

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.