

statement?—The reason I offered to give evidence was that there seems to be a great diversity of opinion about the pumice country, its method of development, and the cost of same. I have had twelve years' experience in breaking in a block of that country at Tokoroa, near Putaruru, and I believe that my experience and knowledge may be of some value to the Committee. I am managing director of the company which has broken in the land.

3. What is the name of the company?—It is the Matarawa Land Co. The block developed by the Matarawa Land Co. contains 5,500 acres, and is situated at Tokoroa, along the route of the Taupo Totara Timber Co.'s railway, about twelve miles from Putaruru. It has many natural advantages. It is practically all flat; it has no waste unploughable land; it is watered by two streams, carrying very light top growth, and is served by the main Taupo-Hamilton Road. The soil is of a light pumiceous nature, covered with an average of about 4 in. of black soil. There is no rubbly pumice land or pure pumice-sand country on the block. It is about 900 ft. above sea-level, with a climate very favourable for farming. The block was acquired by the company in 1914. It was entirely unimproved and in its native state. Its productive value was nil. Work was commenced in 1917, and to-day there are twenty-five settlers on fully developed farms, occupying 3,500 acres. The remaining area of 2,000 acres is in course of preparation for further settlers, and is grazing and fattening stock. The condition of the land to-day occupied by the settlers is that it will carry a cow to 2 acres, and 1,800 cows are being run on the 3,500 acres occupied by the settlers. A cheese-factory, owned by the settlers themselves, is situated on the property, and that factory takes the whole of the milk produced. During the season ended at the 30th June last the factory made 300 tons of cheese, and the pay-out over the whole season was 1s. 8½d. per pound of butterfat. The farms are leases with purchasing clauses, some optional and some compulsory. In areas the farms run from 100 to 160 acres, most of them being about 150 acres. The price of the sections fully developed, except for the buildings, runs from £15 to £20 per acre, the average being about £18 per acre. At this price the settlers are getting the land at its development cost. This is the price on which they pay rent, and have the right to purchase the land. With butterfat at 1s. 6d. per pound they can pay their interest on land and stock, live comfortably, and have enough left to enable them to keep their farms up to concert pitch by top-dressing. The company has had on occasions, in some instances when the returns, owing to bad seasons and for other reasons, have been insufficient to pay rent and maintenance, to cancel the rent to enable the settlers to put on the required amount of top-dressing to keep the farm up to its full producing-capacity. The settlers are all under the supervision of the company's management. The average cost of the buildings, house, cow-shed, manure-shed, &c., is about £750, and they are erected by the company according to the settler's requirements, the cost being added to the cost of the land. As regards the cost of development, the big job in the pumice country is getting the land into a condition to carry permanent pastures; but the initial and accompanying works of roading, surveying, clearing, fencing, water reticulation, shelter-belts, &c., mean a heavy outlay. This is an expenditure, however, which is much the same in any district, and, while it may vary owing to the locality, the contour of the land and local conditions, there is nothing problematic about it. At Matarawa the cost of this work up till the time the settlers took over their holdings was about £6 per acre, made up as follows: Roading and surveying, £1 per acre; fencing and shelter, £2 10s. per acre; water reticulation, £2 per acre; clearing, 10s. per acre. As conditions at Matarawa were comparatively easy, this amount is more often than not likely to be increased. The main task and the unknown quantity in the development of pumice country is the cost and the amount of the work required to get the land into a condition to carry permanent grasses, the cost of keeping it in that condition, and the question whether the amount of revenue it will produce will be sufficient to keep the farm and the farmer going. To appreciate these difficulties, certain conditions peculiar to pumice country must be realized. The land will do nothing itself. It differs from other land in that it is only the medium by which the human factor and capital can produce revenue, whereas in the case of most other classes of land the land is the main factor, and the man and the capital the medium. Whatever it turns out to be is in exact proportion to what is put into it. The land itself is not an asset; it is in fact a liability. This is the reason why money cannot be raised on the security of pumice lands. The Government lending Department and Advances Boards are no exception. Even now, at Matarawa, where the land is producing 100 lb. of butterfat to the acre, the State Advances Department tells the settlers who have applied for loans that the land has no lending-value. The interest on loans and development costs, and the value of the security, depend entirely upon the personal element. In the course of two or three years, if not kept up to concert pitch, it will depreciate from paying interest on up to £20 an acre to be worth practically nothing. Only practical experienced men can successfully handle it. Unless under supervision, two out of every three men coming from other districts and tackling this class of country will fail. To be successful a settler requires to have the pioneering instinct strongly developed, a quality which is becoming extinct in this country, due, no doubt, to our high standard of living. Owing to the varying nature of pumice land its development up to a revenue-producing pitch is not a clear-cut job. It is a process in which time plays the largest part: the poorer the land the longer it takes. The more it costs, the less revenue it produces, and the quicker it depreciates if neglected. When once started, the work must be finished if a man is to get his money or a portion of his money back. To half do the job is no better than to leave it untouched. As regards the actual work of getting the land ready to carry permanent grass, consolidation of the soil and providing it with humus by heavy manuring, and the ploughing-in of surface crops, such as clovers, are the main essentials. Consolidation is absolutely necessary, and, according to the nature of the land, may take five, ten, or perhaps twenty years. The growing of turnip crops, so that the land may receive the benefit of the tramping and manuring by heavy mobs of cattle and sheep during the feeding-off process, is most essential. Any revenue derived from this source is a secondary consideration compared with the benefit the land received.