

- (2) The nature of the land being developed. It has already been pointed out that very little suitable Crown land was available for development and that freehold land had to be purchased or Crown leaseholds resumed. This statement must be qualified by the fact that in certain districts a large number of Crown tenants were leaving their holdings, in which a large amount of State capital had been invested, and these areas were available for reconditioning and development. As the first-class good-quality lands of the Dominion have long since been developed and are in private hands, it naturally follows that the land remaining for development was either reverted or marginal land which could not be expected to stand up to the full cost of its development, including labour-costs.

The labour-costs of development were accordingly met in the initial stages wholly from the funds of the Unemployment Board, but this system has been varied from time to time, and since 1936 the labour-costs have been subsidized only. The following statement shows the position since 1934 so far as labour-costs are concerned:—

1934}	Wages met in full by Unemployment Board.
1935}	
1936	Wages subsidized to the extent of five-eighths by Consolidated Fund.
1937}	Wages subsidized to the extent of five-eighths by Employment Promotion Fund.
1938}	
1939	Lump-sum subsidy of £50,000 from Consolidated Fund, which represented a subsidy of approximately 3s. 4d. in the pound.
1940	Lump-sum subsidy of £80,000, which represented a subsidy of approximately 8s. in the pound.
1941	Lump-sum subsidy of £80,000, which represented a subsidy of approximately 13s. 10d. in the pound.

Although the labour-costs were met for a period in full by the Unemployment Board and for the remaining period have been subsidized, the total expenditure on all labour is recorded, and is shown in the Department's balance-sheets as a liability against the land on which the expenditure was incurred. On the other hand, administration costs have not been charged against the land. The Committee is of the opinion that in view of the inefficient labour supplied and of the fact that the work was originally undertaken as a relief-of-unemployment measure, the wages-costs should have been fully subsidized.

Types of Land under Development.

The Committee found that totally different conditions were obtaining in each district visited. The types of land under development varied considerably, consequently methods followed in the development programme showed striking contrasts, and the principles followed in farming and stocking the areas during and after development were seldom similar. For the above reasons it has been found necessary to deal with each district visited under separate headings.

King-country Areas.

The Committee visited and inspected many blocks in what is popularly referred to as the "King-country," and for the purposes of this report it can be assumed that the area in question covers that portion of the central North Island lying between the easy rolling lands of the Waikato to the north and the broken steep lands of the Wanganui basin to the south. The greater portion of the area being developed and reconditioned is located in the Waitomo County, but other areas are located in the Kawhia, Otorohanga, Waipa, Ohura, Taumarunui, and Waimarino Counties.

Many of the areas under review were opened for selection by the Lands and Survey Department at the beginning of the present century. The altitude ranges from 250 ft. to 2,000 ft. above sea-level, and the rainfall averages from 60 in. to 80 in. annually. The country is undulating to broken, and in places intersected by gorges and outcrops of limestone and sandstone. The quality of the soil varies from heavy to light loam on clay to that of a light pumice nature on a formation of clay, limestone, sandstone, rubble, or papa.

The land is well watered by rivers, streams, and springs, and was originally approximately two-thirds bush clad. The pastures which were obtained after felling and burning the bush were good, and, generally speaking, stock did remarkably well for periods varying from five to twenty years. The country was handled by the original settlers with apparent success along lines which were accepted as sound farming practice at the time, but experience has now shown that the methods used proved unsuitable to the class of land involved. The land began to revert until by 1933 conditions generally were desperate. Large tracts of country were a mass of fern, manuka, ragwort, and second growth where once good grass had been established following the felling and burning of the bush. Buildings and fences were in a very dilapidated state, and holdings were being abandoned in large numbers. The history of this reversion could be made the subject of a lengthy report by itself, and, although the undermentioned factors are not the only contributing ones, the Committee considers the following were the major causes of the reversion:—

- (1) High initial prices paid for land which failed to hold grass though clothed in a class of bush which from experience in other parts of New Zealand gave every indication of producing high-quality farms;
- (2) There was no indication that in many cases the land was deficient in certain minerals essential to the well-being of stock;
- (3) The high rainfall coupled with humidity resulted in a vigorous growth of fern and secondary native flora which could only be adequately controlled by stocking methods beyond the financial capacity of the settler: