

Eleven calves were reared.

224 Acres—100 Cows.—Butterfat produced, 1928–29.

		Pounds Butterfat.	Advance Payments per Month. £ s. d.
1928—	June	443	29 18 4
	July	380	26 10 1
	August	1,172½	77 13 6
	September	1,821⅕	130 8 6
	October	2,840¼	206 8 0
	November	3,233¾	228 17 5
	December	3,658¾	258 16 8
1929—	January	3,568	251 4 5
	February	2,846¾	201 12 10
	March	2,563¾	169 15 2
	April	2,343½	154 15 6
	May	1,113	78 8 2
		25,984¾	£1,814 8 7

Forty-six fat pigs, twenty-two calves leased.

EXHIBIT No. 2.

"Broadlands," Waiotapu, Auckland, N.Z., 1st September, 1929.

The Chairman, Public Petitions Committee, Wellington.

DEAR SIR,—

Should the prayer of the Rotorua–Taupo Railway League's petition be granted I am nevertheless prepared at any time within six months of this date to sell to the Government my estate at Waiotapu known as "Broadlands," and comprising about 10,000 acres, at its present value, to be fixed, if we cannot otherwise agree, by an Assessment Court as if the land were taken compulsorily. Improvements effected after this date, and manuring done, also crops growing and harvested, to be added to the price. Terms of sale, 20 per cent. deposit, and the balance in three months, when possession is to be given and taken.

This offer is not to interfere with my right to sell to any other buyer until such time as the Government has actually bought and paid the deposit.

Yours faithfully,
E. EARLE VAILE.

EXHIBIT No. 3.

STATEMENT OF NUMBER OF VISITORS RESIDENT AT GEYSER HOUSE HOTEL, WAIRAKEI.

Summer Months.	Number of Visitors.	Average per day.	Winter Months.	Number of Visitors.	Average per day.
November ..	683	23	May	720	23
December ..	1,540	50	June	320	10
January	3,036	98	July	338	11
February ..	1,859	60	August	440	14
March	1,849	60	September ..	464	15
April	1,374	45	October	651	21
Total ..	10,341	60	..	2,933	16

Total number of residents for year, 13,274.. (The above figure could be increased to quite 30,000 or more if day trippers were added.)

JOHN G. RESTELL.

EXHIBIT No. 4.

GROUP AVERAGES, 1928–29 SEASON, OF THE NEW ZEALAND CO-OPERATIVE HERD-TESTING ASSOCIATION (INC.).

Name of Group.	Group Averages.				Highest Herds.					Lowest Herds.			Lowest Cows.			Highest Cows.		
	Number of Herds in Group.	Number of Cows.	Group Average.	Number of Days.	Highest Ten Herds Averaged	Highest Herd Cows up to Fifty.	Number of Cows in Highest Herd.	Highest Herd over Fifty Cows.	Number of Cows in Highest Herd.	Lowest Ten Herds Averaged	Lowest Herd.	Number of Cows in Lowest Herd.	Highest Ten Cows Averaged	Highest Cow gave	Number of Days.	Lowest Ten Cows Averaged	Lowest Cow gave	Number of Days.
Akaaka	26	1,354	249·26	263	307·79	373·92	14	356·23	51	211·21	172·11	70	513	579	370	64	36	159
Aria	8	386	223·50	250	..	345·13	22	256·51	58	..	185·37	66	418	454	287	73	39	100
Bombay	37	1,128	230·21	256	288·05	352·84	13	264·66	68	185·84	153·50	26	464	530	329	58	31	119
Buckland	33	1,286	259·07	269	310·61	323·87	8	334·17	56	212·20	153·00	7	490	581	305	60	23	102
Clevedon	36	1,171	223·89	248	279·63	346·00	18	245·94	51	172·32	105·20	29	441	465	288	56	32	100
Coromandel	20	451	224·66	250	260·34	379·62	8	236·03	53	185·48	129·47	17	407	460	335	80	55	115
Drury	41	1,350	231·31	259	279·67	305·95	21	276·56	58	195·79	162·33	24	442	458	308	49	18	116
Dairy Flat	28	700	226·93	255	269·78	370·87	16	218·57	64	186·90	138·42	19	466	554	366	83	62	119
Hairini	20	1,095	266·23	267	292·25	308·18	38	318·38	84	240·44	220·95	62	484	578	319	75	52	103
Helensville	36	1,934	239·61	251	286·57	300·08	24	301·40	61	212·19	192·87	49	434	481	316	55	43	100
Hinuera	34	2,040	234·05	257	281·94	310·83	36	276·30	62	195·05	147·46	82	459	491	289	45	19	129
Huntly	31	1,133	232·18	253	274·09	337·10	26	263·05	79	185·69	138·70	24	444	461	320	57	23	115
Horsham Downs	9	558	235·81	260	..	245·87	39	253·98	64	..	201·51	35	410	439	308	83	42	108
Karapiro	12	686	224·25	249	..	270·34	43	265·22	94	..	169·58	55	392	431	287	57	46	138
Kihikihi	31	1,833	257·17	263	296·61	306·00	41	321·49	71	209·09	172·53	47	488	509	302	44	24	115
Kawhia	25	825	190·98	226	241·95	292·23	13	237·31	63	157·70	127·73	15	377	418	309	59	43	136
Kumeu	27	852	233·53	249	276·79	408·75	4	224·11	77	197·01	168·85	35	439	462	272	77	63	121
Manawaru	28	1,222	284·48	265	319·08	362·79	24	313·90	53	251·27	207·57	40	558	769	284	75	36	106
Mahoenui	8	369	222·05	241	..	300·00	39	..	..	..	103·15	65	414	475	292	64	55	110
Mangatawhiri	19	1,022	227·28	244	..	258·37	41	256·82	100	..	192·08	35	407	456	274	58	37	129
Matangi	45	2,385	249·94	257	308·32	348·34	26	301·59	62	200·83	166·87	107	500	550	332	41	31	124
Matatoki	29	1,361	232·29	250	273·62	309·16	37	285·45	53	197·16	141·78	37	465	585	336	71	39	127
Mercury Bay	30	1,259	225·68	237	278·67	302·28	25	325·83	73	164·81	122·50	20	455	502	278	32	14	130
Mokauiti	24	660	230·15	248	277·62	322·11	27	269·62	51	175·66	145·57	35	424	459	300	66	39	114
Matakana	47	1,481	247·90	251	310·23	342·21	32	254·87	63	188·85	129·25	24	467	493	286	67	49	159
Ngarua	12	984	304·71	276	..	295·04	45	361·31	93	..	233·95	132	517	547	305	66	47	203
Ngatea	16	1,030	206·60	227	..	268·09	41	311·03	51	..	157·85	55	..	..	..	..	..	..
Netherton	27	1,452	188·77	220	241·37	334·85	42	257·54	90	156·10	125·28	71	444	466	296	37	20	100
Ngongotaha	16	626	219·79	232	..	322·00	18	262·94	97	..	137·69	26	449	509	301	71	49	159
Ngaruawahia	17	534	257·88	259	..	348·64	37	300·31	58	..	191·15	20	485	537	294	70	40	159
Ohaupo	34	1,329	280·02	269	350·72	389·91	35	319·28	53	225·41	206·06	48	514	549	298	64	49	129
Onewhero	27	1,052	243·01	269	307·67	361·95	24	305·45	53	206·24	169·74	51	456	485	282	63	35	110

Orini	24	1,086	255·87	253	305·68	357·63	41	283·17	56	218·22	161·12	41	498	532	276	73	45	129
Otorohanga	31	1,879	272·62	258	319·29	339·96	28	335·89	86	235·48	205·91	23	500	571	268	65	45	101
Otewa	24	1,069	202·90	244	244·22	297·07	40	264·81	54	166·77	133·31	47	396	442	289	62	31	106
Pukekura–Horahora	17	826	264·69	260	..	308·28	25	365·29	54	..	173·63	55	474	505	307	71	55	137
Paterangi	24	1,110	265·30	266	294·41	314·91	23	303·26	76	233·17	190·96	31	462	489	339	71	37	128
Patetonga	20	741	235·06	256	267·59	307·74	31	214·94	58	207·34	161·04	23	427	494	308	94	68	130
Piopio	31	1,256	235·07	258	284·99	298·85	21	337·52	61	183·81	158·65	32	458	575	268	56	28	159
Puketaha	21	976	226·69	236	275·18	386·92	27	268·12	58	187·57	154·37	32	470	516	303	82	76	167
Putaruru	28	1,257	211·98	250	239·31	281·33	27	244·60	65	176·04	139·21	42	433	763	312	47	27	101
Raglan	27	1,009	236·79	248	285·99	314·59	27	290·65	58	198·97	138·32	49	438	474	283	82	74	159
Reporoa	7	334	215·70	233	..	244·87	47	224·37	78	..	159·43	23	370	425	281	93	48	129
Rodney	20	522	249·54	254	275·30	360·09	11	259·58	56	208·39	156·86	22	430	500	291	72	49	105
Shelley Beach	5	318	207·21	216	..	233·04	41	239·50	87	..	177·63	57	354	387	303	97	75	128
Tairua	21	633	268·89	243	302·87	370·05	37	235·98	74	232·91	130·22	9	496	517	286	68	36	100
Tamahere	20	1,217	260·90	261	290·04	304·43	30	319·39	95	238·64	202·67	37	492	541	309	59	23	101
Te Akau	14	456	214·73	250	..	291·09	11	249·11	61	..	129·37	27	384	471	277	66	54	126
Te Aroha West	25	1,267	283·92	263	334·16	400·00	29	364·76	89	242·59	204·44	45	510	528	263	52	34	112
Te Awamutu	23	1,372	236·50	255	272·03	281·46	28	295·40	64	205·87	167·86	93	476	600	283	46	35	119
Te Kawa	18	1,001	232·35	261	..	305·47	36	289·77	53	..	177·14	64	434	476	329	60	23	107
Te Kuiti	25	922	232·63	249	276·41	323·34	23	288·09	64	189·03	148·70	61	417	441	306	55	39	129
Te Rapa	55	2,429	262·12	264	320·73	339·51	27	328·80	67	199·88	149·42	28	518	545	286	70	44	159
Tirau	28	1,991	252·65	254	308·82	339·20	49	348·04	85	204·42	143·57	83	498	547	308	48	28	159
Turua	16	645	227·40	233	..	254·90	40	283·73	72	..	154·90	30	410	470	274	76	51	110
Waerenga	35	1,405	233·31	247	283·51	407·41	12	268·76	69	183·93	166·13	23	469	504	295	53	39	108
Waihi	27	960	225·49	254	259·45	264·91	24	317·13	52	194·02	175·60	48	435	595	272	55	25	129
Waitakaruru	10	404	236·16	248	..	326·25	27	256·55	54	..	172·87	98.	418	493	262	70	25	100
Waitoa	28	1,566	280·67	272	311·53	333·30	30	318·38	81	254·01	223·06	48	497	536	304	53	38	116
Waiuku	45	1,852	252·99	268	302·06	319·52	17	341·44	52	201·69	159·06	32	496	565	337	45	12	160
Whatawhata	29	1,172	274·58	266	325·58	355·93	30	285·18	69	224·70	201·95	43	489	525	325	65	41	100
Matamata District—																		
Okoroire	18	1,094	280·67	262	..	317·69	23	385·39	66	..	193·34	32	538	590	332	51	31	129
Te Poi	34	1,671	242·38	262	283·66	319·02	39	308·70	61	205·73	143·53	30	458	547	312	36	18	100
Waharoa	38	2,422	264·54	262	310·16	317·69	39	321·38	55	219·32	161·08	69	500	518	271	49	37	100
Morrinsville district—																		
Kiwitahi	17	921	255·28	266	..	316·93	47	283·00	66	..	201·33	72	459	560	310	40	24	121
Morrinsville	47	2,378	251·25	260	316·11	340·63	46	340·41	82	191·86	152·76	80	509	584	310	47	14	100
Tauhei-Tahuna	27	1,882	229·55	249	285·66	311·20	25	313·22	53	192·02	123·48	27	455	496	292	32	8	105

Average production of the 77,591 cows tested 100 days or more : 244·89 lb. fat in 255 days; 207·81 lb. fat in 237 days in 1923–24, 237·52 lb. fat in 238 days in 1924–25, 282·02 lb. fat in 244 days in 1925–26, 255·49 lb. fat in 250 days in 1926–27, 228·38 lb. fat in 241 days in 1927–28.

Highest herd up to 20 cows, 408·75 lb. fat in 276 days ; highest herd 21 to 30 cows, 400·00 lb. fat in 292 days ; highest herd 31 to 50 cows, 389·91 lb. fat in 307 days ; highest herd 51 to 75 cows, 385·39 lb. fat in 304 days ; highest herd 76 to 100 cows, 364·76 lb. fat in 280 days ; highest herd over 100 cows, 328·25 lb. fat in 280 days.

Lowest herd averaged 103·15 lb. fat in 165 days ; the ten highest herds averaged 385·07 lb. fat in 296 days ; the ten lowest herds averaged 119·47 lb. fat in 170 days ; the highest cow gave 769 lb. fat in 284 days ; the lowest cow gave 8 lb. fat in 105 days ; the ten highest cows averaged 622·4 lb. fat in 312 days ; the ten lowest cows averaged 16·9 lb. fat in 114 days.

EXHIBIT No. 5.

LAND IN TAUPO DISTRICT ACQUIRED BY E. EARLE VAILE AND SOLD BY HIM.

The Land and Deeds Registry Office, Auckland, 21st September, 1929.

Bought 53,250 acres by Transfer 43399, whole of the land in Certificate of Title 196/2, acquired 23/5/97; price, £3,912 16s. 6d. Description: Kaingaroa No. 2 West, Nos. 1 and 2.
Sold: 3/4/13: 13,102 acres, by Transfer 72724 (C.T. 207/94), to John Henry Stringer; price, £6,551.
Sold: 17/7/25: 25,185 acres, by Transfer 192103 (C.T. 415/6), to N.Z. Timberlands, Ltd., for £25,185.
Sold: 11/8/25: 4,887 acres, by Transfer 193079 (C.T. 417/204), to N.Z. Timberlands, Ltd., for £7,330 10s.
Holds 9,970 acres (C.T. 417/205).

		Acres.
Held originally		53,250
Sold	13,102	
,, ...	25,185	
,, ...	4,887	
Holds	9,970	
		53,144
Taken for roads, &c.		106
		53,250

Purchase price, £3,912 16s. 6d.; sales of part, £39,066 10s.

21/9/29. L.J.P.

Approximate Cost of Paper.—Preparation not given; printing (450 copies), £168 15s.

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