

We recommend that where payments are not prompt, a statement be obtained showing the above relations, a levy made in accordance with individual conditions, and that the system be applied generally.

A number of the soldiers were placed on farms bought at prices beyond the amount which the Government was prepared to advance on first mortgage. In some cases the men paid the difference in cash, thus crippling their efforts from want of capital. There are many who gave a second mortgage, which, as the properties were bought at peak prices, are above the present value. The Board has advice of several second mortgagees who are willing to make valuable concessions. As these encumbrances interfere with further advances for improvement, and in many ways hamper the settler and the administration of the Land Board, we recommend that a general effort should be made to remove them. It is very largely a matter of negotiation, and we recommend that some capable and tactful men be appointed for the work, having authority to negotiate for the purchase by the Crown, or other method, with power to conclude an agreement, subject always to confirmation by the Minister.

There are cases where it seems right to sell up the property and buy it in to dispose of the undue burden; in such cases we recommend that favourable consideration be given to the occupant's claim to be reinstated at an adjusted valuation. The vendor having in most cases received a large cash payment, we submit that these readjustments should be made in the interest of the settler and of the State, in preference to that of any other mortgagee.

In many cases the failure of settlers to make good is attributable to the high prices and the poor quality of the dairy cows provided, many of which were culls and unprofitable. We have evidence that settlers were not allowed to sell unprofitable stock unless prepared to repay the difference between purchase and selling price in cash. We recommend that this restriction be removed, and facilities offered to dispose of unprofitable stock—only the price realized being required to be paid into current account.

We find that partnerships of soldier farmers have usually proved unsatisfactory, and we recommend that they be discouraged; also, that in cases where one partner has left the farm prompt measures should be taken by the Crown for the dissolution of the partnership, and the position of the remaining settler clearly defined. In cases where the remaining partner has proved his capacity he should be allowed to retain the farm.

A further cause of failure was the violent fluctuations in the value of produce, which occurred shortly after the inauguration of the system which has now given place to more settled and dependable prices.

The Board's inquiries have brought it to the conclusion that advances for the purpose of poultry-farming are a very unreliable investment. To a less extent the same applies to money advanced on bee and fruit farms.

We find that though many of the settlers when they took up land were possessed of little or no experience; they have now gained both a knowledge of the work and of the special characteristics of their particular farm or district, and we consider that this should weigh greatly in their favour when the question of assisting soldier settlers to carry on is being decided. We have carefully weighed the conditions under which the settlers live, and the heavy burden which the State has to bear, and we are of opinion that our recommendations throughout represents the minimum concession which will enable the settlers to succeed.

AUCKLAND LAND DISTRICT.

The form of assistance is indicated on the individual reports of the settlers, and comprises the following:—

- (a.) Greater flexibility and supervision in dealing with the requirements of the soldier settler.
- (b.) The provision of additional Rangers.
- (c.) The reduction of capital and principal in certain cases.
- (d.) Remissions and postponements of rent and instalment in certain cases.
- (e.) Capitalization of rent and instalment in certain cases, and additional advances on current account where required.
- (f.) Other forms of practical assistance, such as improved access, linking up of portions of unmetalled roads, improved drainage facilities, assistance to cope with the rabbit menace, &c.

HAWKE'S BAY LAND DISTRICT.

We are agreed after several months of inspection in the different districts that it is not so much the rents as the high prices they had to pay for their stock, fencing, building, &c., as well as the slump, that has crippled these men, and it is in this direction and their arrears that adequate relief can be afforded them. Wipe out one year's rent and interest thereon, and spread two years' arrears over last two years of agreement, or add it on. We only make this suggestion on account of the difficulty which presents itself with regard to men who have no stock loan from the Government, and who should not be penalized because of this. We think it should be distinctly understood that the remission of rent, if adopted, is only made as some recompense for the high prices paid for stock, &c., when buying, and the subsequent loss through slump, storms, and so on.

If occupier should sell out after ten years' occupancy, it be at discretion of Land Board to collect arrears before transferring to incoming tenant.

With regard to section 2 settlers, many mortgagees have been very generous in wiping large amounts off their mortgages, and some others have undertaken to do so if Government meets the tenant. We would suggest, therefore, that the same provision be made for their rental arrears where Government is interested, and that, in addition to this, three years' instalments, principal and interest, be postponed to the end of current instalment mortgage.