

to mortgages to the Department. The large half-yearly payments involved in these cases have, of course, caused special difficulty with the extremely limited returns received, but there is no reason to suppose that the difficulty is more than a temporary one which can be overcome by systematic working and development of the holdings to their fullest productive capacity. It is, of course, recognized that in the working of the soldiers-settlement scheme a proportion of the settlers, lacking either previous experience, energy, or adaptability, will seek other channels of occupation, but there are good grounds for anticipating that when present difficulties have been overcome the net gain to the district will be a large number of useful and successful settlers.

HAWKE'S BAY.

(W. F. MARSH, Commissioner of Crown Lands.)

The aggregate area opened for selection during the year under the Discharged Soldiers Settlement Act, including two new settlements (Glencoe and Wharekaka) purchased under the Land for Settlements Act, was 4,972 acres.

Wharekaka Settlement, containing 778 acres, subdivided into fourteen allotments for dairying purposes, all of which were selected when offered, comprises first-class land, situated at Tolaga Bay, and has every prospect of being a successful settlement. The Glencoe Settlement, on the Gisborne plains, containing 477 acres, subdivided into ten allotments, was offered in October, when dairying prospects were bad, with the result that only four allotments were selected. There is little doubt the remainder will go off as the outlook improves, the land being of first-class quality and within ten miles of Gisborne. The total area acquired by discharged soldiers and still held at the close of the year was 208,890 acres, representing 484 separate holdings. The total amount of advances paid out to, or on account of, settlers for stock and improvements during the year was £109,165.

There is evidence of splendid progress being made in most of the settlements in the matter of substantial and up-to-date improvements, the value of which, as borne out by the periodical reports submitted by the Supervisor and Crown Lands Rangers, is a great deal in excess of actual statutory requirements.

While the foregoing remarks apply to the majority of the discharged soldiers, especially those who hold leases direct from the Crown, there is a minority, mainly amongst the number assisted financially to acquire freeholds and leaseholds under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, who, owing chiefly to lack of experience, of energy, and of perseverance, have become disheartened through the slump in prices and the drop in profits, and show a disposition to abandon their holdings. Generally speaking, the Crown's security in such cases in the land is ample, the balance of the purchase-money being secured under a second mortgage, given in most cases to the vendor. Any abandonment of holdings under the circumstances will react on the second mortgagee, who it is believed in most cases will endeavour to finance the matter in such a manner as to repay the advances due to the Crown and take over the security in order to safeguard his interests. The Crown's loss in these cases will be represented solely by the difference in price paid for the stock at the time of the advance under current account and the prices prevailing at the time of foreclosure and realization, with any deficiency in the numbers of the stock secured by the Crown's bill of sale.

The amount of rents postponed on soldiers' holdings is very high, but the concessions have been absolutely necessary and must be continued for some little time yet. The further postponing of recurring amounts is apt to make the office book-keeping very complicated, and to keep the selector in a constant state of uncertainty as to his standing. When times are better it may be advisable to consolidate the outstandings of those who, by their efforts, deserve success, and postpone the totals for a fixed term of years, even at a nominal interest, and eliminate those settlers whose records are too unsatisfactory. Recent legislation contained in the Discharged Soldiers Settlement Amendment Act, 1921-22, providing for the postponement of instalments of principal and interest of moneys advanced under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, should prove of material mutual advantage to such selectors as are only temporarily embarrassed and to the Crown in its position as mortgagee.

TARANAKI.

(H. J. LOWE, Commissioner of Crown Lands.)

Only one settlement for discharged soldiers, comprising three sections, of an area of 327 acres, has been acquired during the year, and on being balloted for two sections were taken up, whilst the remaining one has since been selected. Of the purely discharged soldiers settlements, Parkes Estate may be given pride of place, and even under existing conditions has a very fair equity. Most of the other settlements are being nursed, and there is no doubt run-out pastures are as much the result of this as the decline in price of products. It is my aim—assisted by the Supervisor—to bring these back to a more satisfactory footing, but conservative advances only can be made. I have had in many cases to recommend payment for manures and seeds to provide winter feed, otherwise the Crown's interest in the stock security would be seriously imperilled. Under ordinary circumstances and with better prices this would have come under general farm-management, to be paid for by the selector out of his takings. I am pleased to note, however, the despondent note of the past few months as regards dairying is becoming less marked, and a more optimistic tone prevails. I, however, must stress the point that to hold various soldiers on their farms assistance must be rendered and, where a reasonable explanation can be given, debts due to the Crown postponed. Similar conditions are observable among the wool-men, but the provisions of Regulation 20 (a) are very helpful and are being availed of.

Holders of houses have met their obligations usually without demur, and while wages for artisans remain as at present I anticipate this branch of the business being sound. The Supervisor of Discharged Soldiers Settlements has rendered valuable assistance to many soldiers, more particularly on the Huatoki Settlement, by obtaining a standard form of building and obtaining timber, hardware, &c.,