

Although in a few instances men may not be doing all they might to pay, the great majority seem to be doing their best to meet their engagements, both to the Crown and other creditors, and, given a continuance of the improving conditions, in a few years will better their financial conditions if reasonable assistance is rendered now.

Good progress is being made with improvements, and the completion of these will make things easier.

In small holdings, such as those for poultry-farming, it seems to be harder for men to get on their feet and to need greater industry and adaptability than on larger farms, and I cannot report any great success so far in this direction. Some men with experience are doing fairly well at market-gardening, tomato-growing, &c., but in other cases improvement is desirable.

Men on pastoral country will require some nursing still, and, in common with other farmers, a few have been forced out by financial troubles.

In dealing with applications for land for orchards and other small holdings we have been indebted to the Orchard Inspector, Mr. Dallas, for advice.

A number of dwellings are still under construction. The price for the construction of these is lessening; a number have been sold by the owners and the advances refunded to the Crown. Owing to lack of employment, a few are in arrears with payments. A careful watch is kept over these, but it is desirable that another Farm Supervisor should be appointed, both to keep a closer watch over our securities and advise and encourage settlers, who seem to appreciate any interest the Department takes in them.

OTAGO.

(R. T. SADD, Commissioner of Crown Lands.)

During the year ending the 31st March, 1922, the demand for land by discharged soldiers has decreased to a very great extent, owing partly to the wants of the soldiers being satisfied and partly to the difficulty of obtaining finance other than that provided by the Government.

The drop in the price of wool and stock in the early part of the year and afterwards the fall in the price of butterfat has evidently deterred the selection of land. The price of wool and sheep has now risen to some extent, and the prospects of pastoralists have much improved, so that there is a good prospect of the pastoral lands now subdivided and held back being selected at the end of next season.

The Kelso and Pukeawa Settlements, containing 3,400 acres, were opened during the year, and a few more of the sections on settlements previously offered and not selected have been taken up. The bad harvesting-weather experienced in March will seriously affect some of the settlers.

A few of the settlers who acquired farms under section 2 of the 1917 Act are not doing well, and it is apparent that steps will have to be taken to effect a transfer to another soldier or realize on the security. As the loans on instalment mortgage in most cases are well under the value of the property there should not be a loss in offering for sale or lease, but probably a sale of stock, &c., held under current-account mortgage will result in a loss.

Arrears have increased on rural properties and current accounts, and it seems unlikely that many of the farmers will be able to meet their obligations this season. It is desirable to give these men every encouragement to retain their holdings, and the provisions of section 16 of the Discharged Soldiers Settlement Amendment Act, 1921-22, will enable considerable relief to be given.

Dwellings.

The Inspector of Securities is attending to his duties in a most efficient manner, but owing to a good deal of unemployment in the district a few have got into arrear; most of these are making every effort to meet their obligations, but in three cases it will be necessary to have the properties sold and the arrears paid off.

During the year thirty-eight mortgagors have repaid the whole of their advances, and fifty properties have been transferred to other returned soldiers. Postponements of payments have been discouraged as much as possible, and only four exceptional cases have been recommended. Mortgagors are being encouraged to reduce their arrears by small weekly payments.

The dwelling securities are being kept in excellent order, the soldiers taking a pride in improving their properties in their leisure hours.

SOUTHLAND.

(T. BROOK, Commissioner of Crown Lands.)

As was to be expected, the year just ended has shown a decided shrinkage in the number of discharged soldiers who have been settled on the land as compared with previous years. Simultaneously with the curtailment of advances the demand for land has fallen off. As time goes on, the number of new soldier settlers will become fewer year by year until vanishing-point is reached, and that point must be almost within sight, considering that it is over four years since the Armistice was declared. The first men to return showed a marked preference for pastoral lands, the prosperous state of the sheep-farming industry at that time being a great attraction. That kind of farming offered a freer life than did any other kind, a life more alluring to men who had participated in the war. In Southland there was but little available land to meet the demand referred to. Agricultural farming and dairying comprise the great part of the whole of this district's rural activities. Steady progress in these kinds of farming has been made during the year, and the future prospects can be viewed with optimism. Up to a point the season has been most favourable, and there has been an abundance of pasture. The cereal crops promised well, and in certain localities turned out very well. The month of February was one of unbroken warm weather, and the soldiers whose crops were ready for harvest in that month can consider themselves fortunate indeed. The month of March