

We refer to these statements as they were made to us on several occasions, but it would be wholly wrong to assume that the land in any area is being abandoned; on the contrary, it is being readily taken up and subdivided, with the result that farm production is steadily increasing.

Another explanation put forward was that land-values are so inflated as to make it very difficult for young men to take up farming. It is said that there are, in fact, considerable numbers of them at present anxious to settle on the land, but are unable to procure even small holdings at a price within their means.

The existence of legislation empowering the Dominion Government to make advances to settlers for purchase of land or stock is fully realized. But the loan system would not appear to meet the primary need of new settlers who acquire land at inflated prices. A settler who borrows money in such circumstances must be hampered by a heavy debt which, even if regarded as a permanent mortgage, encumbers development and acts as a deterrent to improvement of the farm. What is required for successful settlement is inexpensive land for the improvement of which a man will doubtless have to expend much labour, but from which he will be able to reap a due reward, instead of being obliged to utilize the first fruits of all profits in paying off a debt or an annual interest which amounts in practice to a perpetual rental.

23. CONCLUDING OBSERVATIONS.—In reviewing the situation in the light of facts as presented to us certain broad issues strike attention, and to these we shall now briefly refer.

Upon the general question of policy there appears to be a marked contrast as between one extreme view which favours the immediate introduction of large numbers of immigrants without, perhaps, a full appreciation of the difficulties of their absorption, and another extreme view which insists that immigration should not be assisted or encouraged in any way until a complete solution is found for existing housing and unemployment problems.

A pronounced demand for energetic development in one quarter is met in another by a strong protest against incurring any additional burden of public expenditure.

A difference of opinion also arises as between those who believe that the country's prosperity depends vitally upon its primary production, and those who press for an explanation of the secondary industries as a foremost consideration.

With regard to each of these questions, there is a moderate view which, as we believe, has the support of the general public.

The flow of immigration clearly requires to be carefully regulated according to the country's capacity to absorb additional population, whether it be upon the land or otherwise.

From all the information supplied to us there seems to be little doubt that New Zealand's source of wealth and prosperity is fundamentally based upon her agricultural and pastoral industries, the development of which must consequently be her chief concern.

It has been said that nearly all the best lands have already been taken up, and are held in private ownership. The price of such lands is now so high as to render settlement on any extensive scale a very difficult matter. It can only be effected in such privately owned areas by a gradual process of closer and intensive farming, and the rate at which development of this kind can take place must obviously depend upon the possibility of acquiring lands at an economic price.

It is clear that a considerable amount of capital would be required in order to place any new land-settlement scheme upon a sound basis. The financial difficulty, therefore, is very real. Apart from the large area of land acquired on behalf of returned soldiers, the New Zealand Government has purchased under the lands-for-settlement scheme about 2,000,000 acres at an approximate cost of £13,000,000. These extensive purchases have doubtless had the effect of inflating prices, and the cost of much of the land to-day is regarded by many responsible persons as bring above its remunerative value. The Government is now taking a revaluation of the soldier-settlement holdings, which may possibly involve depreciation of capital values.

Speculation in land is said to have thrown a great burden upon the agricultural industry, with the result that many farmers find their liabilities too heavy to allow them to employ labour at the current rate of wages.

Representations were made to us as to the necessity for opening up the country for rural settlement upon an extensive scale by every possible means.

A league was formed in June, 1922, to promote the development of unimproved lands, and to arouse public interest in the matter with a view to more active co-operation with the British Government under the Empire Settlement Act.

A deputation from that league laid before us in Auckland a set of printed documents indicating their activities in that direction. (Appendix G.)

It will be seen that a conference of representative bodies in Auckland was held in May last, at which a series of resolutions were adopted in favour of a national progressive policy of land-settlement.

We were informed that the possibility of setting up a land-settlement scheme by agreement under the Empire Settlement Act has been under frequent consideration of the authorities.

It was, however, pointed out to us that the Government is committed to heavy expenditure in connection with the settlement of ex-service men of the New Zealand Expeditionary Force, and that until all such men are provided for it is not considered desirable to throw open areas for selection under any new scheme.

At the same time, a hope was expressed that in due course the Government may be in a position to approach the Imperial Government with the object of entering into an agreement.

In the meanwhile, any British migrant is eligible to take up land under the provisions of the Land Settlement Act of 1908, and to receive advances from the State Advances Office to enable him to meet the liabilities of purchase.

An official statement explaining the general provisions of the State Advances Act, 1913, is enclosed. (Appendix H.)