

79. Assuming that this land is to be offered as small grazing-runs, a basis of rental has to be arrived at?—Yes.

80. What is the basis?—The land is valued by the Crown Lands Ranger, and it might be 15s., £1, £1 5s., or £2 an acre. It is not less than $2\frac{1}{2}$ per cent. on the capital value.

81. The capital value is based on the present productive value of the land?—The present value. It is absolutely unproductive at the time it is leased.

82. That is to say, the prospective value is not taken into account?—No.

83. The Crown gets that prospective value at the end of the term—I am assuming that these lands are leased as small grazing-runs?—Under the present Land Act the lessee, if the lease is a small grazing-run, has the absolute right of renewal.

84. What is the original year of that enactment—1892?—The first Act was in 1885.

85. But the perpetual right of renewal?—That is under the Act of 1892, and was continued in the Consolidated Act of 1908.

86. Have you considered the commercial aspect of the proposition the Taupo Totara Timber Company is putting forward—the probable profit and loss account?—You mean, as far as the Crown is concerned if it purchased the line?

87. As far as the company is concerned?—I have nothing to do with the company. The point of view I have given evidence upon is as to the advisability or value to the Crown of taking over this line.

88. What percentage of acreage would you put on it?—I cannot say; I would require a valuation to be made.

89. *Hon. Sir J. Findlay.*] You know the geographical position of these lands very well?—Yes.

90. Do you know whether the railway from Rotorua would feed the lands on the western side?—About four or five miles back there is a high ridge, and I do not think roads could easily be got through.

91. I said the railway from Rotorua to Taupo could not feed these lands on the western side: is that statement correct in your point of view?—Yes.

92. You have known these lands for thirty-odd years or more?—Yes.

93. Mr. Buchanan asked you a number of questions, and may I direct your attention to your answer to him. On the question of the productivity of this pumice land, has it passed out of the experimental stage?—It think it has now, within the last two years.

94. Have you any instances of actual trial and success to prove that statement?—Yes. I am referring to the settlers in what is known as the Selwyn Settlement. That is an estate that was purchased by the Crown under the Land for Settlements Act.

95. What is the nature of it?—The greater part of the Selwyn Settlement is classed as pumice lands, and the portion towards Waotu is very much the same class of land as these lands we are discussing along the route and at the terminus of the railway-line.

96. Then the Selwyn Settlement affords you a basis of comparison with the class of lands with which we are now dealing?—It does, particularly the lower portion beyond Putaruru.

97. What success have the settlers had in this class of land in the Selwyn Settlement?—I understand they are quite satisfied with their prospects.

98. Have they treated the lands in the manner you have suggested?—Yes, from what I have seen myself.

99. I put this general question to you, Mr. Kensington: how many years were you connected with the Lands Department of this country?—Ever since the 1st September, 1864.

100. Do you believe it would be a good and profitable thing for the Government to acquire this line on the terms offered?—I do, from what I heard you say yesterday.

101. On that assumption?—On that assumption I believe it would be a good thing.

102. You did not state what area of Native land was embraced within these boundaries?—Your statement is perfectly correct—as far as I know myself—about 800,000 acres.

103. *Mr. Young.*] You know the country to the south of Lichfield through which this present tramway goes?—That is the country I was referring to just now.

104. The open tussock country there you are familiar with?—Yes.

105. You are familiar with the Lichfield and Putaruru lands as they were in the early days?—Yes

106. Is that land similar?—Yes, a good deal of it, undoubtedly.

107. And you are satisfied that on that tussock country the same can be done as during the last fifteen years on the Lichfield and Putaruru estates?—Yes, on a great part of it. The greater portion of the land was of the same quality as the lands of the Selwyn Estate. In the vicinity of Lichfield and Putaruru there is an area called the Tokaroa Plains which is not quite as good.

108. *The Chairman.*] You have no connection whatever with the company?—None whatever of any kind.

109. You have simply come here in the public interests?—Yes. I do not hold any shares in any company in New Zealand.

110. *Mr. Buchanan.*] Do you know the neighbourhood of Karioi?—I do, on the Main Trunk line.

111. My attention was invited once to a magnificent crop of potatoes on the edge of the bush there. That I think was the finest crop of potatoes on pumice land that I ever saw. A few years previous this area also carried a crop of potatoes, on this open land [place shown on rough plan]. That had been bush too, but when I saw it it had its second crop of oats—starved, stunted, poor. Here was a magnificent crop of potatoes, and here a crop of oats—starved, poor, 2 ft. in length; and out here scattered tussocks of cocksfoot slowly starving out, all addicted to successive process of crops?—No manure.