

1926.
NEW ZEALAND.

DEPARTMENT OF LANDS AND SURVEY.

DISCHARGED SOLDIERS SETTLEMENT.

REPORT FOR THE YEAR ENDED 31ST MARCH, 1926.

Presented to both Houses of the General Assembly pursuant to Section 14 of the Discharged Soldiers Settlement Act, 1915.

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SIR,—
Department of Lands and Survey, Wellington, 20th July, 1926.
In accordance with the provisions of the Discharged Soldiers Settlement Act, 1915, I have the honour to submit herewith the report of the operations under the Act for the year ended 31st March, 1926.
I have, &c.,
J. B. THOMPSON,
Under-Secretary.
The Hon. A. D. McLeod, Minister of Lands.

REPORT OF THE CHAIRMAN OF THE DOMINION REVALUATION BOARD.

THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1923.

REVALUATION OF SOLDIER FARMS.

THE personnel of the Dominion Revaluation Board set up to deal with the revaluation of soldier farms and cognate matters in relation thereto is as follows: Messrs. J. B. Thompson, Under-Secretary for Lands (Chairman); R. A. Rodger; J. Gordon; and J. H. Richardson, C.M.G. Mr. F. W. Flanagan, the late Valuer-General, retired from the Board in January, 1926, and his place was taken by Mr. T. Brook, his successor in office.

As indicated in last year's report, the Dominion Revaluation Board had then practically completed its investigation of the matters relegated to it under the Discharged Soldiers Settlement Amendment Act, 1923. It did not necessarily follow that the original decisions of the Dominion Revaluation Board were a final and satisfactory solution of all the troubles connected with the settlement of soldier settlers on the land. It can be readily understood that in the varied classes of lands dealt with by the Board there were other factors than that of value which vitally affected the operations of the settlers.

In the case of settlement lands it was often found that subdivision had been too close, and it was only possible to satisfactorily adjust matters by increasing the area of respective holdings.

By making recommendations to the Land Boards quite a number of settlers have been granted additional areas from vacated lands, while others have obtained by transfer the title to adjoining sections. This is not aggregation in the ordinary sense, but special action necessary to place settlers on an economic footing. In certain swamp areas it has been necessary to grant relief from rent until such time as the land consolidated through drainage and became productive. Partially developed bush, pumice, and gum lands have been given special consideration, and the settlers on same have had every encouragement. Settlers on lands infested with blackberry have been given concessions which may be looked on in the light of a subsidy on their personal efforts and expenditure towards keeping this pest in check.

Original determinations regarding leasehold values or capital charges have been reviewed in many cases, and, in the light of further reports and information, the Board has varied its former decision and extended such relief as the merits of each case demanded.

Shortly stated, the Board has right through its operations endeavoured to size up the possibilities of each holding, and through adjustment of value every settler has been given the chance of making good.

The Board has continued its efforts in the case of mortgages subsequent to the Crown's. It has endeavoured to have them voluntarily discharged in cases where no equity existed, and where that course could not be adopted has negotiated for the purchase of same in line with the margin of security.

THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1924.

The Dominion Board is now investigating Current Accounts under the provisions of the Discharged Soldiers Settlement Amendment Act, 1924, and it has been very gratifying to the Board to see by this means the effect of its decisions under the Amendment Act, 1923. It is very evident from the financial position as disclosed in the reports now coming before the Board that the soldier settlers generally have been placed in a position enabling them to make good. The great majority are now in a solvent position, and are meeting their obligations to the Department as they fall due. The opportunity is now being taken of clearing up anomalies that inevitably occur in a work of such magnitude.

This Act gives the Board power to write off or to transfer to a Suspense Account any amounts which may be shown as having no equity. That it has been necessary to write off so little (at date 0.66 per cent. only of capital invested) tends to show how the main operations of the Board have assisted the soldier settler. Practically three-fifths of the Current Accounts have been dealt with, and it is anticipated that the operations of the Dominion Revaluation Board will cease in about five months' time.

The whole work of Current Account investigation has been conducted with the help and assistance of the District Land Offices. Standard values were established over the Dominion with regard to dairy herds and stock generally. The stock was appraised throughout on the basis of its utility value as part and parcel of a proposition as a going concern. It was inevitable that the inspections and reports on individual securities would extend right through the year, and it was necessary to introduce "standard values" in order to give equal consideration to all mortgagors. The work of collecting and compiling the reports has proceeded smoothly throughout the year. The reports aim to place before the Board a complete statement of the position of each settler as between himself and the Crown, and through this the Board is able to view the whole position.

The Dominion Board desires to record its appreciation of the great assistance given by all District Offices in assisting to complete the work of investigation. The recommendations and general information supplied by each office has materially assisted in revealing the necessity for such treatment as is calculated to place each settler on a reasonably sound footing.

It is considered that the Government has reason to be satisfied with its efforts on behalf of its soldier settlers, and the Dominion may well be proud of the success of its settlement scheme generally. The men generally are determined to succeed, and there is no reason to doubt the ultimate success of the genuine triers.

The schedules here following show the operations of the Board on the various accounts as at the 31st March, 1926. These figures, as compared with the anticipated loss of 50 per cent. on Great Britain's settlement scheme, will show the careful judgment and sound policy embodied in the effective carrying-out of the Dominion's endeavour to successfully repatriate its returned soldiers under unusual and difficult circumstances. The revaluation work has been effected without causing a general breaking-down of legitimate land-values.

J. B. THOMPSON, Chairman.

SUMMARY OF OPERATIONS AS AT 31ST MARCH, 1926.

Applications for Revaluation.

Number of applications for revaluation received	5,347
Number of cases dealt with and determinations issued by Dominion Revaluation Board ..	5,284
Number of cases not dealt with, due to forfeiture or abandonment	63

The above result is very satisfactory as showing so few settlers having to drop out during practically twelve months subsequent to lodging of applications.

Reduction in Land and Crown Mortgage Values.

(Subject to necessary adjustments.)

	£
Reduction in capital value of leaseholds	1,754,207
Reduction in Crown's mortgage (under section 2)	726,601
Total (subject to adjustment)	£2,480,808

Private Mortgages and Debts.

Mortgages and debts of various descriptions owing by soldier settlers to persons other than the Crown	£ 142,378
Reduction obtained in the above by efforts of Dominion Board	107,801

Percentage of reduction to original debt, 75·7 per cent.

Private Mortgages purchased.

	£
Original value of mortgages purchased by Crown	50,700
Price paid by Crown after negotiation	26,296
Discount obtained and which is credited to the settlers	24,407

Percentage of discount, 48·1 per cent.

An extended schedule gives particulars as at the 31st March for each land district under all headings.

SUMMARY OF OPERATIONS AS AT 31ST MARCH, 1926 (THE CLOSE OF FINANCIAL YEAR).

Total capital invested (comprising capital values of Crown leaseholds, and advances under section 2, Discharged Soldiers Settlement Amendment Act, 1917)	£ 17,998,668
Capital dealt with by Dominion Revaluation Board	12,528,835
Reduction in capital by Dominion Revaluation Board	2,480,808

Remissions of Arrears as at 30th June, 1923, granted by Dominion Revaluation Board.

	£
Remissions of instalment interest	35,274
Remissions of rent	94,139
Total remissions	<u>£129,413</u>

Postponements of Arrears as at 30th June, 1923, granted by Dominion Revaluation Board.

	£
Rent, principal, and instalment interest for periods up to ten years	347,605
Instalments to end of mortgage term	125,078
Total postponements	<u>£472,683</u>

Remissions of Payments accruing subsequent to 30th June, 1923, granted by Land Boards on Recommendation of Dominion Revaluation Board.

	£
Remissions of instalment interest	41,204
Remissions of rent	59,895
Total remissions granted by Land Boards	<u>£101,099</u>

Postponements of Payments accruing subsequent to 30th June, 1923, granted by Land Boards on Recommendation of Dominion Revaluation Board.

	£
Mortgage instalments	76,498
Rent	41,400
Total postponements granted by Land Boards	<u>£117,898</u>

Amounts automatically Written off, due to Reductions being Retrospective to 1st July, 1921, or Date of Title.

	£
Mortgage instalments	131,641
Rent, &c.	248,038
	<u>£379,679</u>

District.	Total Capital Invested or Total Capital Value under each Heading.	Reduction of Capital.	Rent, Interest, or Instalment written off, consequent upon Revaluation dating back to 1st July, 1921, or Date of Title.	Remissions granted by Dominion Board.	Remissions granted by Land Board on Recommendation of Dominion Board.	Postponements granted up to Ten Years.	Instalment Postponements made to End of Term.	Postponements made by Land Board in respect of Monies due since 30th June, 1923, on Recommendation of Dominion Board.
Discharged Soldiers Settlement Account.								
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
North Auckland	1,689,300 0 0	109,810 16 8	21,712 12 1	10,180 15 9	13,886 2 8	39,675 12 2	26,547 19 7	19,283 4 0
Auckland	1,268,499 0 0	180,812 0 0	26,975 0 0	6,586 0 0	10,294 0 0	33,987 0 0	24,253 0 0	11,740 0 0
Gisborne	132,974 0 0	8,657 10 10	2,394 0 6	129 14 0	40 0 0	5,732 0 8	255 12 4	3,329 2 7
Hawke's Bay	306,582 10 0	17,172 12 11	3,066 14 1	150 0 0	779 6 1	11,821 3 8	7,446 0 2	3,205 10 6
Taranaki	858,360 17 2	117,791 12 5	26,832 0 5	4,080 7 10	1,956 16 2	15,332 9 4	11,240 15 0	7,431 10 9
Wellington	1,781,002 0 0	140,510 0 0	22,558 15 7	6,458 0 10	1,320 7 0	30,102 4 2	19,943 16 10	3,469 12 8
Marlborough	231,869 16 6	21,777 14 3	5,114 8 11	3,337 19 10	2,825 0 5	5,035 3 2	2,702 18 4	3,938 16 0
Nelson	459,768 18 9	70,329 2 9	10,154 19 2	930 10 7	4,617 12 1	15,276 9 11	15,757 15 0	6,904 12 9
Westland	51,631 0 0	6,073 11 5	1,035 18 3	433 19 5	974 5 3	1,039 2 9	3,241 18 11	1,418 19 9
Canterbury	1,066,182 0 0	28,987 14 0	4,009 8 3	1,272 14 6	286 11 8	18,882 16 7	6,758 12 0	11,152 16 2
Otago	314,108 15 2	9,746 8 11	1,208 16 8	484 4 6	2,377 2 2	4,834 15 6	2,569 1 0	2,893 15 6
Southeast	432,720 0 0	14,931 8 3	6,579 3 0	1,230 3 9	1,847 7 6	9,979 3 2	4,361 4 0	5,730 5 10
Totals	8,592,998 17 7	726,600 12 5	131,641 16 11	35,274 11 0	41,204 11 0	191,698 1 1	125,078 13 2	76,498 6 6
Land for Settlements Account.								
North Auckland	179,701 0 0	48,128 8 9	7,746 9 0	1,889 9 6	2,323 5 0	2,465 1 4	..	2,104 9 0
Auckland	358,321 0 0	90,011 0 0	15,439 0 0	6,615 0 0	7,430 0 0	13,451 0 0	..	2,347 0 0
Gisborne	37,480 1 5	6,391 3 3	645 5 8	22 17 5	..	1,256 10 10	..	352 3 4
Hawke's Bay	221,646 2 6	22,265 0 0	3,737 0 0	4,877 0 0	3,131 0 0	8,760 0 0	..	882 0 0
Taranaki	77,836 19 3	17,820 0 0	2,069 10 0	301 17 0	45 0 0	1,913 5 4	..	97 13 0
Wellington	843,186 0 0	265,771 0 0	46,427 1 5	6,899 14 5	1,802 18 4	19,747 6 7	..	3,618 4 10
Marlborough	54,151 13 9	600 0 0	1,599 15 0	271 16 0	37 2 6	2,130 0 7	..	455 17 6
Nelson	66,135 16 9	10,140 0 0	1,671 3 4	121 13 1	442 16 5	1,255 11 7	..	195 13 6
Westland	1,177 13 0	..	..	..	..	112 5 11	..	12 10 0
Canterbury	816,013 4 4	64,973 10 0	9,456 15 11	6,943 5 4	646 3 10	19,881 13 9	..	8,496 19 5
Otago	218,149 0 0	50,596 0 7	3,802 5 5	2,130 14 2	1,579 12 8	3,908 4 0	..	1,827 2 2
Southeast	109,630 12 10	15,939 1 1	2,447 9 8	1,560 7 6	1,209 13 8	927 7 3	..	1,168 14 11
Totals	2,983,429 3 10	592,635 3 8	95,041 15 5	31,633 14 5	18,647 12 5	75,808 7 2	..	21,558 7 8
Land for Settlements Account (Discharged Soldiers Settlement).								
North Auckland	93,405 0 0	31,549 3 5	5,115 10 9	1,576 13 9	2,114 3 8	160 7 2	..	..
Auckland	165,285 0 0	104,332 0 0	15,722 0 0	1,997 0 0	1,523 0 0	1,668 0 0	..	133 0 0
Gisborne	365,845 19 4	138,846 0 0	1,861 19 5	10,303 15 0	..	6,709 19 7	..	317 14 0
Hawke's Bay	300,639 0 0	100,737 0 0	16,800 0 0	4,290 0 0	..	5,006 0 0	..	5,224 0 0
Taranaki	239,782 10 0	50,412 10 10	6,909 19 4	3,190 17 10	504 12 4	2,232 15 1	..	..
Wellington	723,693 0 0	300,311 0 0	51,803 14 10	3,402 2 7	2,857 16 0	11,228 11 3	..	1,097 7 10
Marlborough	89,251 0 0	16,996 0 0	2,455 6 6	2,430 10 8	275 3 7	1,635 10 2	..	422 11 7
Nelson	98,815 0 0	4,550 0 0	658 15 5	..	..	1,239 18 5	..	204 6 1
Westland	..	..	..	..	..	..	..	..
Canterbury	333,000 0 0	75,849 0 0	10,265 0 9	6,818 7 1	1,265 19 9	5,846 6 2	..	3,583 8 1
Otago	241,814 0 0	48,917 0 0	4,238 9 1	962 4 11	2,368 14 7	6,149 12 7	..	1,618 4 5
Southeast	38,055 0 0	7,045 0 0	1,109 11 9	213 15 9	459 0 0	162 16 5	..	..
Totals	2,788,585 9 4	879,544 14 3	116,940 7 10	35,185 7 7	11,368 9 11	42,039 16 10	..	12,600 12 0

REVALUATION OF SOLDIERS FARMS IN TERMS OF THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1923.—REPORT AS AT THE 31ST MARCH, 1926—continued.

District.	Total Capital Invested or Total Capital Value under each Heading.	Reduction of Capital.	Rent, Interest, or Instalment written off, consequent upon Revaluation dating back to 1st July, 1921, or Date of Title.	Remissions granted by Dominion Board.	Remissions granted by Land Board on Recommendation of Dominion Board.	Postponements granted up to Ten Years.	Instalment Postponements made to End of Term.	Postponements made by Land Board in respect of Moneys due since 30th June, 1923, on Recommendation of Dominion Board.
Native Land Settlement Account.								
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
North Auckland	2,340 0 0	250 0 0	34 8 0	..	3,954 0 0	675 0 0	..	336 0 0
Auckland	103,550 0 0	22,544 0 0	1,469 0 0	..	..	1,642 3 0	..	67 10 0
Gisborne	124,865 0 0	15,005 0 0	1,701 18 4	..	2,557 0 0	10,723 0 0	..	2,004 0 0
Hawke's Bay	506,651 0 0	44,244 0 0	7,293 0 0	12,517 0 0	71 17 0	123 12 0	..	..
Taranaki	43,394 8 2	7,835 0 0	224 3 6	53 12 9	..	..	..	..
Wellington	48,039 0 0	4,726 0 0	514 16 5	73 5 0	..	1,214 7 4	..	..
Totals	828,839 8 2	94,604 0 0	11,237 6 3	12,643 17 9	6,582 17 0	14,378 2 4	..	2,407 10 0
National Endowment Account.								
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
North Auckland	80,185 0 0	17,455 16 0	2,089 4 11	281 10 8	3,090 1 5	364 8 3	..	88 0 0
Auckland	50,691 0 0	3,965 0 0	560 0 0	214 0 0	1,732 0 0	194 0 0	..	..
Gisborne	3,978 0 0	..	..	..	..	171 2 2	..	48 0 0
Hawke's Bay	14,714 8 6	..	..	..	..	229 0 0	..	..
Taranaki	45,469 10 0	2,010 0 0	229 16 0	107 13 2	140 16 0	160 6 3	..	..
Wellington	15,276 0 0	4,497 0 0	453 16 0	..	180 0 0	50 16 0	..	..
Marlborough	44,243 0 0	..	..	315 10 0	5 18 0	474 19 2	..	201 0 2
Nelson	157,054 19 0	5,279 15 6	556 11 2	228 8 0	97 1 10	349 7 4	..	46 1 7
Westland	4,448 5 0	60 0 0	4 5 4	..	65 4 2	37 3 6	..	38 0 0
Canterbury	184,359 1 3	14,215 0 0	2,279 0 0	671 13 4	..	5,545 6 3	..	686 15 0
Otago	121,835 0 0	385 0 0	30 16 0	32 2 4	..	..	..	..
Southland	14,194 17 6	250 0 0	45 0 0	8 16 0	275 4 0	621 3 6	..	32 11 0
Totals	736,449 1 3	48,117 11 6	6,248 9 5	1,859 13 6	5,586 5 5	8,197 12 5	..	1,140 7 9
Crown Lands.								
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
North Auckland	73,221 0 0	4,750 0 0	718 12 1	454 2 7	1,323 7 2	647 9 9	..	242 13 10
Auckland	106,170 0 0	27,217 0 0	3,916 0 0	1,189 0 0	7,374 0 0	2,397 0 0	..	557 0 0
Gisborne	25,954 0 0	5,102 2 6	505 9 7	6,583 18 4	..	421 15 6	..	..
Hawke's Bay	12,609 1 8	..	..	..	..	214 0 0	..	..
Taranaki	75,682 11 11	13,575 16 0	1,179 4 3	972 3 4	472 7 6	1,295 5 2	..	66 12 0
Wellington	110,213 0 0	28,609 0 0	2,908 4 6	1,661 15 10	1,298 5 3	2,816 8 3	..	590 16 8
Marlborough	35,629 6 2	851 15 0	745 15 0	31 3 8	27 14 5	510 6 0	..	60 10 0
Nelson	270,238 10 6	965 0 0	73 4 1	104 12 0	73 16 0	302 19 9	..	35 15 3
Westland	2,075 14 7	..	..	43 18 0	82 8 0	23 2 11	..	..
Canterbury	18,035 3 1	280 0 0	37 16 0	..	..	78 12 6	..	..
Otago	179,301 0 0	4,255 0 0	451 8 5	7 5 8	112 14 0	241 1 8	..	215 9 2
Southland	31,178 4 1	2,150 0 0	318 1 0	77 18 3	1,275 12 6	107 11 0	..	73 0 0
Totals	940,307 12 0	87,755 13 6	10,854 14 11	11,125 17 8	12,040 4 10	9,055 12 6	..	1,841 16 11

Any other Account.

North Auckland	..	..	1,107 0 0	..	43,870 0 0	6,835 0 0	1,330 0 0	5,363 0 0	250 5 0	..	..	174 0 0
Auckland	..	..	98,262 0 0	..	3,400 0 0	416 0 0	328 0 0	..	246 0 0	..	..	546 16 0
Gisborne	..	..	47,555 0 0	..	..	..	..	..	692 8 4	..	..	268 0 0
Hawke's Bay	..	..	24,540 0 0	..	..	..	..	..	542 0 0	..	..	..
Taranaki	..	..	13,803 16 8	..	..	..	16 3 1	216 17 0	73 18 7	..	..	..
Wellington	..	..	29,901 0 0	..	1,105 0 0	21 1 4	..	..	490 9 11	..	..	..
Westland	..	..	300 0 0	..	..	..	..	..	30 0 0	..	..	..
Canterbury	..	..	119,654 3 5	..	1,310 0 0	183 0 0	..	..	3,442 11 6	..	..	605 12 10
Otago	..	..	39,264 0 0	..	..	..	..	..	28 13 0	..	..	..
Southland	..	..	32,983 0 0	..	1,865 0 0	261 2 0	16 17 9	90 0 0	631 10 6	..	..	256 17 10
Totals	..	..	407,370 0 1	..	51,550 0 0	7,716 3 4	1,691 0 10	5,669 17 0	6,427 16 10	..	..	1,851 6 8
Grand totals..	..	..	17,277,979 12 3	..	2,480,807 15 4	379,680 14 1	129,414 2 9	101,099 17 7	347,605 9 2	125,078 13 2	..	117,898 7 6

ADJUSTMENTS BY DOMINION REVALUATION BOARD IN TERMS OF THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACT, 1924, AS AT 31ST MARCH, 1926.

Districts.	Adjustments in Current Account.									Adjustments in Buildings under Land for Settlement Act.					
	Total Capital invested.			Reduction of Capital.			Transferred to Suspense Account.			Original Value.			Reduced by		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
North Auckland ..	500,072	0	0	15,295	4	5	1,491	9	7	14,210	0	0	1,975	0	0
Auckland ..	802,751	6	1	12,035	0	0	700	0	0	16,959	0	0	816	0	0
Gisborne ..	115,510	0	0	250	0	0	..	..	..	7,114	0	0	114	0	9
Hawke's Bay ..	226,386	8	5	608	9	0	..	..	..	3,955	0	0	1,590	0	0
Taranaki ..	297,530	12	9	9,241	13	4	..	..	..	5,030	0	0	1,795	0	0
Wellington ..	633,405	0	0	4,133	0	0	250	0	0	17,375	0	0	6,774	0	0
Marlborough ..	58,280	9	6	630	0	0	200	0	0	200	0	0	56	10	7
Nelson ..	106,661	12	1	1,546	0	0	512	0	0	4,610	0	0	..	..	..
Westland ..	34,176	9	8	500	0	0	300	0	0	..	..	..	..	..	..
Canterbury ..	250,967	8	6	1,600	0	0	1,100	0	0	38,732	8	10	805	14	9
Otago ..	127,808	8	2	1,656	1	0	..	..	..	11,080	2	1	572	13	11
Southland ..	111,080	8	10	1,746	2	5	850	0	0	6,080	0	0	689	0	7
Totals ..	3,264,630	4	0	49,241	10	2	5,403	9	7	125,345	10	11	15,188	0	7

FINANCIAL REVIEW.

The two principal accounts controlled by the Lands Department for the repatriation of returned soldiers are the Discharged Soldiers Settlement Account, from which advances for various purposes secured by mortgages have been made, and the Lands for Settlement Account (Discharged Soldiers Settlement Account), through which the purchase of private properties for subdivision and settlement has been made.

The total capital now standing as a liability on these two accounts is as follows :—

Discharged Soldiers Settlement Account—	£	£
Loans raised by the issue of debentures and other securities ..	6,535,886	
Redemptions of loans by Consolidated Fund ..	2,500	
Redemptions of loans by Discharged Soldiers Settlement Depreciation Trust Account	38,700	
Transfer from Consolidated Fund surpluses	13,500,000	
Interest unpaid to Consolidated Fund	540,000	
		20,617,086
Land for Settlements Account (Discharged Soldiers Settlement Account) ..		3,222,050
		<u>£23,839,136</u>

In addition to the above, certain other accounts contributed indirectly to the settlement of discharged soldiers, in that land which had been purchased out of these accounts was settled by returned soldiers. These are—

	£
Land for Settlements Account	2,514,000
Native Land Settlement Account	750,000
	<u>3,264,000</u>
Total capital	<u>£27,103,136</u>

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

Advances authorized.—The total loans authorized since the inception of the Act amount to £22,490,303, and of this amount £282,011 was authorized during the year under review. The

following table indicates the total loans authorized from the inception of the Act and those authorized during the year :—

	Authorized from Inception of Act.		Authorized during Year.	
	Number of Returned Soldiers.	Amount authorized.	Number of Returned Soldiers.	Amount authorized.
Section 6, Discharged Soldiers Settlement Act, 1915—Advances on Current Account	5,017	£ 4,863,584	99	£ 199,991
Section 2, Discharged Soldiers Settlement Amendment Act, 1917—Advances towards purchase of farms, market gardens, orchards, and discharged mortgages	5,511	8,966,773	4	28,023
Section 2, Discharged Soldiers Settlement Act, 1917—Purchase of dwellings, &c.	11,955	8,659,946	54	53,997
Totals	22,483	22,490,303	157	282,011

In addition to the 5,017 soldiers to whom advances were made for improvements, stock, &c., 5,551 soldiers to whom loans were granted under section 2 also participate in similar loans, the total, therefore, reaching 10,411.

Curtailment of Advances.—Owing to the limited capital available in the account and the necessity that exists for conserving as much as possible of the receipts for loans to develop and stock farms, with a view to increasing production and place settlers on a sound footing, it is regretted that applications for loans to erect houses could not be considered beyond assisting a few T.B., wounded, and other disabled men.

At no time has the Department been unable to accept applications for advances on Current Account to assist in the purchase of stock or for effecting improvements to farms with a view to ultimately increasing production. It has, however, only just been possible to keep pace with these applications, as will be demonstrated by the fact that the cash balance in the account at the end of the year was only £115,000, which is already fully committed.

Current Account Advances.—Loans under this heading are granted to assist in the improvement and stocking of farms, and at the end of the year the balance outstanding was £3,042,786. As indicated last year, it was considered that the time had arrived when Current Account loans for improvements should be transferred to table mortgages in order to provide for the gradual redemption thereof, and although little has been done in this direction an effort is now being made to place development loans on a more satisfactory footing.

The time is rapidly approaching when the bulk of those settlers who have been and are still being assisted on Current Account should be in a position to carry on without further financial assistance. The Department does not aim at finding the whole of the capital required to fully develop farms. With thrift and economy the undeveloped portions of a number of farms should be improved gradually out of the farm revenues, thereby building up a better future than would be the case with everything encumbered. Prior to the advent of the Discharged Soldiers Settlement Act settlement had gone along these lines, and equities had been created by settlers, making their ultimate success more assured. More attention should be given to maintaining the areas now in grass rather than ambitious efforts to bring in large areas beyond the finance that is available to fully develop, fence, and stock same. Increase in the pasture area should be brought about gradually once sufficient pasture to carry on with has been established.

Dwellings.—As previously stated, applications for assistance under this heading are now only being accepted from badly wounded or T.B. men. The number of loans authorized during the year was—Number of loans, 54; amount authorized, £53,997.

From the inception of the Discharged Soldiers Settlement Act to the end of the year the amount provided for the housing of Discharged Soldiers on urban, suburban, and rural lands was as follows—

	Number.	Amount.
		£
Erection of dwellings on farms	4,856	1,495,648
Urban and suburban—		
Erection of dwellings	4,420	3,723,074
Purchase of dwellings	7,535	4,936,872
		<u>£10,155,594</u>

SETTLERS PROSPECTS.

Now that settlers have had the benefit of revaluation of their properties by the Dominion Revaluation Board it is considered that they should be in a position to withstand any temporary depressions which might eventuate, and with reasonably stable prices the Department expects prompt payment of accruing charges. Current Accounts are at present under review by the Dominion Revaluation Board in accordance with the Discharged Soldiers Settlement Amendment Act, 1924, and when this task is completed settlers as a whole should have little cause for complaint.

Receipts and Payments.

The Receipts and Payments Account shows that the total receipts for the year amounted to £1,629,763, which constitutes a record. Of this amount, £940,596 represents repayments of principal by mortgagors and capital derived from the sale of abandoned properties and stock, while £689,167 represents receipts on account of interest and sundries. The average monthly receipts amounted to £135,813, as against £134,188 during the previous year. The following statement shows the position as compared with previous years :—

	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.
	£	£	£	£	£
Principal	553,345	716,667	795,841	882,977	940,596
Interest, &c. ..	556,301	649,463	627,921	726,674	689,167

Cash advances on Current Account during the year show an increase of approximately £20,000 over the previous year, but this is in a large measure due to the fact that the Department has had greater control over the proceeds from farms during the past year, and to a large extent the advances represent readvances from sales of stock and other farm proceeds for the payment of rent and interest charges and for development of the properties.

The following table furnishes a comparison of cash advances made for each of the past four years :—

Year.	Current Account.	Farms.	Dwellings.	Total.
	£	£	£	£
1922-23	681,623	74,345	169,785	1,225,753
1923-24	583,633	41,727	571,727	1,196,521
1924-25	567,748	32,552	92,439	692,709
1925-26	588,412	35,965	61,245	685,622

Revenue Account.

The total income of the account for the year was £871,110, mainly made up of accrued interest on advances. The year's operations resulted in a net loss of £371,986, and the total loss on the Discharged Soldiers Settlement Account to the end of the year is £781,208. A perusal of the Revenue Account will show that the accrued interest on advances was insufficient to meet the interest on debentures, there being a deficit of approximately £45,000. The reason for this is not far to seek. The Dominion Revaluation Board reduced mortgages by £767,928, which is a dead loss to the account. Furthermore, the properties which have been bought in by the Crown through the exercise of power of sale and those in course of realization appear in the balance-sheet at not less than £1,492,955, and this asset also results in a large loss of interest. It therefore follows that the Department, while it must pay interest on the total capital borrowed, is in the unfortunate position of not being able to collect interest on capital to the extent of £2,260,883. This more than explains the deficiency in interest. Added to the above, the Revenue Account bears a charge for management expenses, amounting to £38,768; rebates, £42,940; charges and expenses of raising loans, £11,782; and losses on the realization of securities, £250,841. When the whole of the adjustments arising out of the decisions of the Dominion Revaluation Board have been finalized in the books of the Department and the total loss definitely ascertained it will doubtless be possible to relieve the Discharged Soldiers Settlement Account of the necessity for paying interest on the capital loss to the account. This will be taken up with the Treasury.

It seems inevitable that losses should have resulted on the repatriation of discharged soldiers, and while it is unfortunate that the losses are so high it is submitted that the position in New Zealand compares more than favourably with the experience of other countries where the repatriation of discharged soldiers was undertaken on a large scale.

Arrears and Postponements.

The total amount of rent, interest, and instalment of principal in arrear was £526,178, while rents and instalments of interest and principal the payment of which has been postponed was £279,137. The total outstanding may therefore be set down as being £805,315. Following on adjustments granted by the Dominion Revaluation Board, it was expected that the arrears would have been much less, but the long winter, followed by short spring and summer seasons, adversely affected the returns in some of the districts. However, a large number of settlers should have been in a position to pay their way or at least substantially reduce their arrears. An investigation of these cases is being made with a view to deciding whether the accounts should be wound up. It may here be remarked that the postponements granted by the Dominion Revaluation Board will result in a considerable loss to the State, as had the money been paid on due date it could have been invested and in turn have become revenue-bearing.

Property Account and Realization Account.

The liabilities on properties acquired by the Crown through the exercise of power of sale now stand at £993,353, representing an increase in the previous year's figures of £43,839, while the liabilities on properties in course of realization stand at £499,602. A special effort has been made

by the Department to dispose of all unoccupied properties, and a large number of sales have been completed during the year. The following shows the farms disposed of by way of sale and lease :—

	Sale.	Leases.
Number of farms	276	104
Area (acres)	91,737	39,493
Purchase price	£442,414	..
Annual rental .. .. .	..	£5,930

The loss on the realization of these properties amounted to £230,808 inclusive of expenses of realization and arrears of interest. The position at the end of the year is that the Department had available for disposal 677 freehold and leasehold farms, totalling 240,416 acres, on which the liabilities amount to £1,171,767. It is anticipated that there will be a considerable further loss from the sale of these properties, but every effort will be made by the Department to dispose of the properties to the best advantage with a minimum of delay. With this end in view attractive terms will be offered. The Department has found it necessary in many cases during the past year to give exemption from interest for varying periods up to three years to enable purchasers to recondition abandoned farms which have deteriorated either during the period they were held by the previous occupier or during the period they were vacant. This is a further cause of loss to the account, but the concession is one which is absolutely necessary if properties are to be brought back into a state of productivity. Although the book debts in connection with farms taken over by the Department show a slight increase in the figures of the previous year, it must be remembered that greater activity has been shown by the various Commissioners in winding up unprofitable loan transactions than hitherto. Where it is abundantly clear no good purpose is served by continuing these accounts, it is better to wind them up and have the properties open for reselection by suitable settlers at fair prices. Unfortunately, a number of properties suitable only for sheep-farming have been cut up into areas too small for this purpose, with the result that dairying has been attempted with small success. Upon these properties coming back to the Department an effort is made to regroup them to permit of their more ready disposal.

LAND FOR SETTLEMENTS ACCOUNT.

The amount raised to finance the purchase of land for settlement by returned soldiers through the above account is £3,222,050, but the actual capital value of land appearing in the balance-sheet is now £2,035,107. Values have been reduced by the Dominion Board by £866,796.

Revenue Account.

It is regretted that the position of this account is also unsatisfactory. As stated above, the capital value of the land is considerably less than the total capital raised for the purpose of the account, and it naturally follows that the accrued revenue in the account is insufficient to meet the interest of loans.

LANDS PROCLAIMED.

Some 7,477 acres were set apart for selection by discharged soldiers during the year. From the inception of the scheme to the 31st March, 1926, a total area of 1,419,817 acres has been proclaimed for soldier settlement. This area is made up as follows :—

Class of Land.	Area (Acres).
Ordinary Crown lands	593,225
Cheviot Estate land	3,356
Land-for-settlements land	392,238
National-endowment land	430,998
Total	1,419,817

Proclamations have been issued revoking the setting-apart of 202,044 acres of Crown lands, and 84,165 acres of land-for-settlement lands.

APPLICATIONS FOR LAND.

Applications for land under the Discharged Soldiers Settlement Act to the number of 109 were received during the year. The following table gives the number of applications and the area allotted during each year from the inception of the soldier-settlement scheme :—

Year ending	Applications received.	Allotments made.	
		Number.	Area.
			Acres.
31st March, 1916	272	2	629
„ 1917	522	319	143,524
„ 1918	513	313	103,362
„ 1919	1,379	348	117,018
„ 1920	5,041	932	403,891
„ 1921	5,396	1,087	414,867
„ 1922	878	403	97,972
„ 1923	284	146	25,113
„ 1924	216	79	16,910
„ 1925	123	47	9,014
„ 1926	109	86	20,500
Total for eleven years	14,733	3,762	1,352,800

APPENDIX.

REPORTS OF COMMISSIONERS OF CROWN LANDS.

NORTH AUCKLAND.

(H. J. LOWE, Commissioner of Crown Lands.)

THE relief afforded by the revaluation of soldiers' farms under the Discharged Soldiers Settlement Amendment Act, 1923, has been followed up by revaluation of Current Accounts for advances for stock, implements, and improvements. The work has not yet been completed, it necessarily being a slow process, involving as it does individual valuations. It is hoped that on completion of this investigation values will have been reduced in keeping with the producing-capacities of the farms, and the average soldier farmer afforded such relief as will enable him to meet his future obligations and assure him an adequate competence.

Very few applications have been made by discharged soldiers for land, thus showing that the work of repatriation is practically complete. Land previously proclaimed and set aside for discharged soldiers is now being made available for general selection.

In comparison with the average civilian farmer, the soldier is more than holding his own and proving a good husbandman. Sufficient time has not yet elapsed to determine the measure of success attendant on the relief afforded by the revaluation.

Applications under the Discharged Soldiers Settlement Act.—Except in the case of permanently disabled soldiers, no advances have been made for the erection of dwellings. The total number of applications received was 958, of which 716 were recommended for approval, as follows: Purchase of farms, 18; transfer of farms, 32; postponements, 287; erection of houses, including additional advances, 37; transfer of houses, 159; advances on Current Account, 183.

The total amount recommended on Current Account was £28,890.

Up to date the number of dwellings abandoned totals 70, of which 56 have been disposed of, the sum of £350 having been written off. The remaining 14 houses are let at good rentals sufficient to meet interest and all other charges.

Farms.—Sixty-one farms were abandoned during the year, and forty were disposed of. Every endeavour is being made to get these farms occupied, as deterioration is rapidly taking place. A progressive policy has been instituted, and liberal terms are being offered in order to ensure occupation and production.

AUCKLAND.

(K. M. GRAHAM, Commissioner of Crown Lands.)

A general review of the position of the discharged soldiers settlement in this district shows that steady development and progress has taken place, and indicates that with added experience, and with the maintenance of fair market prices for produce, success is assured or in sight for the majority of settlers, who are diligently applying themselves to the work of improving not only their holdings, but also the class of stock being carried.

The benefits directly attributable to the revaluation of holdings and to the granting of concessions by way of remissions or postponements of rent and interest are becoming more apparent as time passes, and it is confidently expected that the additional assistance granted to many settlers during the year by way of further advances on Current Account will enable them to carry out productive improvements to the extent of placing them in a position to meet their commitments to the Department as these in future become due.

During the year the investigation of Current Accounts has been continued by the Field Inspectors, and it has been found that with very few exceptions the security in stock and chattels has been fairly well maintained. In many instances a surplus in stock has made up for the fall in values since the original purchases were made. Securities in stock, especially dairy cows, are always more or less of a fluctuating nature, and are largely dependent on the attention and skill of the settler in looking after the animals in his charge. The lack of proper care and attention has in many cases been responsible for the Department's losses in the past, but with the elimination of the careless or indifferent settler there will not in the future be the same proportion of loss due to this cause.

The number of Current Accounts in operation is 1,147, and the several amounts of loans and advances outstanding at the end of the year were as follows: Instalment mortgages on farms, £942,728; instalment mortgages on dwellings, £435,471; Current Account advances, £724,244.

GISBORNE.

(E. H. FARNIE, Commissioner of Crown Lands.)

General Remarks.—As anticipated last year, the soldier settlers in this district have now settled down as the result of revaluations, and are, in the majority of cases, doing well. In some instances the Board has found it necessary to take drastic action with regard to the non-payment of rent, but in no case has it been necessary to go to the length of absolute forfeiture. Investigation of Current Accounts by the Dominion Board showed that the Department's securities in this respect were quite sound. Only in two instances was it found necessary to effect any reduction. Four holdings in the Opotiki County held by discharged soldiers reverted to the Crown during the year as the result of the inability of the holders to carry on on what is known as "deteriorated lands." The position of these four men was hopeless, and they wisely decided to cut their losses and abandon their farms. Stock-values showed a marked falling-off through the drought, but those settlers who are able to hold their stock should do very well next year. Speaking generally, the various settlements are in quite a prosperous position, and the outlook of the soldier settlers is distinctly hopeful.

HAWKE'S BAY.

(J. D. THOMSON, Commissioner of Crown Lands.)

The sharp contrast in prices of wool and fat stock for this season as compared with the phenomenally high prices for last season has been strongly reflected in the present financial position of the soldier settler, and much of the good work done by the Dominion Revaluation Board has been nullified for the present, though as a matter of fact the prices realized for wool—which averaged over 11d. per pound—and for stock have been far from famine prices and have not seriously affected the older and better-established settlers.

The dairy-farmer has passed through a particularly trying season—cold rains and high drying winds set in during August and continued practically throughout the season, with the natural result of a reduced output and the stock in low condition to face the coming winter.

The one class of settler to be congratulated on having a good season is the orchardist. Costs of labour and spraying have been at a minimum, while the yield has been heavy and the prices good.

A recompense for the ill effects of the dry season on stock and pasture has been the opportunity presented to clean up dirty areas on the holdings, and a number of the settlers have taken full advantage of the chance to do so.

The great benefits derivable from top-dressing with suitable manures are now fully realized by an ever-increasing number of settlers, and it is confidently expected that increased productivity of the soil may be looked for in the future, particularly in the pumiceous areas of the northern portion of the district.

No new areas were acquired for settlement, but a number of abandoned farms have been disposed of, and during the coming year it is anticipated that this unpleasant feature in connection with the discharged soldier settlement will soon disappear.

TARANAKI.

(W. D. ARMIT, Commissioner of Crown Lands.)

The soldier settlers in common with the general farming community have experienced an uncertain year, and returns generally show a decrease from the previous season.

The dairymen experienced a cold, wet spring, and factory returns were a month later coming in as compared with the year preceding. The drop in wool-prices has required a sympathetic administration of Current Accounts where securities are represented in sheep. A number of soldier settlers have been compelled to draw on capital, but as the sheep securities are more or less in a healthy condition the position is expected to right itself during the coming season, provided a normal year is experienced by graziers. Generally the grazier in Taranaki, whether soldier or civilian, is faced with the problem of deterioration, and the administration of the recent legislation will have a large bearing on the success or failure of the hill-country farmer in this district.

Owing to the Dominion Revaluation Board's determinations a number of deserving soldier settlers have been put on a satisfactory financial position and given a reasonably clear start. The concessions in many cases have been generous, and it is incumbent on soldier mortgagors to realize their obligations to the State if they desire to remain on the holdings.

Abandoned properties present a constant problem in the district. Invariably the properties have been neglected prior to foreclosure or abandonment, and it has been necessary to write the charges down with concessions under the new mortgages to secure fresh purchasers. The Department has been fairly successful in securing purchasers for these properties. The number of farms abandoned or bought in under the powers of sale in the Crown mortgage during the past year is forty-five, and sixty-four farms have been sold.

At present there are 457 soldiers on farms, who have received advances for their purchase under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, and a further 529 have obtained assistance for the purchase or erection of house properties.

The total amount outstanding on mortgage, including Current Account advances, is £1,341,098.

During the past year the total revenue received was £176,560 11s. 1d., and moneys advanced amounted to £88,048. Arrears of interest and instalments are still fairly considerable, but in the

majority of cases a commendable effort is being made by the men to reduce their liabilities. The total amounts owing are as follows: Farm properties, £19,055 7s. 6d.; house properties, £1,826 17s. 1d.; Current Account interest, £7,498 5s. 11d.

There is an increasing number of soldier house-property transfers coming up for the Land Board's consideration each year, partly brought about through changed conditions in the mortgagors' employment. There are still a number of these house-property owners in arrears, but a determined effort is being made to reduce the amounts owing and to get rid of unsatisfactory mortgagors.

WELLINGTON.

(H. W. C. MACKINTOSH, Commissioner of Crown Lands.)

The remarks made in connection with the aspects of general settlement apply equally to soldier settlers. These men met with the same conditions climatically as their fellow civilian farmers, and they experienced the same instability of prices for farm-produce, &c. The soldier settler is better off, however, in that he has had the benefit of advances and remissions made by the Department, whereas his civilian colleague has been thrown on his own resources.

Dairy-farmers began the season under cold and wet conditions, which hindered growth of pastures, and consequently curtailed the milk-supply. The latter part of the season was more equable, and good cheques were received.

Sheep and cattle did not come up to expectation, the markets being very unsteady. Wool averaged about 1s. per pound, and although this was only half of the price realized in the previous season the price was a payable one where the fleece was well grown.

Those soldiers who elected to go in for poultry-farming for a livelihood have, except in isolated cases, not been successful. The high cost of laying-birds and the almost prohibitive price of fowl-feed reduce the profits to practically nil. It would appear that the poultry-farmer should grow his own feed; but then, again, if the land will grow wheat it is too valuable for poultry-farming. This class of security is not regarded with favour by the Department.

Soldier settlers will be beginning to feel the benefit of the concessions granted by the Dominion Revaluation Board, and when their Current Accounts have been investigated by that Board they should be on the high road to success.

The receipts for the year, interest and principal, amounted to £309,240, somewhat less than last year.

The amount of loans and advances outstanding at the 31st March, 1926, was—Instalment mortgages on farms, £1,007,440; instalment mortgages on dwellings, £1,441,088; Current Account advances, £534,886; miscellaneous accounts, £348,039 3s. 3d.

NELSON.

(A. F. WATERS, Commissioner of Crown Lands.)

The Dominion Revaluation Board completed the investigation of the Current Account advances of most of the soldier settlers in the district during the past year, and this together with revaluation of the properties has placed most of the settlers on a sound financial basis. The exceptions are chiefly those whose farms on account of their limited carrying-capacity are unable to maintain a settler and enable him also to meet his liabilities.

There are still a few settlers who show little capacity for farming and whose properties have depreciated under their management. These farms are gradually coming back into the hands of the Department, and are being disposed of to other settlers.

A promising feature is the effort that is being made by the soldier settlers who are dairying to improve their herds and increase their output by the introduction of pedigree stock. A good deal could still be done to improve the class of sheep in the Nelson District, as too many of the settlers seem to be satisfied with a wool-clip of 5 lb. per sheep or less.

The fruitgrowers have had a phenomenal crop; but as the bulk of the fruit is being exported it remains to be seen if the Home market will be glutted and prices suffer accordingly.

The hopgrowers have been in an unsatisfactory position for several years past; but a Co-operative Hopgrowers' Association has been formed whereby the growers are entitled to put 60 per cent. of their previous years' output into a first pool. The benefit of this policy is still to be proved.

MARLBOROUGH.

(J. STEVENSON, Commissioner of Crown Lands.)

Soldier Settlement.—Generally, I am pleased to report in a more hopeful strain than last year. The improved position is directly traceable to the liberal concessions in valuations and adjustments of Current Accounts made by the Dominion Revaluation Board.

Regarding those settlers engaged in dairying: Following the concessions made by the Dominion Revaluation Board, and with the object of assisting the settler to meet his payments of rent and interest to the Department on due dates so that he would get all the benefit of rebates for prompt payment, a system of taking milk orders up to 50 per cent. on the dairyman's milk-yield was adopted in this district. This has worked admirably in the interests of both the settler and the

Department, and, I think I am safe in saying, has resulted in the Department getting in better returns than formerly, and the settlers generally appreciate this method.

Several of the weaker men who had got into a hopeless position have abandoned their farms.

On the soldier settlements—Erina, Goat Hills, Moorlands, Alberton, Linkwaterdale, &c.—the progress is slow, but generally the type of settler left is good, and I feel sure that the men will eventually become satisfactorily established.

WESTLAND.

(W. T. MORPETH, Commissioner of Crown Lands.)

The position generally with regard to soldier settlement in this district is satisfactory, the operations of the Revaluation Board having to a large extent permanently stabilized the soldier settlers' finances. There are only one or two cases which still occasion some concern, and it is noteworthy that almost without exception the settlers who have given the Department the most trouble have been single men engaged in dairying. The great majority of married men have won through, and cases of partnerships between single men have also been successful, which goes to prove that it is a mistake for a single man to take on a dairy proposition unless conditions as regards soil, herd, position, &c., are exceptionally good, or unless he has private finance available, and it seems clear that remissions and postponements which are satisfactory in the case of a family man are not sufficient where a single man is concerned. There are only four abandoned places not disposed of, but I regard these as almost unsaleable. The undesirable class of settler has been eliminated, and those who are on the Department's books are almost without exception men of a good stamp who in the ordinary course of events will come out all right and meet their obligations to the Crown.

CANTERBURY.

(W. STEWART, Commissioner of Crown Lands.)

The concessions given soldier settlers by the Dominion Revaluation Board have given them a fair chance of making a decent living, and it is now felt that it rests with the individual settlers themselves to make a success of their undertakings. There are still some cases where second mortgagees are preventing soldiers from recovering by persisting in holding valueless mortgages which overload the land beyond its interest-earning-capacity; but these are gradually being eliminated by sales through the Registrar of the Court. There are also a few cases where soldiers who are being financed for stock by private firms are not clearing enough to pay both the firm and the Crown.

There has been an insistent call for tractors to replace horse teams, as thereby an added area of usually about 30 acres per farm is freed to produce something for export; and also in a delayed season like the present the work could have been rushed through so much quicker and fuller advantage taken of each suitable occasion to push work ahead. In dealing with these applications due weight has been given to the fact that a tractor is a rapidly depreciating security, especially in unskilful or careless hands, and that the running-expenses of a tractor means finding actual cash, whereas with the horses their upkeep is supplied on the farm and does not mean additional imports. Therefore the only cases where the purchase has been sanctioned are where there was sufficient heavy work to justify the expenditure, and where the applicant was substantial enough to supply a fair proportion of the original and recurring expenses himself.

The total receipts during the year for credit of the Discharged Soldiers Settlement Account were £265,584 14s. 4d., an increase of £25,692 11s. 10d. on the preceding year, the main items being made up of—Payment on account of farms, £57,611 5s. 4d.; payments on account of houses, £106,375 14s. 6d.; payments on account of Current Account, £88,580 18s. 5d.

The amount of loans outstanding at the end of the year was as follows: Instalment mortgages (farms), £987,633; instalment mortgages (dwellings), £1,113,311; Current Account advances, £242,291.

OTAGO.

(R. S. GALBRAITH, Commissioner of Crown Lands.)

The soldier settlers throughout the district may now be said, speaking generally, to be in a fairly sound position. The concessions made to them by way of revaluations, adjustments, remissions, and postponements have been of very real benefit and have put fresh heart into many men who were struggling bravely with impossible propositions. There are still some who will require careful watching and, possibly, further help. A difficult type to deal with is the man who works hard with his hands but lacks understanding—the man who is an excellent servant but appears to require some one to lean on. The recent ballot for the Wilden runs attracted fewer applicants than the Mount Pisa and Teviot runs, and I think it can now be said that there is no longer any need to offer any land for selection by discharged soldiers only.

SOUTHLAND.

(N. C. KENSINGTON, Commissioner of Crown Lands.)

During the year soldier settlers have met with good firm prices for their products, and the prices obtained have been generally of higher value than the basis of production for the individual farm when investigated for the purpose of revaluation.

Since the revaluation of soldiers' holdings the soldier settlers generally have become more settled and are taking a good lively interest in bettering their position by close attention to good farming. The recent investigation of Current Accounts may be regarded as very satisfactory, showing in most cases that the advances on stock and chattels have been well secured. The position of soldier settlers in this district can be regarded as sound as a whole. There are still individual cases where either the holding is too small or the land, even with the best of farming, is of such quality that a reasonable living cannot be made off it. In these cases the settler is encouraged to endeavour to effect a transfer or sale to an adjoining owner. Cases also occur where the soldier settler has not had the incentive or required energy to make a success of his holding; but these cases are now becoming the exception to the rule and can only be taken as the usual risk incurred by all mortgagees. The records here show that very few farms which have come back on to the Department's hands in this district have not been reselected, and in this respect I do not suffer any concern at not being able to pass on any reasonably priced farms which are bound to occasionally revert back. These farms when put on the market offer an inducement on account of the easy terms offered, equal to land acquired under the Land for Settlements Act, and which usually require a large initial outlay in buildings, fencing, &c. A large amount of money has still to be expended and will require to be advanced for improving holdings and bringing them up to their full carrying-capacity. It is very marked that soldier settlers, having now received the benefit of revaluation, are not anxious to load up their farms, and governed by this spirit the necessary advances now made can be viewed as good investments.

In all settlements bought under the Land for Settlements Act and set apart for soldier settlement good progress is reported, and these settlements can now be considered as on a firm footing.

TABLE 1.

TOTAL LANDS ACQUIRED FROM THE CROWN BY DISCHARGED SOLDIERS AND HELD AT THE 31ST MARCH, 1926.

Land District.	Sale (Including Deferred Payment).				Lease and License.				Grand Totals.		
	Number of Discharged-soldier Purchasers and Licensees.	Number of Holdings.	Area.	Price.	Number of Discharged-soldier Tenants.	Number of Holdings.	Area.	Annual Rental.	Number of Discharged Soldiers.	Number of Holdings.	Area.
<i>Under the Discharged Soldiers Settlement Act, 1915, and Amendments.</i>											
North Auckland ..	13	12	2,407	2,181	310	309	56,344	13,870	323	321	58,751
Auckland ..	41	41	1,031	13,810	548	541	92,133	25,064	589	582	93,164
Gisborne ..	..	..	..	..	142	144	57,904	14,234	142	144	57,904
Hawke's Bay ..	..	..	..	..	253	253	98,960	35,654	253	253	98,960
Taranaki ..	3	3	100	960	152	159	35,127	9,235	155	162	35,227
Wellington ..	13	13	80	4,525	739	716	167,118	78,101	752	729	167,198
Nelson ..	3	3	1,216	1,292	27	27	16,778	1,767	30	30	17,994
Marlborough ..	..	..	..	..	56	54	17,599	5,190	56	54	17,599
Westland ..	1	1	148	150	22	22	21,458	257	23	23	21,606
Canterbury ..	10	10	201	430	326	321	546,008	47,858	336	331	546,209
Otago ..	6	6	355	3,126	158	157	225,133	14,570	164	163	225,488
Southland ..	14	14	2,001	8,515	89	95	19,180	4,655	103	109	21,181
Totals ..	104	103	7,539	34,989	2,822	2,798	1,353,742	250,455	2,926	2,901	1,361,281

Under other Acts. (This includes lands selected at ordinary ballots, leases and licenses purchased at auction, and holdings acquired by transfer or otherwise.)

North Auckland ..	8	8	1,730	1,130	76	73	20,433	2,155	84	81	22,163
Auckland ..	48	46	22,754	20,366	364	336	158,347	8,807	412	382	181,101
Gisborne ..	..	..	..	..	49	45	38,131	4,479	49	45	38,131
Hawke's Bay ..	..	..	..	..	54	47	17,886	4,226	54	47	17,886
Taranaki ..	3	2	477	805	181	196	68,786	4,795	184	198	69,263
Wellington ..	..	..	..	..	136	131	49,049	30,414	136	131	49,049
Nelson ..	3	3	1,099	586	118	108	79,440	2,174	121	111	80,539
Marlborough ..	..	..	..	..	134	125	249,448	7,354	134	125	249,448
Westland ..	1	1	200	168	77	71	19,388	447	78	72	19,588
Canterbury ..	3	3	35	55	235	213	93,821	13,901	238	216	93,856
Otago ..	..	..	..	..	262	241	1,006,916	24,627	262	241	1,006,916
Southland ..	1	1	127	40	39	46	77,858	2,078	40	47	77,985
Totals ..	67	64	26,422	23,150	1,725	1,632	1,879,503	105,457	1,792	1,696	1,905,925
Grand totals ..	171	167	33,961	58,139	4,547	4,430	3,233,245	355,912	4,718	4,597	3,267,206

TABLE 2.

STATEMENT OF ADVANCES AUTHORIZED FROM INCEPTION OF ACT TO 31ST MARCH, 1926.

District.	Current Account Authorities.		Farms, &c., Authorities.		Purchase Dwellings Authorities.		Erect Dwellings Authorities.		Totals.	
	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.	Number.	Amount.
North Auckland	1,517	£ 740,495	1,090	£ 1,700,133	1,752	£ 1,254,922	1,413	£ 1,244,488	5,772	£ 4,940,038
Auckland ..	1,719	1,025,975	794	1,323,485	370	243,406	377	305,618	3,260	2,898,484
Gisborne ..	194	148,837	79	139,184	175	116,400	82	66,245	530	470,666
Hawke's Bay ..	649	320,379	202	378,131	462	323,905	215	180,598	1,528	1,203,013
Taranaki ..	1,054	587,358	563	1,034,746	311	217,453	234	203,212	2,162	2,042,769
Wellington ..	1,766	934,138	778	1,446,313	1,419	1,008,653	1,003	825,205	4,966	4,214,309
Marlborough ..	279	83,332	168	298,310	111	70,066	64	51,109	622	502,817
Nelson ..	615	183,111	432	566,640	156	94,268	31	22,209	1,234	866,228
Westland ..	154	50,569	81	90,294	51	22,140	10	6,265	296	169,268
Canterbury ..	1,256	416,621	752	1,181,292	1,427	863,477	780	661,020	4,215	3,122,410
Otago ..	724	213,864	300	378,280	919	509,307	156	118,370	2,099	1,219,821
Southland ..	484	158,905	272	429,965	382	212,875	55	38,735	1,193	840,480
Totals ..	10,411	4,863,584	5,511	8,966,773	7,535	4,936,872	4,420	3,723,074	27,877	22,490,303

NOTE.—The numbers above represent the number of loans authorized. A large proportion of soldiers who received advances to assist in the purchase of farms and discharge of mortgages also received advances on current account for stock, &c. The actual number of soldiers to whom advances have been authorized as at the 31st March, 1926, was 22,483.

TABLE 3.
STATEMENT OF MORTGAGE TRANSACTIONS, FINANCIAL YEAR ENDED 31ST MARCH, 1926.

DISTRICT.	PRINCIPAL.						INTEREST.					
	Balance at 31st March, 1925.		Advances during Year.		Repayments during Year.		Transfers to Realization and other Accounts.		Balance on Mortgage at 31st March, 1926, including Instalments postponed.		Balance at 31st March, 1925.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
North Auckland—												
Current Account	540,322	6 9	60,414	4 9	37,756	11 2	62,907	4 3	500,072	16 1	35,385	6 10
Farms, orchards, &c.	1,478,757	9 11	7,485	10 11	12,197	15 9	180,449	15 1	1,293,595	10 0	103,152	17 0
Dwellings, business premises, &c.	2,089,662	0 3	20,728	8 8	72,343	3 4	12,536	5 2	2,025,511	0 5	11,401	15 3
Totals	4,108,741	16 11	88,628	4 4	122,297	10 3	255,893	4 6	3,819,179	6 6	149,939	19 1
Auckland—												
Current Account	721,990	17 11	81,840	4 10	43,008	15 9	36,578	3 6	724,244	3 6	46,180	2 4
Farms, orchards, &c.	977,767	5 10	6,831	15 11	8,493	15 10	33,377	14 1	942,727	11 10	61,660	6 1
Dwellings, business premises, &c.	458,329	11 0	1,417	7 6	12,534	13 6	11,741	1 10	435,471	3 2	3,624	8 2
Totals	2,158,087	14 9	90,089	8 3	64,037	5 1	81,696	19 5	2,102,442	18 6	111,464	16 7
Hawke's Bay—												
Current Account	209,914	0 10	72,808	8 11	50,225	19 6	6,580	17 10	225,915	12 5	5,963	1 3
Farms, orchards, &c.	317,394	0 8	774	8 8	5,370	8 8	1,318	15 5	311,479	5 3	16,421	19 0
Dwellings, business premises, &c.	398,370	6 4	516	17 6	14,564	18 7	1,948	3 11Dr.	386,270	9 2	2,218	0 3
Totals	925,678	7 10	74,099	15 1	70,161	6 9	5,951	9 4	923,665	6 10	24,603	0 6
Gisborne—												
Current Account	98,217	3 0	29,625	8 9	10,255	4 5	3,559	2 11	114,028	4 5	2,892	2 5
Farms, orchards, &c.	114,476	3 11	250	0 0	3,622	8 9	846	1 10Dr.	111,949	17 0	5,439	2 3
Dwellings, business premises, &c.	156,799	12 9	..	..	5,189	13 1	6,278	19 6Dr.	157,888	19 2	499	11 1
Totals	369,492	19 8	29,875	8 9	19,067	6 3	3,565	18 5Dr.	383,867	0 7	8,830	15 9
Taranaki—												
Current Account	294,352	18 4	83,236	6 4	88,476	8 6	12,417	14 10	276,695	1 4	12,927	19 1
Farms, orchards, &c.	740,174	5 1	3,819	13 0	9,604	8 8	16,224	6 6	718,165	2 11	43,490	0 2
Dwellings, business premises, &c.	357,889	0 3	992	2 2	10,500	15 5	2,142	8 0	346,237	19 0	1,375	19 10
Totals	1,392,416	3 8	88,048	1 6	108,581	12 7	30,784	9 4	1,341,098	3 3	57,793	19 1
Wellington—												
Current Account	590,168	7 8	77,425	15 11	75,568	6 2	57,139	14 8	534,886	2 9	41,111	2 7
Farms, orchards, &c.	1,101,987	15 5	5,113	5 11	14,381	7 7	85,279	1 1	1,007,440	12 8	75,434	12 4
Dwellings, business premises, &c.	1,479,783	2 1	19,627	4 0	58,567	2 2	244	11 10Dr.	1,441,087	15 9	2,164	3 7
Totals	3,171,939	5 2	102,166	5 10	148,516	15 11	142,174	3 11	2,983,414	11 2	118,709	18 6

Marlborough—	Current Account	58,270	0	3	6,905	18	5	8,008	1	7	3,425	11	3	53,742	5	10	4,025	8	0	2,841	13	1	2,249	8	9	2,991	1	8		
	Farms, orchards, &c.	234,219	16	0	4	4	0	4,693	7	0	5,061	16	2	224,468	16	10	9,552	1	1	11,547	11	11	8,732	0	9	3,268	3	11		
	Dwellings, business premises, &c.	98,550	5	3	701	14	8	3,526	9	1	747	11	2Dr.	96,473	2	0	105	4	8	4,842	18	3	4,353	5	3	559	12	9		
	Totals	391,040	1	6	7,611	17	1	16,227	17	8	7,739	16	3	374,684	4	8	13,682	13	9	19,232	3	3	15,331	14	9	6,818	18	4		
Nelson—	Current Account	106,655	4	4	23,826	12	9	10,527	16	10	11,663	18	7	108,290	1	8	7,005	16	6	5,328	13	2	3,679	1	9	5,003	7	4		
	Farms, orchards, &c.	393,032	1	10	870	0	0	2,931	10	11	9,429	15	3	381,540	15	8	19,889	3	0	18,765	12	10	10,262	5	1	9,736	4	1		
	Dwellings, business premises, &c.	71,880	0	10	..	..	..	5,771	15	1	700	0	0Dr.	66,808	5	9	89	17	3	3,474	2	9	3,229	14	2	234	16	0
	Totals	571,567	7	0	24,696	12	9	19,231	2	10	20,393	13	10	556,639	3	1	26,984	16	9	27,568	8	9	17,171	1	0	14,974	7	5		
Westland—	Current Account	33,054	10	5	5,250	5	5	2,007	4	7	2,721	1	7	33,576	9	8	1,383	7	2	1,654	19	1	1,206	4	8	449	3	6		
	Farms, orchards, &c.	71,031	15	8	1,516	7	1	662	11	3	2,090	18	6	69,794	13	0	4,080	3	4	3,218	14	10	2,104	11	1	2,887	4	10		
	Dwellings, business premises, &c.	21,448	19	5	150	0	0	904	2	6	519	7	9	20,175	9	2	148	12	10	943	2	0	1,013	11	1	Dr.	7	8		
	Totals	125,535	5	6	6,916	12	6	3,573	18	4	5,331	7	10	123,546	11	10	5,612	3	4	5,816	15	11	4,324	6	10	3,328	19	9		
Canterbury—	Current Account	231,838	9	5	101,534	17	9	77,292	13	5	13,789	19	1	242,290	14	8	9,306	19	4	11,996	11	8	10,269	7	0	1,119	10	4		
	Farms, orchards, &c.	1,003,673	2	1	8,238	15	3	19,072	15	2	5,206	2	4	987,632	19	10	41,476	19	2	48,749	19	6	38,256	13	6	13,264	15	4		
	Dwellings, business premises, &c.	1,154,429	14	8	14,260	15	0	53,164	8	4	2,215	2	11	1,113,310	18	5	1,763	14	7	57,401	17	2	53,186	15	2	4,406	8	0		
	Totals	2,389,941	6	2	124,034	8	0	149,529	16	11	21,211	4	4	2,343,234	12	11	52,547	13	1	118,148	8	4	101,712	15	8	18,790	13	8		
Otago—	Current Account	127,808	8	2	25,814	2	4	31,382	0	3	5,644	12	4	116,595	17	11	6,649	4	4	6,128	14	5	4,936	18	9	3,073	13	5		
	Farms, orchards, &c.	316,739	13	0	861	7	1	7,143	17	2	6,512	7	3Dr.	316,969	10	2	8,361	18	5	15,972	0	7	12,104	0	11	4,637	5	9		
	Dwellings, business premises, &c.	429,453	16	11	2,850	8	7	35,620	1	11	341	12	1	396,342	11	1	492	9	5	21,343	3	11	19,554	3	5	1,991	1	4		
	Totals	874,001	18	1	29,525	18	0	74,145	19	4	526	2	5Dr.	829,907	19	2	15,503	12	2	43,443	18	11	36,595	3	1	9,702	0	6		
Southland—	Current Account	110,943	5	7	19,729	14	7	13,721	3	8	5,658	15	6	111,293	1	0	5,421	9	5	5,579	0	11	4,400	9	7	2,527	19	9		
	Farms, orchards, &c.	341,594	15	10	200	0	0	4,087	8	8	3,677	9	9Dr.	341,384	16	11	16,024	7	5	17,041	15	5	12,191	16	8	4,638	13	10		
	Dwellings, business premises, &c.	172,313	16	10	..	..	..	12,108	3	11	758	13	8	159,447	19	3	195	8	6	8,355	14	5	7,724	5	8	651	12	10
	Totals	624,851	18	3	19,929	14	7	29,916	16	3	2,738	19	5	612,125	17	2	21,641	5	4	30,976	10	9	24,316	11	11	7,818	6	5		
Name of Account.		SUMMARY.																												
Current Account	3,123,535	12	8	588,412	0	9	448,230	5	10	222,086	16	4	3,041,630	11	3	178,251	19	3	154,744	1	9	125,191	15	2	60,595	16	1	147,208	9	9
Farms, orchards, &c.	7,090,868	5	3	35,965	7	10	92,261	15	5	327,422	5	7	6,707,149	12	1	404,983	9	3	338,756	11	5	219,022	7	0	198,004	0	2	326,713	13	6
Dwellings, business premises, &c.	6,888,890	6	7	61,244	18	1	284,795	6	11	20,314	5	5	6,645,025	12	4	24,079	5	5	344,016	15	3	312,426	3	1	33,023	18	3	22,645	19	4
Grand totals	17,103,294	4	6	685,622	6	8	825,287	8	2	569,823	7	4	16,393,805	15	8	607,314	13	11	837,517	8	5	656,640	5	3	291,623	14	6	496,568	2	7

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT—*continued*.

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1926.

	£	s.	d.		£	s.	d.		£	s.	d.
Interest on debentures, &c.	884,155	15	4	Interest on advances—							
Charges and expenses of raising loans	11,782	2	8	Current	154,744	1	9				
Stamp duty on loans raised	106	19	5	Section 2—Farms	338,756	11	5				
Audit fees	500	0	0	Section 2—Dwellings	344,016	15	3				
Management expenses	38,768	0	6	Miscellaneous	1,450	6	2				
Printing and stationery	332	11	5					838,967	14	7	
Working-expenses of farms acquired by the Crown	1,675	1	0	Interest on surplus funds temporarily invested				6,478	9	6	
Maintenance of plant	749	14	9	Interest on purchase price of stock, Matai-kona Settlement				645	0	1	
Rebate of interest	42,939	11	7	Rent from properties bought-in by Crown				18,689	18	7	
Remission of interest and rent	2,178	12	2	Profit from sale of properties and stock				2,875	0	6	
Valuation expenses	722	19	8	Profit from sale of plant				32	18	2	
Travelling-expenses of Field Inspectors and Inspectors of Securities	2,019	7	9	Sale of farm-produce, &c.				2,230	17	5	
Loss on realization of securities—Writings-off in Suspense	250,841	8	1	Transfer and production fees				859	9	6	
Interest written off—Postponements under section 16, Discharged Soldiers Settlement Act, 1921				Valuation fees				330	13	6	
Depreciation reserve—Plant, &c.	1,332	18	0	Net loss for year				371,986	6	9	
Reduction of land-value under section 216, Land Act, 1924	500	0	0								
Sundries	3,492	8	5								
	£1,243,096	8	7					£1,243,096	8	7	
	£	s.	d.					£	s.	d.	
Net loss for year carried down	371,986	6	9	Adjustment on account of previous year				1,009	8	9	
Loss forward from previous year	410,231	5	0	Balance—Net loss to 31st March, 1926				781,208	3	0	
	£782,217	11	9					£782,217	11	9	

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1926.

<i>Receipts.</i>				<i>Payments.</i>			
	£	s.	d.		£	s.	d.
Cash in hand	178,010	15	6	Advances on mortgage—			
Cash not cleared through Treasury in previous years		3	0	Current Account	588,412	0	9
Repayment of advances—				Section 2—Farms Account	35,965	7	10
Current Account	448,230	5	10	Section 2—Dwellings Account	61,244	18	1
Section 2—Farms Account	92,261	15	5	Miscellaneous advances	2,594	5	5
Section 2—Dwellings Account	284,795	6	11				
Buildings advances	175	0	4	Plant Account—Purchase of motor-cars, &c.			
Miscellaneous advances	1,791	16	1	Purchase of live and dead stock			
	827,254	4	7	Sundry estates—Purchase of stock, and working-expenses			
Property Account—				Working-expenses of farm properties acquired under power of sale			
Freehold	21,604	10	2	Capital expenditure on farms acquired through power of sale—			
Leasehold	11,535	2	10	Property, freehold	4,753	18	7
	33,139	13	0	Property, leasehold	2,054	2	4
Realization Account	55,108	9	1				
Sale of farm-produce, &c.	2,901	11	4				
Sundry estates	7,845	0	7	Instalments on State Advances mortgages			
Sale of live and dead stock	9,211	1	3	Realization Account—Expenses incidental to acquisition of properties			
Sale of plant	236	0	9	Sundry creditors—Accounts not cleared in Treasury books in previous years			
Suspense Account	1,953	18	5	Interest on debentures			
Fire Loss Suspense Account	15,569	8	3	Interest on transfers from the Consolidated Fund			
Bills receivable	77	4	0	Stamp duties on transfers of stock			
Sundry debtors—accounts not cleared in Treasury in previous years	4,045	19	3	Management charges on stock			
Interest on advances—				Charges and expenses of raising loans			
Current Account	125,191	15	2	Refund of amount received on account premium on loans			
Section 2—Farms Account	219,022	7	0	Loans repaid			
Section 2—Dwellings Account	312,426	3	1	Vote, "Expenses of Management"—			
Section 2—Buildings Account	294	5	11	Supervision and management of securities			
Miscellaneous	281	12	6	Expenses of Revaluation Committee			
	657,216	3	8				
Interest on investments	11,224	5	0				
Rent and grazing fees	13,987	6	3				
Valuation fees	330	3	0				
Production and transfer fees	846	18	0				
Sundries	36	13	0				
	£1,818,997	14	11				

Approximate Cost of Paper.—Preparation, not given; printing (850 copies), £40.