

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 traffic 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 Trunk 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.