

Dairy Farms.—With a few exceptions, settlers on these farms have not been wholly successful, chiefly through the slump in the prices of dairy-produce and the insufficient supply of suitable feed for the cows. On the light land it was noticed that very little green feed was grown to supplement the scarcity of the grass. Most of the herds are of inferior milking-strain, and it is absolutely essential that they should be tested to ascertain what butterfat they are producing, as at present they are not yielding anything approaching the average returns, and therefore they are not paying.

Fruit-farms.—The soldier settlers on these farms, with very few exceptions, are likely to be successful, but they require a little financial assistance at present, as most of them have fruit-trees that are not yet in full bearing. They appear to be experienced men, and all the orchards are in good order. In a few years they are bound to be a considerable asset to the country. The localities have been well chosen, and the trees are remarkably free from blight and other pests. Many of the varieties of different classes of fruit will be admirably adapted for export.

Market-gardening.—The settlers on these farms need, of course, to be hardworking and industrious, and these characteristics have been noticed in nearly all the cases brought under observation. In the Board's opinion the value of some of the land is excessive, chiefly because it is suburban land. Where the farm is outside the suburbs the price is of course less; but in some cases the land is of a light stony nature, and the returns are small in consequence.

Poultry-farms.—In this district this class of farming is not proving the success that was anticipated. A fair proportion of these settlers are practically unsuccessful and have failed to show a profit. The cost of the feed and the working-expenses have been in nearly every instance as much as the returns received from the sale of eggs. It should be pointed out, however, that the soldier settlers engaged in this industry are mostly those in indifferent health, and who are in receipt of other Government assistance. This enables them, although making no profit out of the poultry, to still live on the holdings.

The Board would like to draw attention to the fact that considerable trouble has been caused over advances made under section 2 of the 1917 Act, where in some instances very high prices have been paid for the freehold. The land was sold at an excessive value, and in many cases the Government advanced up to 90 per cent. of the purchase price. The sale of the security at present values would show a very great loss to the Government.

It is of frequent occurrence that the second and third mortgagee is also the original vendor, and through his selling the land at very high prices and taking as security a second or third mortgage for the balance of the purchase-money (on present-day values these mortgages are of little or no value) any financial assistance recommended to the soldier would only add to the value of the second mortgagee's security. For this reason, when making a recommendation for financial assistance to the soldier, it has been made a condition that the second mortgagee should allow the soldier a similar concession, as indicated on the individual papers. If this were not insisted upon, any assistance given by the Government to the soldier would simply enhance the security of the second mortgagee. Interested commercial firms are treated in the same way as private mortgagees where the stock is not sufficient to cover the amount of the advance.

Reviewing the whole position of soldier settlement, the Board would like in conclusion to point out that, although so many of the soldier settlers require financial assistance, it is not altogether for the want of trying or due to their inexperience and the consequent loss of their working capital, but principally owing to the heavy losses in stock, wool, and in dairy-produce. The soldier settlers have not been singular in this respect, for the losses sustained by them and their financial embarrassments have been felt by old and experienced farmers in similar financial positions, and even by those in much better circumstances.

The Board is strongly of the opinion that, with the approval of the recommendations for the remission of rent and instalments, and the reduction in the price of the land, the buoyant condition of the markets generally, and the increased prices of products, the soldier settlers who really desire to succeed will realize their responsibilities, and by their energy eventually prove to the country that the Government's policy in placing them on the land has been amply justified.

Generally speaking, it would be to the interest of the Government, and to the advantage of soldier settlers, if stricter supervision were exercised on many of the holdings.

OTAGO LAND DISTRICT.

Summary.

Prices paid for land for subdivision too high. Properties which as a whole may have been capable of returning fair interest were, under subdivision and consequent loading for roads, &c., too dear. In addition to this, selectors had to expend on the average £5 per acre on buildings and improvements. There was also a loss of about a year in getting a proper start, and in many cases the land was not in good order. The general conditions prevailing during 1919–22 were against the settlers. Properties purchased were not generally in good rotation, being generally in worn-out pasture.

The lack of capital seriously affected many settlers, and the Crown's advance of £750 is not adequate. Settlers should be granted advances for permanent improvements to an amount computable with the value of his holding, with an additional advance up to £750 for stock. It is suggested that advances for stock should be quite separate from advances for buildings and improvements.