

(7.) It will be noticed that a good deal of emphasis is placed by the special Inquiry Board upon the necessity for more supervising officers of the type whom they describe as "practical farmer rangers." There are amongst the ranging staff of this district officers who are as well qualified to advise settlers upon the working of their holdings as any "practical farmer," but in too many cases settlers think that they have little or nothing to learn, and pursue their own course irrespective of advice. I have already repeatedly urged, and still think, that the strength of the ranging staff is not commensurate to the financial magnitude of the State's interest: what is really needed being that it should be possible for all holdings to be visited several times a year, and in doubtful cases at least once a month.

(8.) The need for the above is indicated by the fact that in some cases that have come under notice, including holdings in the Orongo and Hīkua Settlements, at which the special Inquiry Board has directed somewhat severe criticism, the condition and carrying-capacity of the land is, by reason of incompetence of the tenants, inferior to what it was when the land was purchased for settlement. The Inquiry Board, of course, has only seen the land in its present condition, and has made its criticism on that basis. This very fact, however, discounts the Board's contention that holdings should have been larger, since the settler who proves himself incompetent to manage a limited area to the best advantage would obviously only be a more conspicuous failure—at a greater loss to the State—if placed on a larger area.

(9.) In dealing with the special Inquiry Board's recommendation in many of the "Section 2" cases, that arrears should be remitted, the Land Board has adopted the policy of recommending that the arrears be postponed to the end of the term of the mortgage, which should be extended to correspond. This will afford the settlers the needed relief at the present time, without involving complete cancellation of the payments, the latter being a course whose adoption would be inadvisable either for the settler or the State.

(10.) As regards current-account advances, the special Inquiry Board expressly indicated in its discussions with the Land Board that its recommendations and valuations were not intended to convey any reduction of the principal amount of these advances. In furnishing its valuations the Board has only done so, without detail, under two headings, "Land" (representing the holding as it stands with all improvements other than buildings) and "Buildings." From information obtained I gather that the valuation of the latter must in all cases be regarded as a very approximate one on an exceedingly moderate basis. No valuations have been supplied of stock or chattels, so that it is impossible to gather from the Board's valuations its estimate of the security for advances made. The Land Board has declined to recommend any remission or postponement of interest on current-account advances, being of opinion that such interest should at least be met out of the returns from the holdings.

(11.) There are cases where it is urgently necessary that further funds be provided for top-dressing manures, but funds are not available, the ordinary limit of current-account advances having been reached. The Land Board does not consider that advances for such purpose should be provided by instalment mortgage in partial discharge, as top-dressing is an annual necessity. The Board recommends in such cases a special additional advance on current account to an amount not to exceed £50. This matter is urgent, as top-dressing now is essential to a satisfactory milk return for the ensuing season. It is difficult to estimate the total amount likely to be required in this manner, but I do not think it should be more than £5,000. This would be for this season only: the Board does not propose it as a recurring arrangement.

(12.) In making its recommendations for relief such as remission of rents, the Land Board has taken the view that the efforts of the successful settlers should be recognized, and that they should not be debarred from receiving similar relief by reason of the fact that, often under considerable difficulties, they have met their obligations to a greater extent than others. The Board has consequently recommended the same concessions in such cases, notwithstanding that there was not the same proportion of arrears.

(13.) In reviewing the cases of partial or total failure, the Land Board is of opinion, from its knowledge of the settlers, that in at least a great majority of the cases failure has been due in a very considerable degree to impaired physical or mental vitality as the result of war service, which has rendered it impossible for the settlers to overcome difficulties, due to lack of previous experience or other circumstances, that might otherwise have been surmounted successfully. This position has been clearly apparent in some of the cases where the Land Board has been compelled to take steps to remove settlers by reason of gross failure to fulfil necessary conditions. In the discussions that have resulted the settler has often been inclined to blame the Department, or any other factors, for failure due to his own want of energy or ability. While, however, the Board recognizes that this may be due to the results of war service, it is obviously impossible to allow Crown property to be wasted through such conditions.

(14.) The Land Board has found that, after making due allowance for actual and *bona fide* inability to meet financial obligations, there is a distinct inclination on the part of a number of settlers to treat their obligations to the State as being of little consequence; to borrow as much, and pay as little, as possible; and to use all possible excuses for evading payment until the consequences of default can no longer be avoided. There appears to be quite sufficient ground for stating that, had reasonable industry and frugality been practised, such as should be expected of any settler on a new farm, a large majority of the settlers would, notwithstanding certain adverse conditions, have been in a position to avoid the heavy accumulations of arrears that exist in a great number of cases.