

In cases where buildings are taken over under the instalment system the value of such buildings to be a first charge against the grant under clause (1). All advances under clause (1) to be paid off by a sinking fund of 1 per cent. per annum.

That the advances, except in the case of existing buildings, under clause (1) be limited to a maximum of £400 for properties the prairie value of which is under £1,500, and advancing by 20 per cent. on the prairie value until a maximum of £750 is reached.

That for grazing-runs (clause 4) a building grant be made in terms of clause (1), and an additional grant for fencing be made to the extent of 75 per cent. of the cost or value, such advance to be repayable by ten yearly instalments.

All improvements for which an advance is required to be approved by the Commissioner of Crown Lands.

Stock Advances.—During the inquiry it has occurred to us that closer supervision is necessary regarding depreciation of securities. Advances have been made for the purchase of stock at fairly high levels, and settlers have not maintained a standard of ages in their flocks or other stock. For instance, three seasons ago a settler purchased a line of six- and eight-tooth ewes at £1 12s. Since then he has sold off all their progeny each year, and to-day these ewes have greatly depreciated in value. The same conditions apply to cattle and horses regarding depreciation through age.

Our experience leads us to suggest that, with sheep especially, a standard of values should be established and maintained for book purposes. This is necessary if that section of the soldier settlers' advances business is to be kept on a sound basis.

Instalments on Buildings.—In cases where a section is loaded with buildings the value of which is payable by instalments, we find that the present rate of payment is a handicap on tenants who are short of finance. There are anomalies in regard to the finance for buildings which I think can be rectified without prejudice to the Crown and in the interest of settlers. In Armore, Tilverstowe, Kelso, and other settlements the loading for buildings on the homestead sections is out of proportion to their utility value. At Tilverstowe the loading for buildings on 361 acres is £2,960—over £8 per acre.

We suggest that all building loading be treated as an advance repayable by a sinking fund of 1 per cent., and that this alteration be made retrospective.

A settler who is assisted to purchase under section 2 as a rule acquires a property fully steaded and fenced. He repays his loan, which included buildings, &c., at the rate of 1 per cent. per annum. Further, he may obtain an advance for stock and chattels up to £750 while, in the case of a tenant on settlement lands, the maximum advance of £750 has to serve not only "stock and chattels" but all "buildings and fencing." The sequel to this is that many settlers have come to a dead-end regarding finance. They had to erect necessary housing and fencing, and when this was completed there was not sufficient money left out of the grant to fully stock their holdings.

Surrendered Properties.—It is almost inevitable that certain properties which have been advanced against will be thrown back on the Crown owing to the failure of the mortgagor or lessee, and we have noticed that already there are instances of this. It occurs to us that the process of getting these properties dealt with is too tedious, and not only is revenue lost through delay in resettlement, but the productive value is lost to the Dominion, and the properties suffer general depreciation while untenanted. We respectfully suggest that in each district the Commissioner of Crown Lands, or some other officer specially appointed, shall be invested with the powers vested in the Crown as mortgagee, to deal with all soldier settlers' properties which may by default revert to the Crown; and, generally, that such legislation should be passed as will provide expedient regulations governing realization and disposition of such properties.

SOUTHLAND LAND DISTRICT.

We have travelled over a wide area and inspected 366 holdings, and we are pleased to be able to say that the great majority of the soldier settlers are honestly doing their very best to make a success of their farms. In not a single case have we had put before us what we consider a genuine grievance against the Government; and we have had many voluntary statements by settlers appreciative of the consideration extended to them through the recent period of severe depression. In several cases of partnership we have found that only one man is being maintained on the property. In some instances we consider the advances made are beyond the amount the securities would realize, and no margin has been allowed for the contingency of a fall in land-values and prices of farm-products. Many of the settlers are gradually gaining valuable experience, and with improved prospects for our primary products may ultimately be in a certain degree successful, or possibly, in some instances, entirely so. Taking all the circumstances into consideration we must put down soldier-settlement as being successful in the Southland District.