

From August, 1919, until the end of the financial year, applications for loans recommended by the various Land Boards have averaged over £1,000,000 monthly; and up to the end of April last the total commitments for loans amounted to approximately £13,500,000, leaving £500,000 available for further issue. As there appeared to be no diminution in the number of recommendations for loans, the balance available had to be employed mainly for the assistance of soldier settlers in improving and stocking their holdings.

Applications for loans considerably in excess of the borrowing-powers have been received; and you will be asked to provide further authority.

The demand for suitable lands by discharged soldiers continues; and up to the end of the financial year 6,402 soldiers were placed on sections, either acquired for the purpose, or on ordinary Crown lands which have become available by Native-land purchases or the expiry of existing leases, or on private lands.

The provisions of section 3 of the Discharged Soldiers Settlement Amendment Act, 1917, whereby private lands over which the soldiers have obtained options are acquired for them under the Land for Settlements Act, have not been taken advantage of to any great extent, and comparatively few fresh applications were made during the past financial year.

The total area proclaimed under the Discharged Soldiers Settlement Act, 1915, up to the 31st March, 1920, is 883,301 acres, of which 376,678 acres were proclaimed during the year; and during the same period forty-three estates, comprising 52,622 acres, were offered by ballot and practically all disposed of.

The number of forfeitures has been very small. In some cases, where the lessees have not been able to carry on owing to war disabilities, transfers to more suitable discharged soldiers have been allowed.

Already permission has been given to acquire the freehold by men who have selected on lease.

It has been found necessary in certain cases to grant remissions of rent, but in the majority of cases, where such men have not been able to meet their liabilities for good reasons, relief has been afforded by postponement of rent, free of interest.

All possible expedition is being made in the opening of Crown lands and acquired estates as they become available, and I believe the present year will be a record one in this respect.

Owing to the dearth of houses, applications by discharged men for advances to buy or build homes were numerous from all parts of the Dominion. Up to the 31st March last 6,363 returned soldiers had been authorized advances for this purpose, the total amount being £4,137,056.

#### KAURI-GUM INDUSTRY.

There has been a heavy demand for kauri-gum during the year, especially in regard to America, where the import of Congo gums has reached a very low ebb. The demand in Great Britain has been equally keen, but business has been limited by the shortage of shipping-space.

The increased demand, in conjunction with the fairly large amount of shipping-space available to the United States of America, has been reflected in the prices obtained on the gumfields. All grades have sold freely, and most of the old stocks held by diggers and by dealers, on the fields and in Auckland, have been cleared. With the exception of low-grade chips and dust, the market is firm, and there seems little doubt that satisfactory prices will continue during the present year. The output is hardly equal to the demand; but this is preferable to a large output with varying prices and periodical "slumps," which in the past have been harmful to digger and merchant alike.

During the past year this Department exported gum to the value of over £40,000, an increase of more than £12,000 on the largest amount sold in any previous year, whilst purchases exceeded £23,000. Altogether the Department has had a successful year, and has been the means of placing the actual producer of the gum in a satisfactory position. A considerable quantity of gum was sent to Great Britain, but the bulk was sold to the United States and Canada.