

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