

The Land Board dealt with a very large number of applications under section 2 of the Discharged Soldiers Settlement Act, 1917, the amount applied for being nearly £1,000,000 over an area of approximately 66,000 acres. The amount recommended by the Board for approval was £589,000. The work in this connection has increased, as so many applications are now received for erection of dwellings, necessitating very careful supervision of plans and specifications, and inspections for progress-payments.

#### OTAGO.

(R. T. SADD, Commissioner of Crown Lands.)

The following subdivisions of pastoral runs and estates purchased have been dealt with during the past year: Kyeburn Run (nine subdivisions) with an area of 32,776 acres, has all been selected, and the selectors have erected fencing and are gradually getting the country stocked up. Puketoi Run (six subdivisions), total area 34,340 acres, all selected. Ida Valley Run (one subdivision) area 20,900 acres, selected. Moutere Run (one subdivision) 7,100 acres, selected. Moa Flat Downs (three subdivisions) allotted to the soldiers with insufficient areas on Westcott Settlement. The Pukenui, Tilverstowe, Glenn, and Arnmere Settlements, in North Otago, have all been offered and selected. Wairuna Settlement, 9,372 acres, was not all selected at the ballot, but is gradually being taken up. Poplar Grove, 1,363 acres, has nearly all been selected. Dalmain was all selected at the ballot, but one of the sections has since been surrendered. Kelso Settlement, near Heriot, area 723 acres, of rich dairying-land, was offered in April, but failed to attract any applicants; four out of the five sections have since been selected. Pukeawa Settlement, near Balclutha, area 2,700 acres, was offered in May, but only half the area was selected. The prospects of the soldiers recently settled on pastoral lands only suitable for sheep are not good, and will require careful treatment to tide them over a time of difficulty; those placed on land suitable for dairying or cropping have a much better chance of making good.

The advances made under section 2 of the 1917 Act have a good margin of security, and as most of them are on medium-sized farms suitable for mixed farming they should have no difficulty in making a success of their holdings.

The Inspector of Securities is carefully inspecting and looking after the houses on which advances have been made, and generally this class of business is on a good safe footing; a few have failed to "make good," and in a few cases it has been necessary to have the property transferred or realized. Taken as a whole the securities are very good, notwithstanding the present depression—inflated values of other parts not applying to this district, where even at the present time ready-built houses can be purchased for better value than the price for which a new residence can be built.

The Supervisor has had a very busy year, and finds it difficult to give sufficient attention to all the settlers scattered over such a large area; he reports favourably on the whole with regard to the settlers' prospects, especially those engaged in dairying and grain-growing. He has assisted the dairy-farmers in culling out useless cows, and advisory work in connection with care of herd and selection of bulls. The other stock has also been considerably improved by culling, and, although the market value is now very low, the quality is of a higher standard, and will still improve.

#### SOUTHLAND.

(T. BROOK, Commissioner of Crown Lands.)

The purchase of private land with Government financial assistance was the method of selection most favoured by discharged soldiers in this district, and when advances for this purpose were restricted to cases of subdivision there was an immediate reduction in the number of applications received. All the land acquired for soldier settlement under the Land for Settlements Act has been disposed of, but fewer applications were received than were expected, and it is difficult to account for the marked preference for private purchases otherwise than as being the result of persuasion on the part of vendors and their agents.

Two settlements, Strathvale and Crichton Park, were made available for selection during the year. The former, comprising nine dairy farms, was disposed of by ballot, and the lessees will be fully prepared for milking when next season opens. Crichton Park, containing 2,152 acres, was acquired under section 3 of the Discharged Soldiers Settlement Amendment Act, 1917, and disposed of in six allotments suitable for mixed farming. Two of the selectors purchased for cash, and one on deferred payment, while the other three took special-tenure leases.

On the earlier soldier settlements the initial difficulties which confront all new selectors are being overcome, the energetic manner in which the renewing of pastures and other improvement works have been taken in hand being most encouraging. Drought prevailed in a few localities last year, and affected the prospects of a small number of our lessees. Those who suffered most in this respect are engaged in mixed farming, and they have had the additional burden of a poor market for their produce.

Lessees and mortgagors generally are making their payments in a satisfactory manner. Most of the defaulters are owners of residential properties under mortgage to the Government, and a small number of these seem determined not to pay except under pressure. Leniency is wasted upon them, and the only reasonable course to pursue is to safeguard the country's interests by taking early action under the powers of mortgage.