

Please allow us to reiterate our recommendations as advocated in question (d), on page 16, with regard to future advances for fencing. Unimproved country such as some of this is cannot be handled in blocks of two or three up to five, six, or seven hundred acre paddocks, nor can small holdings be adequately worked if not in small paddocks. Fencing has now dropped to about half what it was a year or two ago, so quite a lot can be done with the amount we suggest.

If these recommendations are given effect to we believe it will be the solution of the "returned soldiers on the land" difficulty, for if they do not then "make good" with the world outlook for our products, the public cannot say they have not had a fair chance, and the sooner these lands are thrown open to civilians the better; indeed, it might be wise to do so in any case for large areas that are now lying waste might be taken up like hot cakes.

We know that men settled on such places as Porangahau, Tiratu, Nuhaka, and some others are on clover compared with others, but should we discriminate? We think not. It might be better for all concerned—landlord and tenant, Commissioners, Supervisors, and Rangers—to treat them all alike. Discrimination is always the signal for recrimination and bickering, and this is the very thing we wish to avoid.

TARANAKI LAND DISTRICT.

This cannot be dealt with in a general way. Every case must be considered on its merits and on business lines. In cases where values placed on farms are in excess of earning-capacity through fall in prices of produce or an error in the original valuation on which the farm was purchased, we suggest that if the Department accept the valuation made by the Board of Inquiry the annual interest be assessed at 5 per cent. on that valuation, but that the original mortgage be not reduced. Thus any one purchasing a soldier's farm would be liable for the original amount of the purchase-money on mortgage. This would curb speculation in the event of a boom occurring, and would minimize losses to the Department. We therefore recommend the reduction of interest and not capital, except in cases where land is unapplied-for or abandoned (cases in point—Haybittle, Little, and Bartholomew).

We wish to draw your attention to the serious position many soldier settlers will find themselves in during the next two or three years in respect to second mortgages falling due on their farms. There is no prospect of any lending institution advancing them money on the security of second mortgages, and a man who has made a good start may lose all his hard earnings through his liability under his personal covenant in his mortgages.

The appointment of advisers to assist in the settlement of difficult cases would, we suggest, be of great assistance to the Department.

We recommend that a practical farmer be appointed in Taranaki, and one in the Ohura and Taumarunui districts, to assist the Rangers in the management of the farms of those in difficulties, to advise as to the best method of working their farms, and report to the Land Board. These men could advise in the matter of stock-purchases also.

WELLINGTON LAND DISTRICT.

We recommend, in view of the importance of placing settlers on a sound footing, that a revaluation be made of all soldiers' settlements and farms, and that all rents and interest on land be adjusted in accordance with such values, but in no case should the rentals or instalments be increased.

We further recommend that this valuation be made retrospective as from the 1st January, 1921; thus the settler who is in arrears would (if any reduction in value is made) get credit for a period of slightly over two years and a half for the difference in rent and instalments as at present charged and what it would be under the new valuation. The settler who has kept his payment up would get credit for a like amount, which would be remitted from his rent. The arrears, which in most cases will probably be reduced by the new valuation, should be capitalized. For various reasons we are not in favour of the cancellation of arrears.

We further recommend that in the event of any settlers whose values have been reduced as a result of the new valuation selling out at a profit within a period of, say, seven years from date of new adjustment, 50 per cent. of his profit be paid to the Crown.

When the new valuation is completed and necessary adjustments made the settlers will then be placed on a sound footing, and should be made to understand that no further leniency will be shown unless exceptionally good reasons can be given. A small proportion of settlers, for various reasons, and under any circumstances, are never likely to succeed; these should have no consideration, and should make room for men who will do some good on the land.

Second Mortgages.—These mortgages are mostly held by the vendors of properties purchased under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917; and, in view of the high prices paid and that they have already received a large amount in cash, we are of opinion that they must stand an even chance with the purchaser, and if, after the new valuation already referred to is made, it is found that the second mortgage is of little or no value, they should be requested to release or reduce their mortgages accordingly; and if they fail to do so, the Crown, to protect the settlers, should foreclose, as settlers should not be asked to pay interest beyond the actual value of the land.

Finance.—We have fully referred to this matter in paragraph 10, and recommend, in the case of land all under bush at time of selection, that the amount allowed for improvements be increased to £3,500, and advanced on a sliding scale according to requirements, and that in the case of large bush holdings the advance for stock should not be limited. In the case of partly improved farms, we recommend that the present maximum loan of £750 be increased to £1,200.

That in regard to sections too small for purpose used (referred to in paragraph 6), we recommend that if any of these sections become vacant they should first be offered to the holder of a similar adjoining section, or, if of sufficient area, divided between the two adjoining settlers.