

bringing into operation of section 11 of the Land Laws Amendment Act, 1919, under which second- and third-class Crown lands may be offered for selection without payment, will doubtless exercise a correcting influence in this respect.

The first step towards such development will be to acquire the Native land. When that has been done the marketable timber on the land can be cut and milled, either under arrangement with the company or by letting the cutting-rights to private persons on a royalty basis, or it can be reserved for the present pending the construction of a Government railway to Taupo, and could then be handed over to the Forestry or other Government Department for milling for the Government's own purposes.

The land that is not timber-bearing, and the timber-bearing land when cleared, can be offered for selection as soon as there is any demand for settlement land in the district, and such a demand would, in our opinion, follow the opening of a Government railway to Taupo and the milling of all the Government timber in the area served by the line or adjacent to the lake.

ORDER OF REFERENCE NO. 9.—AS TO OTHER RIGHTS HELD BY THE COMPANY.

We have inquired as to what other rights are held by the company, and whether any special advantage would accrue to the State by taking them over, and find that such rights are not at all numerous. The company has timber-yards at Auckland, and a private siding and other rights at Putaruru; but unless the Crown takes over the entire business of the company, which we do not recommend, the company will require to retain these rights, and very little, if any, advantage to the Crown would result from taking them over. We therefore do not recommend that such rights should be acquired.

ORDER OF REFERENCE NO. 10.—DEVELOPMENT OF SETTLEMENT WITHIN THE AREA.

The area of country served by the tramway and the proposed or authorized extensions thereof is very wide indeed. It begins at Putaruru and extends thence to Taupo, and (using the lake for water carriage) embraces all the immense area surrounding the lake and extending to the eastward thereof as far as Runanga, or even to Tarawera, and on the west as far as the watershed between Lake Taupo and the North Island Main Trunk Railway. This large area contains from one and a half to two million acres of land, only a very small portion of which is at present developed on any modern scientific principles. The great bulk of it is lying waste and barren, and it undoubtedly constitutes the largest area of undeveloped waste land in the Dominion, and calls loudly for some special action to be taken to bring it into productivity.

The experiments already made with pumice soils clearly show that, given proper tillage and with the use of appropriate manures, the land is capable of satisfactory development. No doubt the members of the Commission saw the land at a very good time—namely, at the end of an exceptionally wet spring—but some of the grass-paddocks we examined near Putaruru, and between Putaruru and Tokoroa, also around Tokoroa and Campbelltown, certainly impressed us favourably.

Instances of the carrying-capacity of the land when root crops were being eaten off were brought under our notice, and seemed to be almost beyond belief, but the accuracy of the figures given is vouched for by individual settlers and also by the Settlers' Association. Some of these instances may be quoted thus:—

An area of 300 acres in roots is said to have carried 1,250 head of cattle from May to September last, and an area of 160 acres in turnips wintered nearly 2,000 sheep, with a run-off on grass in each case.

An area of 500 acres, broken up for the first time last year and sown with turnips, then broken up again and sown with grass (10 lb. rye-grass, 10 lb. cow-grass, and 2 lb. white clover), was carrying at the time of our visit 600 sheep and a few cattle. This land prior to breaking up had carried nothing but stunted manuka and a little tussock.

A farm of 163 acres in grass carried 130 head of cattle last summer, of which fifty were milking-cows. When we were there last month it was carrying sixty dairy cows in milk, forty heifers, and four horses. The average return per milking-cow last year was £28, and the total amount of butter-fat produced during the season was 16,820 lb.