

capital. As far as farm development is concerned, one can view it, as a whole, that the pumice land is attracting very little attention from the private investors' standpoint. It does seem as if there must be some very tangible reasons why this land, which has had a very great deal of attention paid to its possibilities, has not developed along the lines one would like to see. It is said that the lack of access is a limiting factor in connection with its development. In point of fact the access is not really bad in the pumice country, owing to the fact that roads can be made with very considerable ease—far different, indeed, from the conditions of roading in much of our hilly country. As far as roads are concerned the pumice country can be viewed to be quite satisfactory. It is also claimed, and to a certain extent rightly so, that the cultivation expenses in connection with the pumice country are lower than in the case of ground of a stiffer nature; but against that ease of cultivation, it is frequently suggested that one of the main reasons why the country is not settled readily is owing to the fact of high transit costs, particularly with regard to the transport of fertilizers. We all know that fertilizers form one of the essentials in the development of this country. In going into the whole matter from the development end, one realizes that the cheapening of fertilizers would be of very great importance; but so far as the area, say, twenty miles from the railhead is concerned you can get fertilizers along the road at a cost of £1 per ton, approximately. One would imagine that as regards the breaking-in of the country along the twenty-five miles of the line to Taupo the penalization of the country by the additional £1 a ton for fertilizers would not be very great. I should say offhand that it is quite essential to get on at least six top-dressings of pumice country, of 3 cwt., before you can expect very much in the development of moderately good to highly productive permanent pasture on a good deal of that country, with the exception of that which is of swampy nature—a few individual portions which are better than others. The whole trouble of the loss in front of pumice-land development has been pretty well expressed by Mr. Campbell in his evidence. He makes the statement that to half-do the job is no good—that if you get it up to a certain point, and then do not keep on with it, you will end in failure; and that seems fairly definite. The breaking-in of this country is going to cost a very large amount of money. One rather fears that the amount required for a really proper dealing with the country to bring it to the permanently productive stage will not be available, but so far as the individual is concerned we know that it is lack of capital that stops him from getting to the productive standpoint. The bill in front of settlement of a very large tract of pumice country appears to me to be a rather staggering one; but I do believe that if sufficient money is devoted to the better class of the area one would be able to develop it finally, and that at some time to come it would be able to pay interest on the expenses that had been incurred. But certainly in a good deal of this development the full interest return on the capital necessary for its development cannot possibly be expected for many years to come. In any development scheme that is taken up one will have to bear in mind that the settlers will have to be provided for a good many years with a means of livelihood which is not derived from what they are breaking in—that is, they will have to have very moderate living-expenses for quite a considerable time. And, of course, the poorer the pumice country is the larger will be the amount required to bring it into what may be termed profitable production. A good deal of the country certainly, in my judgment, will not be possible of development on anything like an economic basis. That, of course, is only my opinion. In what I am saying I am in no way expressing the opinion of the Department of Agriculture. But I have the feeling, of course, that this large area of country will have to be settled sooner or later. With some exceptions the settlement costs will really be greater than the return, particularly in the earlier years; but I am rather inclined to think that from the national standpoint it is an expenditure that the nation will have to pay for. One rather feels that although from the straight-out economic standpoint one can say unhesitatingly at the present time that though there is no real indication that the very large areas of pumice country can be settled on an economic basis, from the national standpoint it may be quite well worth while. The feature that makes it perhaps more difficult is the fact that we are not at the present time in an era of rising prices. When one looks back on the settlement of the past, one realizes how important it is in the development of waste country to take up such work during an era of rising prices. During an era of stationary or falling prices it is clear that the development of land such as this Taupo country is likely to be considerably less economic than if the position were the other way round. I have not made any special report. I thought that perhaps the best thing would be to get whatever information I can supply to the Committee rather by way of cross-examination; but before finishing I would like to bring out one or two points. I want first of all to say that the actual costs of breaking in so-much for grass-seed, so-much for manure, so-much for ploughing—have very little bearing on the real expenses of developing this country. The time element is one which it is extremely difficult to estimate, but I have come to the conclusion that to break in a good deal of this pumice country—not the worst, but the moderately good pumice country, average pumice country—will cost, with buildings, and stock, and adequate fencing and water, somewhere about £30 an acre. That agrees remarkably closely with the evidence given by Mr. Campbell, who estimated it at about £23 an acre without stock.

9. *Mr. Jenkins.*] With what sized holdings?—That will depend entirely upon the production; but I do hold that the pumice country offers no inducement to the nation if there is going to be only a low production from it. There is no outlook for the individual spending only a few pounds an acre upon developing a large amount of land. The only way in which the pumice country can be developed is by a full expenditure, which would result in moderately high production. I am inclined to think that from 150 to 200 acres per holding must be amply sufficient if you have to spend over £20 an acre on it. I would like to see a development in which you could adequately carry from forty to fifty cows, wintering them properly on your holding, and make full provision for replacements. One is inclined to think that on a good deal of the pumice country—on a certain amount of it, at any