

non-recognition of this fact led to excessive values being credited to the land, and in consequence an excessive percentage of the returns had to be swallowed up in rent, rates and interest on hypothecated land values.

I would suggest that a survey of the deteriorated holdings be made and that they be divided into the following classes:-

- (a) Holdings that in their present condition cannot produce sufficient money annually to defray their normal financial obligations.
- (b) Holdings that in their present condition can return sufficient to defray financial obligations but require support in a reasonable manner the holder and his family.
- (c) Holdings that in their present condition can defray annual expenses and support the holder, but sufficient is not left over to put back into the properties to maintain or improve them.
- (d) Holdings that in their present condition can support all their financial obligations and enough to maintain and improve them.

The first type of holding should be abandoned or in certain cases be combined with other holdings. The second type of holding should have the interest charge lowered. The third type of holding should have financial assistance given, provided the holders are efficient in capital. Nothing should be done with the fourth type of holding.

No doubt a considerable number of holdings will have to be abandoned and be taken over later by other owners who have good properties and by their aid may be able to break in the country. I should like to add here that excessively small holdings have been in the past a potent factor in the failure to maintain a grass ward on much hill country.

I would suggest that the following main principles should be adopted in the giving of assistance:-

- (1) No Government aid to be charged for land in forest or which has completely reverted to second growth.
- (2) Expenditure on land, roads and manures used for agricultural improvement purposes to be repaid in full or partly.
- (3) Land on which where mortgages are advanced, when it is clear that they in some direction will other charges exceed the present value of the land and when the land cannot in its present state provide for annual payment and allow a holder sufficient money to live on.
- (4) To be considered in line of a certain position.

- (5) Advance of money to be repaid in full or partly.
- (6) Free rental of land.
- (7) (A) Cases where assistance is to be granted to be determined by a committee board representing the interests of the Government, the local authorities, the local trust, private mortgagees and owners before any assistance is given.

In all cases the productivity of the land finally fully recovered all costs that may be incurred should be carefully considered and where expenditure is not to be justified all losses should be paid by the holder should be the whole of the loss should be paid by the holder. The Government should be responsible in the matter of the land and the country. Government must go back into the land if stability of occupation is to be secured.