

instances where men are doing very well and showing what good returns proper management will obtain from small areas of good suburban land. The fruit-farmers are gradually getting better established, but poultrymen still seem to be having a hard struggle.

In the case of soldiers' houses, owing to many of the men shifting to other districts, there have been a good many transfers, sometimes to other soldiers, and also to civilians where no suitable soldier buyer could be found.

The Field Inspectors are now busy with revaluations of stock securities.

A number of applications are coming in from soldiers for the purchase of tractors in place of horses; but unless the soldier can find a large proportion of the cost himself the Board is proceeding very conservatively, as, like other tools, well handled they are serviceable, but badly handled soon become old junk. The arguments in favour of them read very well on paper, but more experience is required to get at the depreciation factor; and, of course, a good deal will lie with the individual. The one in use by the Department has been doing good work. There is no doubt that the keeping and grazing of sufficient horse-power to effectively eradicate twitch is a tax on a small area, and this is one reason for increasing the areas in the lighter lands referred to.

The total receipts during the year for credit of the Discharged Soldiers Settlement Account were £239,892, the main items being made up of—Payment on account of farms, £38,682; payment on account of houses, £103,689; payment on account of Current Account, £84,050. The amount of loans outstanding at the end of the year was as follows: Instalment mortgages (farms), £1,152,898; instalment mortgages (dwellings), £992,934; Current Account advances, £232,348.

OTAGO.

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

With the passing of time the soldier settlers on the land are becoming firmly established. There have been failures—that was inevitable. There will be further failures, but these will gradually become fewer and fewer in number. The most successful men are those who have gone in for sheep-farming; but most of these possessed capital and had had experience. It is the inexperienced man who has had to be "nursed" and watched. And it is surprising and pleasing to note how many have made good. The soldier settlers on bush country have had rather a hard time. Most of them went in for dairy-farming, but the spread of ragwort has forced some to sell their cows and go in for sheep. Those who took up land on estates acquired for soldier settlement are doing fairly well. It is now admitted that Gladbrook Settlement was subdivided into holdings that were too small. This handicap is being overcome by the Board and the Department encouraging one settler to sell out to another. Gladbrook is not the only example of holdings that are too small, and similar encouragement is being given in other cases where the circumstances appear to warrant it. The settlers on holdings acquired under section 2 of the Discharged Soldiers Settlement Amendment Act, 1917, are doing fairly well. Most of the failures have been sifted out and have abandoned their farms. Some still remain, however, who have very little chance of being successful; but the number of such is now very small. There are only two abandoned farms in this district on the Department's hands, and it is confidently expected that these will be disposed of at an early date.

SOUTHLAND.

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

The soldier settlers have, on the whole, continued to make good and satisfactory progress during the year. All those who applied for a revaluation of their farms have now had their cases dealt with, and general satisfaction is expressed by the settlers at the treatment accorded them by the Dominion Revaluation Board. This feeling is in many cases made apparent by the stimulated efforts and application to work, and a restoration of that all-important adjunct to success—namely, a feeling of confidence in the future—which, prior to the inception and completion of revaluation, had flagged or become entirely dissipated by a too heavy financial overburden in the form of a mortgage no longer sustainable by present-day values, and the accumulation of arrears consequent thereto.

The season now drawing to a close can be characterized as a good one on the whole for those settlers who are engaged mainly in sheep-farming and cropping. On the other hand, the exceptionally dry midsummer had a very adverse effect on milk returns, and those settlers engaged solely in dairying have again had a setback just at a time when they needed their full returns to enable them to recover from the effects of last year's drought. The spring opened well with seasonable rains and an abundance of growth; but later on in the season the feed fell away, and on some farms there was an actual shortage of water for stock.

Fortunately, a drop in the butter market has been followed by a firming-up of prices for both butter and cheese, and the season's returns may possibly be better than at one period seemed probable. Nevertheless it is clear that in some localities the returns from dairying will be below normal, and some further assistance to settlers by way of additional postponements will doubtless be found on investigation to be justified.

A large number of settlers are now firmly established on their holdings, and with a continuance of fair market prices for farm-produce their success is assured. There are still a few cases where, through no apparent fault of the settler, but rather through unfortunate experience and lack of capital, the farm has not yet quite reached the point where it can be expected to provide a living and pay interest, even in spite of reduction of mortgage, or remission or postponement of rent and interest. Where thrift and industry are existent on the part of a settler so circumstanced, special endeavour is being made to assist him in every possible way.

An investigation of Current Account advances is now being undertaken, and it is hoped to have this work complete at the earliest possible date.

A few farms have during the year, for various reasons, fallen back into the hands of the Department. A good proportion of these have been disposed of to civilians, and others are still open for selection or are to be offered for sale at an early date.