

THE DISCHARGED SOLDIERS SETTLEMENT AMENDMENT ACTS, 1923 AND 1924.

REPORT OF CHAIRMAN OF THE DOMINION REVALUATION BOARD.

Personnel: Messrs. J. B. Thompson (Chairman). Thos. Brook (Valuer-General), J. H. Richardson, C.M.G., John Gordon, and R. A. Rodger.

REVALUATION OF SOLDIER SETTLERS' FARMS, AND INVESTIGATION OF CURRENT ACCOUNT ADVANCES.

DURING this year the activities of the Board have centred mainly on the investigation of Current Account advances made to soldier settlers against stock and chattels and improvements on their holdings. The scrutiny of these accounts necessarily called for comprehensive reports regarding the position of each settler. The original work of the Board in reviewing land-values was necessarily brought under consideration again, as in every case the reports placed before the Board showed not only the position regarding the Current Accounts, but also recorded the complete charges under all headings against the land. It being the Board's earnest desire to meet every position fairly as between the Crown and the settler, it has been found necessary to resort to special methods to deal with difficult cases.

There are many factors having an important bearing on the success of the settler that have to be considered. Where the success of a settler could be assured by an adjustment of the capital charges no difficulty existed. There are, however, other problems, such as the unsuitability of certain holdings for profitable occupation; want of finance for development; temperamental or physical unfitness of certain settlers for farm-life; reverses through various causes such as droughts, floods, loss of stock, reversion of pasture, &c. Apart from these difficulties there has been one common disability this year. The fall in the price of butterfat has been felt by all and sundry throughout the Dominion. It is true that most districts experienced good climatic conditions, and to some extent the fall in price was made up by increased yields. The success or failure of so many of our settlers depends so much on the market conditions that any material shrinkage in the normal price of produce is necessarily reflected right through the community. The Board cannot stress too strongly the necessity for the application of up-to-date scientific methods in the handling of farm propositions. The best insurance against the effect of lower values of produce is the careful selection of animals, herd-testing and drastic culling, care of the milk-producer through proper feeding and the provision of shelter. It has to be recognized that farming of any kind cannot succeed through slipshod methods, and the time has arrived when the science of farming must be the constant study of those engaged on the land. Fortunately, the necessity for scientific propaganda, investigation, and tuition is becoming more and more widely recognized. The activities of the Agricultural Department have paved the way to a more general recognition of the value of science and research, while the recently appointed Council of Scientific and Industrial Research, and the proposed establishment of institutes and laboratories in connection with the New Zealand College of Agriculture, at Palmerston North, will, in conjunction with the Department of Agriculture, give opportunities for the fullest development of our national resources.

The Board desires to acknowledge the assistance given by all District Offices in the work entailed through revision and adjustment. Consequent on adjustments and other concessions the position generally with regard to soldier settlement is now on a satisfactory footing.

Given normal seasons and average prices for produce, there is every reason to believe that the position of soldier settlers to-day compares more than favourably with the average civilian settler.

The feeling of depression which has been in evidence for some time has mainly been caused through economic conditions arising from the following causes:—

- (1) Realization by lenders and borrowers that it is just as necessary to-day to adjust private mortgages and borrowings as it was necessary four years ago for the Government to face adjustment of soldier settlers' liabilities.
- (2) In consequence of the above condition, mortgagees are faced with the position that in many cases their apparent equity for advances has disappeared: meaning that before renewing a mortgage they look for a repayment of part of the debt so as to re-establish a fair margin of security over advances.
- (3) The mortgagor in consequence is at his wits' end to finance, and an impasse is reached which has to some extent destroyed the confidence of lenders in rural securities, and their withdrawal from the investing arena has left the mortgagor in the air regarding finance to carry on.
- (4) Another factor is the inability of landowners to obtain the necessary farm labour at its economic value.
- (5) During boom years and seasons of high prices for produce many farmers considerably increased their personal expenditure. Often motor-cars costing (apart from purchase) £150 a year to run were added to the load the farm had to carry. It seems now that farmers will be compelled to readjust expenditure so as to come in line with revenue.
- (6) The decreasing value of the pound sterling in the purchase of all farm requisites, labour, &c., the effect of higher interest and rates, set against the uncertainty of revenue through varying and at times adverse market conditions, are all factors affecting the stability of the farming industry.

There is every hope that these matters are only a phase and will of necessity adjust themselves. It is realized that land did get credit for a value that was not justified on a productive basis, and it is now felt that when adjustments are effected consequent on this realization, confidence will be restored and finance made available in order that latent sources of wealth may be fully developed, and our lands made reproductive to the fullest extent.