

ORDER OF REFERENCE No. 6.—AS TO ACQUIRING THE COMPANY'S TIMBER RIGHTS.

The timber rights of the company and its tramway can be best worked under one management. If, therefore, the company retains the ownership of the tramway for a lengthy period it would be quite desirable for it to also retain and work its timber rights. Moreover, at the market rates for timber now ruling the price that would doubtless be demanded for a surrender of these timber rights would probably amount to a very large sum, which we do not think the Government would be justified in paying, in view of the large areas of growing timber which the Crown already holds in the district, the still larger areas which the Natives own and which it is desirable the Crown should acquire, and the very large and increasing areas of planted Crown forests in the Rotorua-Waiotapu district which will be opened up by a railway-line between Rotorua and Taupo, should such a railway be eventually constructed.

ORDER OF REFERENCE No. 7.—AS TO ACQUIRING TIMBER RIGHTS OR LANDS OTHER THAN THOSE BELONGING TO THE COMPANY.

We think it desirable that the Native-owned timber-bearing land in the vicinity of the company's tramway, or of the projected extension of same to Oruanui Township, or lying between that point and Lake Taupo, or adjacent to the shores of that lake, should be acquired by the Crown in the immediate future. The construction of the projected extension of the company's tramway, and especially the extension of the Government railway to Taupo, would largely enhance the value of this land, so that, in order to obtain the fullest possible advantage from the purchase, it should be effected as soon as possible, and before the expected enhancement actually takes place.

ORDER OF REFERENCE No. 8.—AS TO DEVELOPING THE CROWN AND NATIVE LANDS SERVED BY THE TRAMWAY.

There is a large area of undeveloped pumice land—Crown, Native, and private—served by the tramway and its proposed and authorized extensions, much of which is capable of profitable development. It varies from flat and easy undulating country to steep hills interspersed by gullies, and, with the exception of the bush-clad areas, which are mostly the hilltops, there is very little vegetation upon it but stunted manuka and fern. Excepting the timber-bearing land, the whole area is practically valueless in its undeveloped state, but so far as the ploughable portion is concerned—which is perhaps 50 per cent. of the whole area—this can be converted into useful pasture providing that the manures which are absolutely requisite for bringing the land into production, and for its annual or biennial top-dressing, can be delivered on the farms at a reasonable cost, for without cheap manures and transit at a moderate cost these lands can never be farmed profitably.

The hill portions and the gullies, excepting the timber-bearing areas, are valueless for any other purpose than for the growth of timber, and, judging from the areas already planted, there is little doubt but that, if these lands were planted with suitable trees, in the years to come they would be a source of revenue to the Crown and country. The timber-bearing areas, which are certainly the most valuable portion of the whole, can, after the milling-timber has been removed, be converted into fair grazing-land by felling, burning, and grassing.

Judging from the results obtained at Putaruru and Tokoroa, the best course to adopt with the arable lands would be to cultivate, consolidate the soil, and manure heavily. Using these methods, the better class of pumice lands have been converted into useful farming and grazing country, capable of being used for dairy farming, the fattening of stock, and the growth of root crops, more especially swedes and turnips. Clovers and cow-grass grow exceedingly well, and there is ample feed during nine months of the year, but it will probably be necessary to provide hay and root crops to feed the stock during the winter months.

Much of the undeveloped land owned by private people and companies and adjacent to the tramway is held for what seem to us to be fictitious values. The