

THURSDAY, 28TH SEPTEMBER, 1911.

JOHN NEIL McLEAN, of Rotorua, examined. (No. 3.)

1. *The Chairman.*] What is your name?—John Neil McLean.
2. You reside at Rotorua?—Yes.
3. You appear on behalf of the Rotorua Chamber of Commerce?—Yes.
4. You have a statement. Will you read it, please?—I may say I have for the time being taken the newspaper reports as being correct.

5. So far as I know, what you have read in the Press is correct?—Mr. Chairman and gentlemen,—As a duly appointed representative of the Rotorua Chamber of Commerce, and in accordance with resolutions carried at a public meeting held in Rotorua on the 20th instant, I desire to object to the petition of the Taupo Totara Timber Company, wherein authority is asked for permission to extend that company's present railway-line from Mokai to Taupo, and for the purchase and disposal of 200,000 acres of Native land. In doing so I propose to state my objections under three headings: (1) That the proposal, with attendant conditions, is not in the best interests of the Dominion; (2) that a suggested State railway from Rotorua to Taupo would be more advantageous to the locality and the Dominion generally; (3) that if the present petition be granted a gigantic and objectionable monopoly will be created. It seems plain that the real object of the petition is to effect the sale of fifty miles of railway already in existence, from Putaruru to Mokai, and thus realize the cash value of a portion of the Taupo Totara Timber Company's assets. The necessity for this sale arises from the extremely unsatisfactory financial position of the Taupo Totara Timber Company, as disclosed by the petitioner, seeing that with a capital of £341,000 its operations throughout the eleven years of its existence has been so unsuccessful that no dividends have been paid, that £50,000 is unpaid on account of preferential dividends, that ordinary shares are practically worthless, and that grave doubts exist as to the possibility of returning money to the holders of preferential shares. It is admitted that previous efforts to induce capitalists to take over and complete its railway have failed, even when the company offered to pledge all its assets as security, and guaranteed 5 per cent. interest for fifteen years. It is now stated that if permission be granted to acquire 200,000 acres of Native land at present value the petitioner has reason to believe that a new company can be formed to purchase the present line and complete the extension—in other words, that the concession would become a valuable subsidiary asset, and that it (the concession) would to all intents and purposes be immediately offered for sale. I respectfully submit that it is a most unusual proceeding to seek a concession from Parliament, based largely on grounds of public welfare, and at the same time indicate the intention to immediately place that concession on the market and realize its value in cash. The case for the petitioner depends to a great extent on the contention that the proposed railway will result in the rapid development and settlement of a large area of Native and Crown lands. The realization or otherwise of this prognostication depends principally upon whether or not the land in question is capable of profitable cultivation. If the land is unsuitable for settlement, I take it that no amount of railway-construction, either by the Government or by private enterprise, can possibly induce settlement, and under such circumstances the benefits suggested in this direction would be non-existent. If, on the contrary, the land is fertile and capable of maintaining a large population, as the petitioner asserts, I submit that the State should provide the necessary railway facilities, acquire a great proportion of the 800,000 acres of Native land at present value, open up these lands, as well as the 350,000 acres of Crown lands, and thus conserve the enhanced value for the public benefit, instead of permitting a capitalistic body to exploit an immense area, purely for money-making purposes. The area proposed to be acquired is equivalent to a block of country fifteen miles wide and running throughout the entire length of the projected railway. It is reasonable to assume that the better-class land in the vicinity of the railway would be secured by the petitioner. The consequence would be that to all intents and purposes the choicest land to an extent of about 200,000 acres, and most conveniently situated, will be closed to settlement, except upon payment of such prices as this monopolistic company may see fit to impose. Intending settlers would thus be debarred from the advantages provided by our liberal land laws for placing settlers on the land under easy and favourable conditions, unless satisfied with inferior land, or that more remote from the railway-line. I submit that grave doubts exist regarding the adaptability of this immense area of pumice land, about one and a half million acres, for profitable cultivation and close settlement by the ordinary class of farmer. If a rush of settlement is to attend the construction of the proposed twenty miles of railway, as the petitioner infers, why has the present fifty miles of line not resulted similarly? The fact that comparatively small areas of the better quality of pumice land, principally flats, have proved profitable when worked by men of means does not demonstrate that the immense expanse of hilly country is suitable for settlement by men of moderate means, which is the essential class to be catered for. There is a tremendous demand for farming lands in this country at the present time—a veritable land-hunger. This is shown by the rush for sections of suitable Crown lands whenever and wherever offered, and by the high prices paid in private sales. Why, then, have these land-seekers not coveted Taupo lands, and why has not a great protest been raised against the Crown locking up 350,000 acres of reputedly fertile lands in the Taupo district? Why have the landless men with some capital and much experience not dealt directly with the Natives, seeing that practically unlimited areas are available at comparatively nominal prices? I say that the keen practical farmers of this country, by their very attitude towards Taupo lands, offer a tacit and weighty opinion which is opposed to the petitioners' optimistic estimate of the value of these lands for ordinary settlement. Absence of railway communication cannot possibly be accepted as an all-sufficient reason for non-development, seeing that fifty miles of the present railway has been opened for six years, and that the proposed extension, which is to revolutionize matters, is only twenty miles in length. Even people who own land in this district appear to